



MKS PAMP
GROUP

Daily Asia Wrap - 25th August 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1930.00/50	26.63/66	919/24	2167/87
HIGH	1937.50/00	26.81/84	929/34	2189/09
LOW	1926.00/50	26.42/45	918/23	2160/80
LAST	1932.20/70	26.53/56	925/30	2165/85

MARKETS/MACRO

A strong session for U.S. equities to start the week as optimism over a coronavirus vaccine propelled stocks to fresh records. The S&P 500 finished the session +1.00% higher to a fresh all-time record close at 3,431.28 points, the Nasdaq Composite gained +0.60% to 11,379.719 points, also a fresh all-time record close, while the DJIA (+1.35%) closed at a six month high of 28,308.46 points. The greenback consolidated previous session gains on Monday, adding +0.15% to hold above 93.00 as the Euro failed to reclaim the 1.18 handle and the Japanese Yen eased modestly (-0.06%) to see USD/JPY test 106.00. Treasury yields firmed on the back of vaccine headlines, pushing the two-year 1bp higher to 0.153%, while the 10-year added 2.1bps to 0.6542% to mark the largest single-session rise in a week. The Chicago Fed National activity index declined during July from a revised record high of 5.33 in June, falling to 1.18 (exp: 3.70), while the three-month moving average ticked higher to 3.59 from -2.78 previously. Stocks in Europe finished higher on Monday as vaccine optimism buoyed the market. The Stoxx Europe 600 ended the session +1.58% higher to 370.85 points, the German Dax surged

+2.36% to 13,066.54 points, while in London the FTSE 100 jumped +1.71% to 6,104.73 points.

PRECIOUS

A mixed, range-bound session across the precious complex today, as the metals pared early session gains in afternoon trade with the dollar pausing an initial offered tone. The USD \$1,930 pivot was firmly in play throughout the session, with gold breaking back above the level from the re-open and generally buoyant around the figure heading into the Chinese open. The on-shore discount in Shanghai tightened modestly into USD -\$68 and USD/Yuan moved sharply lower on the on-shore fix. Bullion saw broad based interest to extend to a USD \$1,937.50 session high amid light volumes through Comex of just over 25k lots. Resistance through USD \$1,950, although briefly broken on Monday, remains a formidable level over the near-term as we head toward Powell's speech at Jackson Hole. Expect range-bound trade over the coming days as the yellow metal tracks into a wedge that sees support toward the key psychological USD \$1,900 figure. Silver remains range-bound through USD \$26 - \$27.50 with no real short-term conviction either way, while the white metals continue to see muted price action.

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