



MKS PAMP
GROUP

Daily Asia Wrap - 30th April 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1714.70/5.70	15.26/29	778/83	1930/70
HIGH	1716.50/7.50	15.39/42	782/87	1946/86
LOW	1709.00/0.00	15.20/23	775/79	1924/64
LAST	1716.50/7.50	15.35/38	780/83	1942/82

MARKETS/MACRO

U.S. GDP and the FOMC were in focus on Wednesday, however it was increased optimism over COVID-19 developments that gave markets a boost. U.S. Q1 GDP printed the sharpest contraction since the beginning of the GFC, collapsing -4.8% (exp: -4.0%). Consumption cratered -7.6%, equipment spending went into freefall at -15.2%, while exports (-8.7%) and imports (-15.3%) slumped. Amid the horrible U.S. GDP print, it was generally a risk on session following news that the EU had approved a 99% accurate antibody test, while separately a drug used to treat Ebola, Remdesivir, has been shown to cut the recovery time of COVID-19 infected patients. The FOMC meeting was in-line with expectations, holding rates unchanged while committing to utilise its full range of tools to support the economy. The committee commented that considerable risks to the economy remain over the medium-term and further stimulus measures may be required. The DJIA ended the session +2.21% higher to 24,633.86 points, the S&P 500 firmed +2.66% to 2,939.51 points and the Nasdaq Composite gained +3.57% to 8,914.71 points. The greenback eased modestly as the safe-haven Japanese Yen declined toward 106.50, while the Euro was in favour. Treasury yields closed narrowly mixed as the two-year eased 1bp to 0.201% and the 10-year added 1.4bps to 0.627%. Markets in Europe posted gains to see the Euro Stoxx +2.2% higher, the German Dax jumped +2.9% and in London the FTSE 100 ended +2.6% higher. In European data, consumer confidence in the region fell to 67.0 from 94.2 previously. Marking the largest monthly decline since the series

began in 1985.

PRECIOUS

A relatively quiet session across the precious complex during Asian trade today, with USD \$1,710 broadly supportive. Price action was generally reserved for the afternoon session as gold pivoted through USD \$1,715, buoyed largely by further dollar declines. The disappointing U.S. data and negative medium term outlook continues to be supportive to gold prices, however the metal remains at risk of a pull-back toward USD \$1,650 - \$1,640 while unable to breach USD \$1,730 - \$1,750. China are on leave from May 1st, returning May 6th, however with the current market situation this absence is unlikely to materially impact pricing. Silver holds above USD \$15 and looks likely to pivot through USD \$15.40 - \$15.50 to continue the recent up-trend, while platinum pushed toward USD \$800 after holding USD \$750 support and palladium is heavy underneath USD \$2,000.

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