

Daily Asia Wrap - 14th December 2020

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1839.80/30	23.99/02	1015/19	2320/30
HIGH	1839.80/30	23.99/02	1019/23	2325/35
LOW	1833.10/60	23.82/85	1014/18	2320/30
LAST	1834.40/90	23.93/96	1016/20	2322/32

MARKETS/MACRO

Stocks in the U.S. ended the week largely on the backfoot as the stimulus stalemate showed little signs of abating. The S&P 500 finished the session -0.13% lower at 3,663.46 points, the Nasdaq Composite slipped -0.23% to 12,377.87 points, while the Dow Jones Industrial Average bucked the trend, inching +0.16% higher to finish at 30,046.37 points. Over the week, the S&P 500 and the Dow Jones Industrial Average fell -1% and -0.6% respectively, while the Nasdaq Composite snapped a three-week winning streak to book a -0.7% decline. The greenback clawed back some of the recent weakness on Friday, seeing the DXY index finish +0.25% higher as the Euro (-0.23%) tested back toward the 1.2100 handle. Treasury yields meanwhile traded under pressure to see the two-year slide 1.8bps to 0.119%, while the 10-year slipped 1.1bps to 0.896%. On the data front, U.S. PPI inched +0.1% MoM higher during November to mark the smallest gain since April, while in the 12-months through November PPI increased +0.8% YoY. Core PPI increased +0.1% MoM from +0.2% the month prior and +0.9% YoY from +0.8% previously. The University of Michigan gauge of U.S. consumer sentiment unexpectedly increased during December, jumping to 81.4 (exp: 76.0) from 76.9 previously. The headline print was supported by gains across both current conditions and the expectations indices. European stocks booked declines on Friday amid the Brexit uncertainty, seeing the pan-European Stoxx 600 fall -0.77% to 390.12 points, the German Dax sunk -1.36% to 13,114.30 points, while in London the FTSE 100 declined -0.80% to 6,546.75 points.

PRECIOUS

Further dollar declines failed to support price action across the precious complex during Asian trade today, as metals saw broad weakness to trade heavily underneath Friday's closing levels. Gold continues to see offers through USD \$1,840 - \$1,850 weigh upon price action as we head into the FOMC this week, in addition to on-going Brexit and U.S. fiscal stimulus negotiations. USD/Yuan opened offered in Asia, however provided little in the way of directional flows across the spot gold market today as the on-shore discount in gold remained pinned toward USD -\$20. Expect year end demand to remain robust across physical centres such as India/China, while ETF redemptions have slowed over recent sessions to lessen top-side headwinds. The USD \$1,850 pivot remains the key top-side directional level, while broad support sits through the 200 DMA at USD \$1,810 to the psychological USD \$1,800 figure. Silver trades underneath USD \$24 in uninspiring flows, while platinum sees support above USD \$1,000 after mild profit taking has dragged the metal lower in recent sessions.

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MKS PAMP GROUP B.V. | World Trade Center - B Tower, 867 Strawinskylaan, Amsterdam, 1077XX
Netherlands

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