



MKS PAMP
GROUP

Daily Asia Wrap - 18th June 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1726.00/7.00	17.47/50	813/33	1911/51
HIGH	1729.70/0.70	17.55/58	815/35	1934/74
LOW	1723.60/4.60	17.43/46	801/31	1906/46
LAST	1726.30/7.30	17.49/53	806/26	1920/60

MARKETS/MACRO

U.S. stocks snapped a three-session winning streak on Wednesday on the back of uncertainty created by spikes in positive COVID-19 cases in multiple U.S. states, in addition to fresh concerns over a second wave of the virus in China. The DJIA ended the session -0.65% to 26,119.61 points, the S&P 500 declined -0.36% to 3,113.49 points, while the Nasdaq Composite inched +0.15% higher to 9,910.53 points as Apple touched an intraday record. In currency majors the greenback tracked mixed, however ultimately ended relatively unchanged. The safe-haven Japanese Yen found interest to test toward 107.00, while the Euro slipped back toward 1.12. Treasury yields were lower across the curve as the 10-year eased around 2bps to 0.73%. Oil futures eased modestly on the back of renewed virus concerns and increased inventories, seeing WTI end the session -1.1% lower at USD \$37.95 per barrel, while Brent crude declined -0.8% to USD \$40.65 per barrel. On the data front, U.S. mortgage applications jumped +4% last week and 21% higher relative to the same period last year. It was the ninth consecutive week of gains to push the purchase index to the highest level in 11 years.

PRECIOUS

Gold tracked sideways during Asian trade today, lacking catalysts for a break outside of the recent range. Price action saw a mild uptick headed into the Shanghai open, however as we have seen in recent sessions, Chinese interest offered the metal into the afternoon, creating headwinds to a move

above USD \$1,730. Spec positioning lightens and although ETF demand remains, inflow momentum has declined from previous weeks. Ongoing risks to the global economic recovery, especially with regards to recent spikes in virus cases in both the U.S. and China continues to underpin price action, however a lack of physical demand is likely to see gold hold USD \$1,700 - \$1,750 over the near term. Silver remains pinned toward USD \$17.50 and is benefiting from both safe-haven status and an uptick in broader commodity demand. The grey metal should continue to see interest above USD \$17 to once again re-test USD \$18 over the near-term. The white metals continue to hold support levels amid narrow ranges. Focus on the Bank of England meeting tonight and the size of an increase to QE.

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