

Daily Asia Wrap - 5th January 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1943.80/30	27.22/25	1069/74	2383/03
HIGH	1945.30/80	27.43/46	1073/78	2392/12
LOW	1933.90/40	26.99/02	1061/66	2374/94
LAST	1939.90/40	27.26/29	1064/69	2379/99

MACRO

U.S. stocks started the year on the back foot as major bourses booked declines on Monday heading into the Georgia Senate run-off election. The Dow Jones Industrial Average finished -1.25% lower to 30,223.89 points, the S&P 500 fell -1.48% to 3,700.65 points, while the tech-laden Nasdaq Composite slumped -1.47% to 12,698.449 points. Driving the flight to safety were heightened coronavirus fears as the U.K announced a third lockdown for England amid soaring infection rates, while the U.S. reported hospitalisations hit a record-high of 125,544 on Sunday. Currency majors saw early session gains relative to the greenback tempered late in trade as the DXY index ended generally unchanged. The Euro (+0.3%) finished toward 1.2250, while the safe-haven Japanese Yen saw early strength to move underneath 103.00 relative to the dollar, however pared gains in New York to end above the figure. Treasury yields tracked lower to begin the year, seeing the two-year slip 1bp to 0.113%, while the 10-year also ended 1bp lower, finishing toward 0.91%.

PRECIOUS

A range-bound, consolidatory session across the precious complex in Asia today, with notably gold and silver attempting to extend upon Monday's firm price action. Gold was subject to modest profit taking leading into the Chinese open, failing to benefit from an early offered tone to the greenback and instead eased underneath USD \$1,940. The on-shore discount in Shanghai held toward USD -\$10 and provided little in the way of directional flow across spot, while afternoon pricing generally tracked either-side of USD \$1,940 as both on-shore and off-shore USD/Yuan broke down toward 6.42. The yellow metal eyes the top-side target of USD \$1,950 and should see further interest on a break above this level, while initial down-side demand sits through USD \$1,935 - \$1,930, with hard support at USD \$1,900 - \$1,895 (100 DMA). Silver pricing remained buoyant above USD \$27 and looks to break out of the USD \$26.75 - \$27.50 range, while the white metals lack interest today to hold narrow ranges. Data today includes German employment, U.S. ISM manufacturing and U.S. ISM prices paid.

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