



MKS PAMP
GROUP

Daily Asia Wrap - 24th September 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1864.30/80	22.80/83	844/49	2230/50
HIGH	1868.60/10	22.90/93	849/54	2240/60
LOW	1849.60/10	21.65/68	833/38	2180/00
LAST	1854.30/80	22.08/11	834/39	2180/00

MARKETS/MACRO

Stocks in the U.S. suffered sharp falls on Wednesday, with declines accelerating into the close on the back of concerns over increasing coronavirus cases and a lack of progress in Washington on further fiscal stimulus. The DJIA ended the session -1.92% lower to 26,763.13 points, the S&P 500 fell -2.37% to 3,326.92 points, while the tech-laden Nasdaq cratered -3.02% to 10,632.984 points. In Federal Reserve news, Vice Chairman Richard Clarida said on Wednesday that policy makers won't automatically raise rates once inflation hits their 2% target and could keep rates at current levels even after PCE inflation has reached 2% and beyond. In positive coronavirus news, Johnson & Johnson announced on Wednesday that they had started a 60,000 person clinical trial. The single-dose trial spans three continents and is the fourth vaccine candidate to enter final stage testing in the U.S. Currency majors once again posted declines against the greenback (DXY +0.40%). The safe-haven Japanese Yen declined -0.42% to see USD/JPY above 105.00, while the Euro (EUR/USD -0.44%) traded heavily underneath 1.17. Treasury yields edged higher to see the two-year add less than 1bp to 0.138%, while the

10-year yield inched 0.2bps higher to 0.0.675%. On the data front, the Markit manufacturing PMI for September crept higher to 53.5 from 53.1 previously, while the Markit services PMI eased to 54.6 from 55.0 previously.

PRECIOUS

Another volatile session across the precious complex during Asian trade on Thursday, notably silver trading a USD \$0.90 range as the grey metal declined underneath USD \$22.00 amid illiquid early session flows. While gold held a 'relatively narrow range', silver saw offers drag the metal to a USD \$21.70 low pre-Tokyo in thin trade, bouncing perfectly off the 100 DMA average as resting bids at the level restricted further declines. The remainder of the session saw whippy trade as the on-shore discount in Shanghai held toward USD -\$0.50 and provided little in the way of price direction across the spot market. Comex remained thin throughout Asia to see whipsaw pricing, generally offered into London trade to print a USD \$21.68 low, once again finding interest toward the 100 DMA and pushing back above USD \$22.00. Gold extended declines in Asia today, however remained supported above the 100 DMA at USD \$1,844, generally tracking dollar flows throughout the session. The metal remains heavy after breaking below the March uptrend and is likely to follow U.S. equities over the near term, while continuing to track inverse to the currently bid greenback. A close watch on ETF flows at current spot levels, with a number of entry levels under threat, likely to weigh upon potential top-side gains should pricing remain heavy. Platinum struggles to build a bullish case following the breakdown through both the 100 DMA (USD \$874) and 200 DMA (USD \$870) in recent sessions, while palladium trades above key moving averages, however threatens a consolidated move underneath USD \$2,200 over the near-term. Data today includes German IFO survey data, U.S. initial jobless claims, Bloomberg U.S. consumer comfort and U.S. new home sales.

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