



MKS PAMP  
GROUP

## Daily Asia Wrap - 5th June 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1714.00/5.00	17.71/74	831/51	1918/58
HIGH	1715.50/6.50	17.74/77	837/57	1938/78
LOW	1706.75/7.75	17.65/68	825/35	1918/58
LAST	1708.00/9.00	17.67/70	831/51	1932/72

### MARKETS/MACRO

The European Central Bank added EUR 600 billion for their Pandemic Emergency Purchase Programme (PEPP), almost doubling the total to EUR 1.35 trillion. The Dow crept up 11.93 points, or 0.05%, to 26,281.82, the S&P 500 lost 10.52 points, or 0.34%, to 3,112.35, while the Nasdaq fell 67.10 points, or 0.69%, to 9,615.81. Financials (+1.97%) was the best performing sector while utilities (-1.95%) and REITs (1.81%) led the losses. European equities were lower despite the ECB's announcement, the EuroSTOXX gave up 2.67 points, or 0.72%, to 366.25, the German DAX shed 56.80 points, or 0.45%, to 12,430.56, and the London FTSE 100 fell 40.97 points, or 0.64%, to 6,341.44. In the currencies, the US dollar index eased 0.63% to 96.68, the EUR traded up to 1.1355, while USD/JPY was at 109.17. US treasury yields were higher, the 2 year yield firmed 0.4 bps to 0.194% while the 10 year yield jumped 7.4 bps to 0.823%. Oil prices were higher, Brent added 1.7% to \$39.95 while WTI rose 2.0% to \$37.33. Base metals were mostly higher, with zinc (+0.6%) leading the gains. In US economic data, initial jobless claims rose by 2.13 million in the week ending May 30, continuing claims rose by 437,072 to 19.3 million. The US trade deficit widened to \$49.4 billion in April from a revised \$42.3 billion in March. In Asia today, as I write the Nikkei is at +0.40%, the Shanghai composite is at -0.08%, the Hang Seng is at +0.53%, and the ASX S&P 200 is at +0.25%. Tonight we have non-farm payrolls, unemployment rate, average hourly earnings, and consumer

credit out of the US.

## **PRECIOUS**

Gold got a leg up as the ECB stimulus increase puts further pressure on bond rates. The metal was subdued through Asian hours on Thursday, hovering around that \$1700 level. Support through the London AM session saw gold trade towards \$1720. Dip towards \$1700 in early NY trading was followed by a rally to the session high \$1720 as the greenback was sold off against the EUR. The yellow metal finished the day higher at \$1715. Silver recovered early losses to finish ahead at \$17.74. PGMs were volatile during NY trading but finished strongly. The Philadelphia gold and silver index rose 0.98% to 116.45. Metals have come off slightly in Asia today along with a modest rise in equities. Gold slipped to a low of \$1706 and is sitting at \$1708 as I write. Silver has traded a tight range today, the grey metal is currently trading at \$17.67. Have a good day ahead.

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