

Daily Asia Wrap - 3rd March 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1737.70/20	26.78/81	1206/11	2367/77
HIGH	1740.25/75	26.82/85	1206/11	2375/85
LOW	1729.80/30	26.59/62	1196/01	2365/75
LAST	1732.90/40	26.59/62	1201/06	2370/80

MARKETS/MACRO

A softer session across U.S. equities on Tuesday following previous session gains, as technology declines led the broader market lower. The Dow Jones Industrial Average ended the session -0.46% lower at 39,391.52 points, the S&P 500 slumped -0.81% to 3,870.29 points, while the tech-laden Nasdaq Composite fell -1.69% to 13,358.79 points. Treasury yields remained range-bound following the sharp sell off across the bond market last week. The two-year yield held relatively unchanged toward 0.12%, while the 10-year yield slid 3.2bps to settle around 1.388%. The dollar paused recent gains on Tuesday as the DXY index (-0.27%) declined back underneath the 91.00 handle, seeing the Euro add +0.34% after a brief test underneath 1.20, while USD/JPY ended the session -0.08% lower as the pair pulled back from a test of 107.00. On the data front German January retail sales disappointed, falling -4.5% m/m in response to the extended lockdown, while unemployment rose 10k to mark the first rise in joblessness in seven months. February's European CPI rose +0.9% y/y unchanged from January, while core eased back to +1.1% y/y from +1.4% y/y to print in line with the consensus. Markets across the region posted modest gains on Tuesday to see the pan-European Stoxx 600 +0.19% higher to 413.23 points, the German Dax also added +0.19% to 14,039.80 points, while in London the FTSE 100 gained +0.38% to 6,613.75 points.

PRECIOUS

Gold saw an early session test toward USD \$1,740 faded during Chinese hours, dragging the metal to a USD \$1,730.10 session low as the on-shore premium in China held toward USD \$7 amid a firmer Yuan. Generally muted currency majors and range-bound U.S. yields (10-year around 1.405%) saw gold trade rudderless throughout the afternoon, with dips generally well supported above USD \$1,730. The metal currently sits in the middle of the key USD \$1,700 and USD \$1,760 pivot points, looking to find a base through USD \$1,730 - \$1,720 over the near-term, while remaining subject to dollar flows and U.S.yields. Headwinds from ETF outflows however remain, with a further 120k ounces recorded on Tuesday to thus far cap top-side moves. Silver has remained buoyant above USD \$26.50 today after a test below the figure on Tuesday, while platinum sits toward USD \$1,200. Data today includes a host of Markit PMI prints out of Europe and the U.S., while we also see U.S. MBA mortgage applications, U.S. ADP employment, ISM U.S. services index and the Fed's Beige Book.

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