



MKS PAMP
GROUP

Daily Asia Wrap - 24th February 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1651.00/56.00	18.64/69	975/79	2715/35
HIGH	1679.70/79.90	18.80/82	978/80	2765/85
LOW	1651.00/56.00	18.59/61	970/72	2715/35
LAST	1666.70/66.90	18.67/69	971/73	2730/50

MARKETS/MACRO

Fresh coronavirus fears drove a flight to safety on Friday and weighed heavily on global equity markets. In the U.S. the DJIA fell -0.78% to 28,992.41 points, the S&P 500 slumped -1.05% to 3,337.75 points, while the Nasdaq Composite cratered -1.79% to 9,576.59 points. The greenback reversed recent gains in New York as data prints disappointed. The DXY index declined -0.25% as USD/JPY (-0.5%) moved back underneath 112.00, while the Euro and the British pound firmed +0.6%. Treasury yields in the U.S. followed the dollar lower post U.S. data, seeing the two-year retreat 3.5bps to 1.3564%, while the 10-year declined 4.2bps to 1.4746%. On the data front, the Markit manufacturing PMI print out of the U.S. for February disappointed, easing to 50.8 (exp: 51.5) from 51.9 previously, while the services PMI print contracted for the first time since 2015, sliding to 49.4 (exp: 53.4) from 53.4 previously. Existing home sales in the U.S. declined -1.3% MoM during January (exp: -1.8%) to an annualised rate of 5.46 million. European markets softened on Friday as an increase in infections within Italy spooked investors, however firmer regional PMI prints tempered declines somewhat. The Stoxx Europe 600

ended trade -0.49% lower to 428.07 points, the German Dax booked a -0.62% decline to 13,579.33 points but saw Markit manufacturing and services PMI prints outpace expectations, while in London the U.K. FTSE 100 eased -0.44% to 7,403.92 points.

PRECIOUS

A heightening of fears over the impacts of the coronavirus drove gold higher during Asian trade today, as weekend reports of further spread in Europe and South Korea saw a move into the safe-haven. The yellow metal opened well bid to print initial prices above USD \$1,650, extending further in early pricing to touch a USD \$1,679.70 high. There seems to be a mix of short covering and a fear of missing out driving the gains, with USD \$1,660 well supported on any pull backs. Expect demand to remain firm through USD \$1,660 - \$1,650, while there's little top-side resistance on the way to USD \$1,700. Spot moves have seen vols move markedly higher in recent sessions, pushing 1m toward 14 from 11's late last week, while silver 1m sits around 22.0 and lags gold somewhat in both spot and vol moves. Silver opened markedly through Friday's USD \$18.50 close to touch an early session USD \$18.80 high, while price action within the PGM's remained tight. The greenback clawed back a portion of Friday's declines during today's session, however saw some afternoon weakness relative to the Yuan during Shanghai hours after USD/CNH pushed above 7.05 leading into the Chinese open. Data releases today include German IFO business data, the Chicago Fed national activity index, and the Dallas Fed manufacturing activity print.

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