



MKS PAMP
GROUP

Daily Asia Wrap - 24th March 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1557.20/70	13.25/28	644/49	1723/43
HIGH	1584.20/70	14.10/13	673/78	1848/68
LOW	1553.80/30	13.16/19	644/49	1705/25
LAST	1560.00/50	13.51/54	658/63	1812/32

MARKETS/MACRO

The U.S. Federal Reserve announced unlimited QE on Monday, including the purchasing of unlimited quantities of Treasury bonds and mortgage backed securities, the direct purchase of corporate bonds and direct loans to companies. There has been a holdup in congress however of the proposed USD \$2 trillion economic stimulus package, with Democrats blocking the bill through the Senate, arguing the measures are directed more toward helping big business. The measures did little to support U.S. stocks as the rapidly rising number of coronavirus cases overshadowed the Fed announcement, seeing each of the three major bourses futures contracts hit their respective -5% limit down circuit breaker on the open. The DJIA finished -3.04% down at 18,591.93 points, the S&P500 fell -2.93% to 2,237.40 points, while the Nasdaq Composite shed just -0.27% to 6,860.67 points. Declines were led by energy (-6.65%) and financial shares (-6.11%), while the VIX volatility index eased -6.74% to 61.59. The greenback declined modestly from recent gains (DXY -0.30%), easing relative to the safe-haven Japanese Yen after pushing above

111.00 briefly. Treasury yields declined as investors flocked into the bond market, seeing the 10-year down 18bps to 0.76%. Oil futures firmed modestly as WTI added +3.2% to USD \$23.36 per barrel. On the data front, the Chicago Fed National activity index improved to +0.16 during February from -0.33 the month prior, however the data was collated prior to the coronavirus in the U.S. Stocks across Europe were also well offered to see the Eurostoxx 600 -4.30% lower, the German Dax declined -2.10%, while in London the FTSE 100 sunk -3.79%.

PRECIOUS

The precious complex continued the overnight bid tone during Asian trade on Tuesday as gold consolidated the break above USD \$1,550. The yellow metal found favour throughout the session, with demand out of China notably increasing as the on-shore premium continued to improve. Bullion touched a USD \$1,584 session high before tempering gains as light profit taking and illiquid conditions weighed upon the metal during the afternoon. Expect the metal to test through USD \$1,600 (further extension to USD \$1,645 possible) over the near-term as ETF demand continues to buoy the market, while heightened retail interest should add further top-side support. Silver finally pivoted back above USD \$13 as ETF's move back into the metal, extending gains to breach USD \$14 briefly. While a sharp illiquid sell-off late in Asia saw the metal drop to USD \$13.16, Indian demand remains evident and the metal soon recovered back above USD \$13.50 heading into European trade. Both platinum and palladium have traded well bid today, following news that South African producers will be closing as a result of the coronavirus. It is worth noting that a number of Swiss refineries have closed this week as a result of the coronavirus. While this is expected to be a temporary measure lasting one week, the situation remains fluid and is likely to have a short-term impact upon physical metal in the system. We have already heard of bar premium increases across global centres.

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