



MKS PAMP  
GROUP

## Daily Asia Wrap - 25th June 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1761.70/2.70	17.47/51	791/11	1861/01
HIGH	1765.30/6.30	17.58/62	799/19	1877/17
LOW	1757.00/8.00	17.44/48	791/11	1857/97
LAST	1762.60/3.60	17.56/60	795/15	1872/12

### MARKETS/MACRO

Stocks in the U.S. moved sharply lower on Wednesday, booking the worst session in two-weeks as fears over further economic damage from surging coronavirus cases saw participants head for the exits. All 11 sectors over the S&P 500 finished in the red as the bourse shed -2.59% to 3,050.33 points, while the DJIA was off -2.72% to 25,445.94 points and the Nasdaq Composite fell -2.19% to 9,909.17 points. Driving concerns were 14-day quarantine announcements from New York, New Jersey and Connecticut for visitors from states with high levels of infection, while both Florida and California recorded daily records for levels of new cases and intensive care unit beds in Houston were reported to be at 97% of capacity. The greenback finished the session firmer to add +0.6% relative to majors, gaining relative to the Japanese Yen to push back toward 107.00, while the Euro declined underneath 1.13. U.S. treasury yields declined to flatten the curve amid the flight to safety, seeing the 10-year down 2.5bps to 0.683%. Bloomberg reported that the U.S. is considering imposing tariffs on up to \$3.1 billion of goods from France, Germany, Spain and the U.K., igniting fears of a new trade war between the U.S. and Europe. The Stoxx Europe 600 ended the session -2.78% lower at 357.17 points in response, while the German Dax declined -3.43% to 12,093.94 points. IMF data released on Wednesday showed the Fund lowered its global growth forecast for 2020 and 2021, predicting a decline of almost -5% in 2020 from a -3% decline estimated in April,

while 2021 is expected to see a -5.4% contraction in global growth.

## **PRECIOUS**

A relatively muted session across the precious complex in Asia today, with bullion holding a narrow range throughout the session as China took leave for the remainder of the week for the Dragon Boat Festival. Broad-based support toward USD \$1,760 kept the down-side intact following the overnight weakness, although volumes through Comex remained suppressed. On-going geopolitical concerns and regional increases in coronavirus infections continue to underpin gold prices, while ETF inflows remain supportive to near-term gains. Hard support through USD \$1,740 - \$1,735 should keep price action buoyant over the near-term, while top-side resistance cuts in through USD \$1,796 - \$1,800. Silver continues to run into resistance toward USD \$18, however remains supported around USD \$17.50 as the XAU/XAG ratio ticks modestly higher. The white metals remain underneath the key pivots of USD \$800 and \$1,900, finding little in the way of support amid lower global growth estimates. Data today includes German consumer confidence, ECB meeting minutes, U.S. durable goods and U.S. GDP.

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