



MKS PAMP  
GROUP

## Daily Asia Wrap - 30th July 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1970.50/1.50	24.26/29	928/38	2154/94
<b>HIGH</b>	1971.20/2.20	24.39/42	931/41	2166/06
<b>LOW</b>	1955.40/6.40	23.79/82	916/26	2115/55
<b>LAST</b>	1959.10/0.10	23.81/84	922/32	2122/62

### MARKETS/MACRO

The US Federal Reserve held interest rates near zero and was predictably dovish in their commentary on Wednesday. Fed Chair Jerome Powell said the recovery of the US economy will “depend significantly on the course of the virus”, and he also said the Fed was “committed to using our full range of tools to help the economy”. US equities finished higher on the news, the Dow added 160.29, or 0.61%, to 26,539.57, the S&P 500 rose 40.00 points, or 1.24%, to 3,258.44, while the Nasdaq gained 140.85 points, or 1.35%, to 10,542.94. Energy (+2.13%) and financials (+2.02%) led a broad advance in the markets. European equities were little changed, the EuroSTOXX edged lower 0.23 points, or 0.06%, to 367.45, the German DAX slipped 13.02 points, or 0.10%, to 12,822.26, and the London FTSE 100 inched higher 2.20 points, or 0.04%, to 6,131.46. In the currencies, the USD continued to slip against the EUR after the FOMC announcement, with the US dollar index easing 0.46% to 93.26. The EUR traded up to 1.1804 while USD/JPY was flat around 104.96. US treasury yields were lower on the dovish statement from the Fed, the 2 year yield lost 1.0 bps to 0.131% while the 10 year yield eased 0.3 bps to 0.576%. Oil prices were higher, Brent put on 1.1% to \$43.8 while WTI firmed 0.5% to \$41.29. Base metals were mostly higher, with zinc (+2.2%) leading the gains. In US economic data, an advanced look at the trade in goods showed the deficit fall 6.1% to \$70.6 billion in June. In Asia today, as I write the Nikkei is at -0.15%, the Shanghai composite is at -0.07%,

the Hang Seng is at +1.03%, and the ASX S&P 200 is at +0.68%. Tonight we have GDP and jobless claims out of the US; along with unemployment rate, consumer confidence, economic sentiment, industrial sentiment, services sentiment, and consumer inflation expectations out of the eurozone.

## **PRECIOUS**

Gold traded within \$1950-60 through most of Asian hours and the market was quiet through the London AM session with investors happy to wait for the FOMC announcement out of the US. Very choppy NY session, even before the FOMC news. Gold spiked up toward \$1980 after the NY open before being promptly whacked back to \$1960, then sold down to the low of \$1943. There was plenty of interest down at those levels and the metal was back up to \$1960 in time for the FOMC. Another spike after the Feds announcement saw the yellow metal print the session high \$1980, and again we saw a sharp sell off. Gold was bid through the remainder of the session and closed at \$1970. Silver also saw whippy trade in NY, the grey metal surged to \$24.95 after FOMC before dropping \$1.50 in a matter of minutes. PGMs came under heavy selling pressure, with palladium in particular giving up almost \$200 to the low in NY. The Philadelphia gold and silver index fell 1.00% to 155.70. The metals are looking softer in Asia today as the USD recovers somewhat against the EUR. Gold opened at \$1970 and drifted to a low of \$1955, the yellow metal is currently trading at \$1959. Silver lost the \$24 handle, and is sitting near the lows at \$23.82 as I write. Have a good day ahead.

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