



MKS PAMP
GROUP

Daily Asia Wrap - 15th May 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1730.10/1.10	15.89/91	772/76	1821/61
HIGH	1737.50/8.50	16.28/30	776/80	1835/75
LOW	1728.80/9.80	15.78/80	765/69	1816/46
LAST	1736.00/7.00	16.19/22	772/76	1825/65

MARKETS/MACRO

A stunning turnaround, led by the financial sector, saw US equities finish higher after being deep in the red in early trading. The Dow added 377.37 points, or 1.62%, to 23,625.34 despite being 450 points down early in the session, the S&P 500 rose 32.50 points, or 1.15%, to 2,852.50, while the Nasdaq gained 80.55 points, or 0.91%, to 8,943.72. The rally was led by financials (+2.64%) and consumer discretionary (+1.31%). European equities were sharply lower the EuroSTOXX lost 7.26 points, or 2.17%, to 326.71, the German DAX fell 205.64 points, or 1.95%, to 10,337.02, and the London FTSE 100 dropped 162.51 points, or 2.75%, to 5,741.54. Little action in the currencies overnight, the US dollar index was flat at 100.26, the EUR was as low as 1.0777, while USD/JPY traded up to 107.34. US treasury yields were lower, the 2 year yield slipped 0.6 bps to 0.147% while the 10 year yield eased 1.3 bps to 0.615%. Oil prices were sharply higher as shipping data suggests OPEC is reducing output, Brent climbed 6.2% to \$31.37 while WTI jumped 8.4% to \$27.79. Base metals were broadly lower, with nickel (-1.5%) leading the losses. In US economic data, initial jobless claims rose by over 2.6 million in the week ending May 9, the number of people seeking benefits has increased by at least 2 million per week for 8 weeks in a row. The import price index dropped by 2.6% in April, while import prices excluding fuel fell 0.8%. In Asia today, as I write the Nikkei is at +0.62%, the Shanghai composite is at -0.18%, the Hang Seng is at -0.07%, and the ASX S&P 200 is at

+1.43%. Tonight we have retail sales, the Empire State index, industrial production, capacity utilisation, job openings, the consumer sentiment index, and business inventories out of the US; along with GDP, balance of trade, and employment change from the eurozone.

PRECIOUS

Firm session for the precious as gold trades towards the 2020 highs. Gold was unable to make a sustained move through \$1720 during Asian hours with plenty of investors keen to sell at those levels. Early London trading was much the same despite the risk-off tone in European equities. Things got interesting in NY as stocks open lower and gold shoots up to the session high \$1735. Despite equities rebound impressively off the lows the yellow metal managed to consolidate above \$1730, eventually closing at \$1732. Silver was softer during Asian hours and through the London AM session before taking off in NY. The grey metal jumped up to \$15.77 before grinding higher through the remainder of the session to finish just under the \$15.88 high. In the PGMs, palladium dipped to a low around \$1790 but was able to recover and reclaim the \$1800 handle. The Philadelphia gold and silver index rose 2.77% to 121.25. More positive signals in Asia today as gold consolidates above \$1730 through Asian hours, the yellow metal is currently sitting just above yesterday's high at \$1736. Silver has been the standout in Asia, surging to a 2 month high \$16.28, the grey metal is at \$16.19 as I write. Have a good day ahead.

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