



MKS PAMP
GROUP

Daily Asia Wrap - 21st September 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1950.50/00	26.80/83	932/37	2360/90
HIGH	1955.60/10	26.94/97	942/47	2390/20
LOW	1946.50/00	26.57/60	930/35	2355/85
LAST	1953.30/80	26.80/83	936/41	2380/10

MARKETS/MACRO

Stocks in the U.S. posted declines on Friday, as concerns grow over when a fresh round of stimulus will be approved by Washington, while tensions with China added to the downbeat mood. The DJIA ended trade -0.88% lower to 27,657.42 points, the S&P 500 fell -1.12% to 3,319.47 points to end underneath its 50 DMA for the first time since late April, while the Nasdaq Composite declined -1.07% to 10,793.28 points. On a weekly basis the tech-laden Nasdaq Composite eased -0.6%, the S&P 500 also declined -0.6% and the DJIA ticked -0.1% lower. The greenback tracked sideways to see the DXY index finish toward 93.00, remaining offered against the Japanese Yen (USD/JPY -0.18%), while largely unchanged relative to the Euro. Treasury yields firmed in New York as the two-year yield gained 0.5bps to 0.141%, while the 10-year added 0.6bps to 0.695%. On the data front, the University of Michigan's consumer sentiment gauge increased to 78.9 (exp: 75.0) during September from 74.1 previously. Both current conditions and expectations measures improved, however near-term and longer-term inflation expectations softened. European stocks slipped on Friday on fears over a second wave

of the Coronavirus within the region. The Eurostoxx 600 ended -0.66% lower at 368.78 points, The German Dax fell -0.70% to 13,116.25 points, while in London the FTSE 100 declined -0.71% to 6,007.05 points.

PRECIOUS

A quiet start to the week across the precious complex today, seeing gold largely pinned to the USD \$1,950 figure, while silver traded range-bound between USD \$26.50 - \$27.00. Modest early session offers took bullion underneath USD \$1,950 amid light flows as Japan took leave, however dollar declines heading into the Shanghai open provided support for the metal to see pricing pivot back through USD \$1,950. The on-shore discount in Shanghai continued to tighten today, moving toward USD -\$40 as USD/Yuan appreciated to see both on-shore and off-shore trade toward 6.75. Gold remains just underneath the uptrend from March and continues to see rallies sold to limit top-side price action. Non-commercial length has increased in recent weeks to support the metal, however ETF inflows have stalled and without the resumption of interest it is hard to see the metal testing toward USD \$2,000 over the near-term. Silver is lacking the impetus for a clean break through USD \$27 and will look toward the USD \$26.50 - \$26.00 supportive band over the near-term, while palladium tests back toward USD \$2,400. A quiet session for directional data today, with the Chicago Fed National activity index the main print.

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