

## Daily Asia Wrap - 25th January 2021

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1855.80/30	25.48/51	1103/08	2361/71
HIGH	1859.90/40	25.69/72	1111/16	2368/78
LOW	1850.80/30	25.45/48	1096/01	2355/65
LAST	1853.90/40	25.57/60	1101/06	2357/67

### MARKETS/MACRO

U.S. stocks ended trade on Friday broadly lower as participants eyed stimulus developments in Washington amid firm PMI prints. The Dow Jones Industrial Average ended down -0.57% to 30,996.98 points, the S&P 500 dipped -0.30% to 3,841.47 points, while the tech-laden Nasdaq Composite inched +0.09% higher to 13,543.06 points. The greenback saw modest gains on Friday (DXY +0.13%), ending relatively unchanged against the Euro, while the Japanese Yen declined -0.3% as USD/JPY tested toward 104.00. Treasury yields diverged as the curve flattened to see the two-year hold toward 0.121%, while the 10-year declined 2.2bps to 1.085%. On the data front, Markit reported a strong U.S. manufacturing PMI during January, increasing to 59.1 (exp: 56.5) from 57.1 previously, while the services PMI increased to 57.5 (exp: 53.4) from 54.8 previously. The strong results were largely driven by optimism over the vaccine rollout and hope that further stimulus measures will support economic growth. Existing home sales in the U.S. increased +0.7% MoM during December (exp: -1.9%) to an annualized 6.76m as inventory dropped to a record low of 1.07 million, down -23% from the same time 12-months ago. Markets across Europe finished lower on Friday as regional data disappointed. The pan-European Stoxx 600 declined -0.57% to 408.54 points, the German Dax finished down -0.24% at 13,873.97 points, while in London the FTSE 100 finished -0.30% lower at 6,695.07 points.

### PRECIOUS

A quiet start to the week across the precious complex in Asia today, as metals remained within narrow ranges throughout the session. Gold saw a USD \$1,850 - \$1,860 range, buoyed somewhat by a softer greenback, however failing to make headway through the 50 DMA toward USD \$1,859.25. On-shore pricing in Shanghai remained in premium, although has tempered somewhat today to test a move back to flat. Declines to USD/CNY led afternoon dollar weakness (DXY -0.12%) as the pair slipped -0.2% toward 6.474 and USD/CNH followed suit. Near-term price direction is likely to track either-side of the 200 DMA around USD \$1,847.80 as we head toward the FOMC meeting this week, with participants turning focus to Powell's comments in addition to stimulus headlines out of Washington. More broadly, gold sees USD \$1,800 as a hard support after testing the figure early last week, while the 100 DMA at USD \$1,882.90 and the psychological USD \$1,900 figure are the key top-side break-out levels. We've seen mixed trade across the PGM space in recent sessions, with palladium failing to consolidate the USD \$2,400 handle despite a tightening sponge market, although thus far demand through USD \$2,350 has kept price action buoyant. Platinum meanwhile continues to see interest broadly around the USD \$1,100 figure, with targets extending to the key near-term pivot at USD \$1,150.

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