



MKS PAMP
GROUP

Daily Asia Wrap - 2nd March 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1589.00/20	16.54/56	855/57	2580/10
HIGH	1606.40/60	17.04/06	884/86	2640/70
LOW	1575.20/40	16.45/47	851/53	2540/70
LAST	1601.00/20	16.95/97	878/80	2600/30

MARKETS/MACRO

U.S. markets once again traded under pressure on Friday, driven lower by growing fears over the coronavirus to see over \$3 trillion wiped off the stock market on the week. Friday's session saw the DJIA end -1.39% or 357.28 points lower, however the result was a far cry from the more than 1,000 points the bourse was down mid-session. The S&P 500 declined -0.82% to 2,954.22 points, while the Nasdaq Composite bucked the trend to inch +0.01% higher to 8,567.367 points. Each of the major bourse's printed their worst weekly percentage decline since the financial crisis, seeing the DJIA 3,583 points or -12.4% lower, the S&P 500 cratered -11.5% on the week, while the Nasdaq Composite fell -10.5% over the period. Federal Reserve Chair Jerome Powell noted in a statement on Friday afternoon that the central bank was closely monitoring the coronavirus outbreak and its economic implications, while they will "act as appropriate to support the economy." The comments sent market expectations for an interest rate cut at the March meeting to nearly 100%. In currency majors, the greenback traded offered throughout the session (DXY -0.23%), notably losing ground to the safe-haven Japanese

yen (USD/JPY -1.38%). Treasury yields continued to free fall, seeing the two-year crater 15bps lower to 0.925%, while the 10-year collapsed 12bps to 1.16%.

PRECIOUS

Mixed pricing across today's Asian session, as gold reversed an early session big tone to touch a USD \$1,575.20 low pre-China. The metal however saw steady interest leading into the Shanghai open, moving within sight of USD \$1,600, before pushing above the figure in early Chinese pricing. The on-shore premium remains suppressed as does physical interest, although price action tended to sit toward the psychological USD \$1,600 throughout the afternoon as the greenback clawed back declines against the safe-haven Japanese Yen. Treasury yields continued to track lower to underpin pricing across the precious, however there still remains nervousness in the market following last week's sharp declines. Expect strong down-side interest to remain through USD \$1,570 - \$1,550, with the USD \$1,550 pivot level the key for near term price direction. U.S. equity futures are currently sitting in positive territory, which may provide some respite from the selling in gold that we have been seeing recently.

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