



MKS PAMP
GROUP

Daily Asia Wrap - 27th May 2020



Range Asian Hours (from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1708.40/9.40	17.08/11	827/30	1915/18
HIGH	1714.00/1.00	17.24/27	831/34	1925/28
LOW	1704.50/5.50	16.98/01	825/28	1915/18
LAST	1707.80/8.80	17.04/07	826/29	1916/19

MARKETS/MACRO

Risk-on sentiment spread through the markets as global equities were on the rise. The Dow added 529.95 points, or 2.17%, to 24,995.11, the S&P 500 rose 36.32 points, or 1.23%, to 2,991.77, while the Nasdaq gained 15.63 points, or 0.17%, to 9,340.22. Big wins for financials (+5.04%) and industrials (+4.24%) led a near broad advance in the markets. European equities were higher, the EuroSTOXX advanced 3.74 points, or 1.08%, to 348.92, the German DAX put on 113.37 points, or 1.00%, to 11,504.65, and the London FTSE 100 rose 74.48 points, or 1.24%, to 6,067.76. The US dollar index eased 0.80% to 99.91, the EUR traded up to 1.0997, while USD/JPY was as low as 107.44. US treasury yields were mixed, the 2 year yield slipped 0.6 bps to 0.172% while the 10 year yield firmed 1.8 bps to 0.693%. Oil prices were mixed, Brent added 0.1% to \$36.22 while WTI lost 0.3% to \$34.25. Base metals were mostly higher, with copper (+1.4%) leading the gains. In US economic data, the Chicago Fed national activity index fell to 16.74 in April from a downwardly revised 4.97 in March. The Conference Board's consumer confidence index rose slightly to 86.6 in May. The Case-Shiller home price index posted a 3.9% year on year gain in March, up from 3.5% in February, while the FHFA quarterly home price index rose 5.7% between the first quarters of 2019 and 2020. New home sales rose 0.6% to a seasonally adjusted annual rate of 623,000 in April. In Asia today, as I write the Nikkei is at +0.81%, the Shanghai composite is at -0.05%, the Hang Seng is at -0.39%, and the ASX S&P 200 is at +0.54%. No significant data scheduled for release on Wednesday.

PRECIOUS

The risk-on tone put pressure on the precious complex. Gold rallied in early Asian trading and posted a session high of \$1735. Selling into the London open had the market down to \$1720 during the AM session before a weak bounce back toward \$1730. As US equities opened higher the yellow metal dropped to the days low of \$1710 where it remained anchored for the remainder of the session. Silver looked strong in Asia, trading to a high \$1744, before a sharp sell off in NY saw the grey metal close flat. PGMs were lower as weak demand persisted. The Philadelphia gold and silver index lost 4.31% to 118.88. In Asia today, gold is trading a \$10 range and is back at the opening level of \$1708 as I write. Silver popped up to \$17.24 early on but was quickly back testing the \$17 level after China came in. The grey metal is currently sitting at \$17.04. Have a good day ahead.

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