

## Daily Asia Wrap - 21st January 2021

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1871.20/80	25.83/86	1114/17	2360/90
HIGH	1874.40/00	26.03/06	1114/17	2370/80
LOW	1867.00/60	25.70/73	1100/03	2360/90
LAST	1873.10/70	25.99/02	1112/15	2370/80

### MARKETS/MACRO

Joe Biden was confirmed at the 46<sup>th</sup> President of the United States. US equities were higher on inauguration day with the S&P 500 reaching an all-time high. The Dow rose 257.86 points, or 0.83%, to 31,188.38, the S&P 500 added 52.94 points, or 1.39%, to 3,851.85, while the Nasdaq gained 260.07 points, or 1.97%, to 13,457.25. Communications (+3.62%) and consumer discretionary (+2.26%) led a near broad across the market. European equities were higher, the EuroSTOXX put on 2.92 points, or 0.72%, to 410.84, the German DAX advanced 106.31 points, or 0.77%, to 13,921.37, and the London FTSE 100 rose 27.44 points, or 0.41%, to 6,740.39. Currency majors finished up largely unchanged despite a reasonably choppy session, the US dollar index was flat at 90.45, the EUR was at 1.2118, with USD/JPY trading down to 103.54. US treasury yields were lower, the 2 year yield lost 0.4 bps to 0.127% while the 10 year yield eased 0.5 bps to 1.087%. Oil prices were lower, Brent fell 0.7% to \$55.89 while WTI slipped 0.2% to \$53.24. Base metals were broadly higher, with zinc (+1.6%) leading the gains. In US economic data, the National Association of Home Builders index fell 3 points to 83 in January. In Asia today, as I write the Nikkei is at +0.97%, the Shanghai composite is at +1.30%, the Hang Seng is at +0.17%, and the ASX S&P 200 is at +0.70%. Tonight we have initial jobless claims, continuing jobless claims, housing starts, building permits, and the Philadelphia Fed index out of the US; along with the ECB interest rate decision out of the eurozone.

### PRECIOUS

Firm session for the metals on Wednesday as the precious complex extends gains. It appears that Treasury Secretary nominee Janet Yellen's comments that significant state spending would be required in the continued fight against the pandemic are fueling demand. Gold opened at \$1839 and made a steady climb higher through Asian hours to trade at \$1857 by the time London came in. London were sellers through the AM session as investors offered the euro, sending the market to the day's low of \$1833. Strong rebound as NY opened and the metal surged \$30 off the low within the first couple of trading hours. The market remained supported through the remainder off the session, with the yellow metal closing right at the \$1871 high. Silver also saw impressive demand, trading through the resistance level at \$25.50 and as high as \$25.87 late in the session. In the PGMs, platinum regained the \$1100 handle while palladium's attempt at the \$2400 level was rejected. The Philadelphia gold and silver index rose 3.05% to 143.24. Quiet trading for the metals in Asia today as equities are bid. Gold has traded a \$7 range and is sitting at \$1873 as I write. Silver has found some buying interest this afternoon and is testing toward the \$26 level. The grey metal is currently trading at \$25.99. Have a good day ahead.

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