



MKS PAMP
GROUP

Daily Asia Wrap - 30th January 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1575.30/50	17.54/56	978/80	2295/20
HIGH	1580.80/00	17.63/65	980/82	2310/35
LOW	1575.10/30	17.54/56	970/72	2270/95
LAST	1580.00/20	17.61/63	970/72	2270/95

MARKETS/MACRO

Stocks in the U.S. tempered early session gains on Wednesday following the FOMC decision to keep interest rates on hold, while reiterating the committee's intention to push inflation back toward 2%. The Fed has expressed concern over the pace of inflation in recent months and adjusted the post meeting statement to reflect this, noting that policy is geared toward "inflation returning to the Committee's symmetric 2 percent objective." The DJIA finished the session +0.04% higher to 28,734.45 points, the S&P 500 eased -0.09% to 3,273.40 points, while the Nasdaq Composite inched +0.06% higher to 9,275.164 points. There were wins for industrial stocks (+0.55%), while energy stocks (-1.06%) were the main laggard. On the data front, U.S. wholesale inventories edged -0.1% lower during December, while the U.S. trade deficit rose to USD \$68.3 billion (exp: USD \$65.0 billion) as imports jumped +2.9% and exports increased +0.3%. Pending home sales in the U.S. sunk -4.9% during December (exp: +0.5%) as the supply of homes dropped to a record low. The greenback finished firmer, however off the session highs on Wednesday after suffering from post-FOMC weakness. The dollar index finished

+0.11% higher, flat against the Japanese Yen to hold above 109.00, while the Euro slipped -0.15% and the British pound eased just -0.08%. Treasury yields reversed previous session gains, accelerating post-FOMC. The two-year declined 5.4bps to 1.408% and the 10-year fell 6.4bps to 1.5805%. Stocks in Europe finished higher as investors shrugged off concerns over the spread of the coronavirus. The Stoxx Europe 600 gained +0.44% to 419.41 points, the German Dax added +0.16% to 13,345.00 points, while in London the FTSE 100 inched just +0.04% higher to 7,483.57 points.

PRECIOUS

The precious complex continued the post-FOMC bid tone during Asian trade today, extending through the New York high print as treasury yields pushed lower and U.S. equity futures were offered. Liquidity was again thinner than usual as China sat out due to an extended New Year holiday, however gold spent little time in moving through the USD \$1,578 high printed in late New York, extending above USD \$1,580.00 and holding around the level throughout the session. Heightened concerns over the impacts of the coronavirus should underpin the yellow metals bid, with reports today indicating the death toll has increased to 170, with 7,711 reported cases of infection from 5,974 the day before. Softening U.S. yields add to the attraction of the metal, however positioning does remain elevated as ETF holdings sit toward 7-year highs (USD terms), potentially creating headwinds on moves through USD \$1,585 - \$1,600. Silver pivoted above USD \$17.50 in New York following the FOMC and spent today's Asian session consolidating this move. Platinum meanwhile has struggled to garner interest after pulling back from a test toward USD \$1,000 on news that Norrnickel will increase palladium supply to counteract market volatility across the PGM's. Data releases today include German employment, German CPI, Eurozone employment, the BOE meeting, U.S. GDP, U.S. core PCE, U.S. initial jobless claims and Bloomberg U.S. consumer confidence.

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