



MKS PAMP
GROUP

Daily Asia Wrap - 16th April 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1719.00/1.00	15.44/48	775/79	2174/14
HIGH	1721.75/3.75	15.48/52	786/90	2215/55
LOW	1712.50/4.50	15.29/33	771/75	2140/80
LAST	1720.10/2.10	15.48/52	785/89	2181/21

MARKETS/MACRO

Weaker than expected economic data weighed on US equities. Retail sales posted a record monthly fall of 8.7% in March as the COVID-19 crisis forced the shut down of large parts of the economy. The decline was greater than the 7.1% forecast by economists and more than double the biggest one month fall during the last recession in 2007-09. Retail sales ex-autos fell by 4.5% in March. Industrial production fell 5.4% in March, which was below the forecast and the steepest decline since 1946, while capacity utilization fell to 72.7%. In US equities, the Dow lost 445.41 points, or 1.86%, to 23,504.35, the S&P 500 fell 62.70 points, or 2.20%, to 2,783.36, while the Nasdaq shed 122.56 points, or 1.44%, to 8,393.18. Energy (-4.67%) and materials (-4.51%) led a broad sell off across the market. European equities were sharply lower, the EuroSTOXX gave up 10.85 points, or 3.25%, to 323.06, the German DAX dropped 416.80 points, or 3.90%, to 10,279.76, and the London FTSE 100 dumped 193.66 points, or 3.34%, to 5,597.65. In the currencies, the US dollar index firmed 0.71% to 99.57, the EUR was sold down to 1.0863, while USD/JPY traded up to 107.76. US treasury yields were lower, the 2 year yield eased 1.4 bps to 0.199% while the 10 year yield fell 9.5 bps to 0.633%. Oil prices were lower as weak economic data weighed on demand, Brent sold off 6.6% to \$27.94 while WTI lost 1.4% to \$20.20. Base metals were mixed, with copper (-1.0%) leading the losses. In further US economic data, the Empire State Index plunged to 78.2 in April, the lowest ever reading. The NAHB home

builders index fell 42 points to a reading of 30 in April. In Asia today, as I write the Nikkei is at -1.49%, the Shanghai composite is at -0.17%, the Hang Seng is at -0.79%, and the ASX S&P 200 is at -1.32. Tonight we have weekly jobless claims, housing starts, building permits, and the Philly Fed manufacturing index out of the US; along with industrial production out of the eurozone.

PRECIOUS

Fairly uneventful session for the precious as a rising US dollar kept metals in check. Gold opened around \$1730 in Asia which ended up being the highs of the day. A steep sell-off into the London open saw the market reach its bottom at \$1713 early in the AM session. Plenty were keen to buy the dip and the metal traded back towards the earlier highs. Despite weak data and falling bond yields being supportive for gold, the firming US dollar put pressure on the market through NY trading, the metal traded down near the lows before a modest recovery late in the day. The yellow metal finished the session at \$1722. Silver was softer, the grey metal ended about 40c lower on the day. PGMs remained within their recent range. The Philadelphia gold and silver index fell 1.82% to 104.29. Relatively quiet in Asia today, gold dipped to the low of \$1714.50 as the US dollar found further broad support, but has recovered to opening levels. The yellow metal is at \$1721 as I write. Silver has also remained around the opening level, the grey metal is currently sitting at \$15.50.

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