



MKS PAMP
GROUP

Daily Asia Wrap - 20th October 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1904.30/80	24.38/41	860/63	2335/55
HIGH	1904.70/20	24.55/58	861/64	2342/62
LOW	1894.80/30	24.32/35	855/58	2335/55
LAST	1901.30/80	24.50/53	857/60	2340/60

MARKETS/MACRO

Stocks in the U.S. ended toward the session lows on Monday as optimism over a pre-election stimulus agreement waned. The Dow Jones Industrial Average declined -1.44% to 28,195.42 points, the S&P 500 slumped -1.63% to 3,426.92 points, while the Nasdaq Composite fell -1.65% to 11,478.883 points. The greenback ended the session modestly down (DXY -0.27%), softer relative to the Euro (EUR/USD +0.43%) as the pair tested toward 1.18, while the safe-haven Japanese Yen tracked sideways around 105.50 relative to the dollar to end flat on the session. Treasury yields finished mixed as the two-year held around 0.147%, while the 10-year added 3bps to 0.772%. On the data front, the U.S. NAHB housing market index strengthened to 85 during October from 83 previously, printing a fresh record high as the current conditions index led the headline print higher. European markets finished in the red as increasing coronavirus cases and the Brexit impasse had investor's heading for the exits. The pan-European Stoxx 600 ended trade -0.18% lower at 366.81 points, the German Dax declined -0.42% to 12,854.66 points, while in London the FTSE 100 fell -0.59% to 5,884.65 points.

PRECIOUS

A firmer greenback and broadly lower regional equities weighed upon the precious complex during Asian trade today, however recent ranges largely remained in-tact as participants await stimulus headlines today. Gold turned offered in early Shanghai trade to test recent session lows toward USD \$1,895 as the dollar firmed against the Yuan post-fix, however the declines were short-lived and the USD \$1,900 handle was quickly regained. We continue to see interest on declines through USD \$1,900, however headwinds through USD \$1,915 - \$1,920 weigh upon narrowing price action. All eyes today on whether an agreement on U.S. stimulus can be reached, with democrat representatives noting on Monday that key differences had been narrowed. House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin plan to speak again today in a last-ditch effort to have a bill passed before the election. Should the parties reach an agreement, expect to see both equities and gold react higher, with USD \$1,920 - \$1,930 the initial focus for a resumption of the bull trend. A firm session for silver on Monday topping out just underneath USD \$25, and while the grey metal gave back gains into the close, it remained buoyant above the March uptrend. There was strong interest today to see the metal pegged around USD \$24.50 and as with gold, stimulus will be the key near-term driver, with targets extending through USD \$25.00 - \$25.50. Data releases today include U.S. housing starts and U.S. building permits.

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