



MKS PAMP  
GROUP

## Daily Asia Wrap - 5th August 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	2018.30/9.30	26.03/06	938/41	2122/72
HIGH	2030.50/1.50	26.32/35	941/44	2130/80
LOW	2009.40/0.40	25.38/41	927/30	2085/35
LAST	2023.60/4.60	25.90/93	938/41	2105/55

### MARKETS/MACRO

US equities extended gains on hopes Congress will reach agreement on a new stimulus package. The Dow added 164.07 points, or 0.62%, to 26,828.47, the S&P 500 rose 11.90 points, or 0.36%, to 3,306.51, while the Nasdaq gained 38.37 points, or 0.35%, to 10,941.17. There were wins for energy (+2.45%) and consumer staples (+1.36%) while healthcare (-0.45%) led the laggards. European equities were mixed, the EuroSTOXX slipped 0.25 points, or 0.07%, to 363.39, the German DAX lost 46.11 points, or 0.36%, to 12,600.87, and the London FTSE 100 crept up 3.15 points, or 0.05%, to 6,036.00. Currency majors were rangebound, the US dollar index eased slightly to 93.26, the EUR was up to 1.1804 while USD/JPY was at 105.73. US treasury yields were lower, the 2 year yield slipped 0.2 bps to 0.107% while the 10 year yield eased 4.1 bps to 0.510%. Oil prices were higher, Brent rose 1.4% to \$44.38 while WTI put on 2.2% to \$41.58. Base metals were mostly higher, with nickel (+1.2%) leading the gains. In US economic data, factory orders rose 6.2% in June, beating the 4.6% forecast. In Asia today, as I write the Nikkei is at -0.33%, the Shanghai composite is at +0.22%, the Hang Seng is at +0.37%, and the ASX S&P 200 is at -0.64%. Tonight we have ADP employment, trade deficit, Markit services PMI, and the ISM manufacturing index out of the US; along with Markit services PMI and retail sales out of the eurozone.

## PRECIOUS

Huge session for the precious on Tuesday as gold breaks the psychological \$2000 barrier for the first time. The market was quiet through Asian hours, trading between \$1970-80, and drifted to the session low of \$1968 during the London AM session. The action kicked off in early NY trading, the prospect of further US stimulus is putting pressure on the greenback and treasury yields which provided the catalyst for the rise. Once the recent resistance around \$1980 was broken the metal took off, we saw a mixture of macro buyers and real money in conjunction with short covering around \$2000. The yellow metal was still firming into the close right on the \$2019 high. Silver was led higher by golds, the grey metal surged over \$1.80 off the low to close at the session high \$26. PGMs were firmer, with platinum in particular finding buyers. The Philadelphia gold and silver index firmed 4.29% to 159.35. In Asia today, investors were happy to buy into the strength and gold climbed to a high of \$2030 before profit taking kicked in. The metal retreated to \$2009 before rallying again, it is trading at \$2023 as I write. Silver has seen whippy price action, trading a near \$1 range. The grey metal is currently sitting just off the opening level at \$25.90. Have a good day ahead.

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