



MKS PAMP
GROUP

Daily Asia Wrap - 14th April 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1712.00/4.00	15.35/39	750/54	2211/41
HIGH	1725.75/7.75	15.57/61	763/67	2269/99
LOW	1708.25/0.25	15.33/37	747/51	2177/07
LAST	1711.70/3.70	15.51/55	753/57	2232/62

MARKETS/MACRO

Stocks in the U.S. returned from the Easter break to finish mixed, with investors digesting the weekend coronavirus developments, while keeping a close eye on the upcoming earnings season. The DJIA finished the session -1.39% down to 23,390.77 points following a 12.7% advance last week. The S&P 500 closed trade -1.01% lower to 2,761.63 points after a +12.1% jump the week prior, the largest weekly increase since 1974. The Nasdaq Composite meanwhile ticked up a modest +0.48% to 8,129.42 points, turning higher late in the session to book a third consecutive gain. The dollar traded heavy on Monday, suffering from safe-haven flows into the Japanese Yen as the pair broke underneath 108.00. Treasury yields meanwhile saw choppy trade to finish modestly higher. The two-year added 1.6bps to 0.241%, while the 10-year closed 2.7bps higher at 0.749%. Crude prices saw an initial bid tone on the back of the weekend 9.7 million barrel per day OPEC cut, however finished the session with modest declines as participants questioned whether the cut would address the fall in demand. WTI declined -4.8% to USD \$22.46 per barrel, while Brent crude ended down -2.0% to USD \$31.90 per

barrel. Stock markets in Europe were closed for the Easter Monday holiday.

PRECIOUS

Gold pivoted through USD \$1,700 on Monday and has consolidated gains during Asian trade today to push to fresh multi-year highs. Concerns over global growth continue to underpin demand for the metal, with ETF demand strong as macro players begin to ramp up. The discount in Shanghai has pushed out even further to sit toward USD -\$50 relative to spot, now toward a record discount on the back of a flight to cash. With regards to the EFP, the CME has changed its delivery limits from 3,000 contracts to 6,000 contracts to help ease the strain on the EFP, which now sits toward USD \$50 relative to spot prices, keeping some participants on the side-lines for the time being. Key near-term levels for the metal sit toward USD \$1,714, which marks the 76.4% Fib retracement from the 2012-2015 decline, which the psychological USD \$1,700 level provides additional support. Silver physical demand remains buoyant and should increase as India and China open back up, while carrier capacity be it air or sea increases. On the spot side we have seen the metal lag the recent gold price action, however we are likely to see short covering support the metal as spot extends above USD \$15.50. The lockdown in India has been extended to early May, which will see physical demand out of the region put on the back burner for now. To the white metals and there is little to report as they hold within recent ranges.

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