



MKS PAMP  
GROUP

## Daily Asia Wrap - 6th March 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1672.10/50	17.43/46	867/70	2528/48
HIGH	1678.80/20	17.51/54	872/75	2533/53
LOW	1667.80/20	17.30/33	857/60	2475/95
LAST	1678.80/20	17.37/40	862/65	2508/28

### MARKETS/MACRO

US stocks were heavily sold on Thursday fears around the economic fallout from COVID-19 intensify. The Dow dropped 969.58 points, or 3.58%, to 26,121.28, the S&P 500 fell 106.18 points, or 3.39%, to 3,023.94, while the Nasdaq shed 279.49 points, or 3.10%, to 8,738.60. Losses in industrials (-4.96%) and financials (-4.88%) lead a broad sell-off across the sectors. European equities were lower, the EuroSTOXX gave up 5.54 points, or 1.43%, to 380.476, the German DAX lost 182.97 points, or 1.51%, to 11,944.72, and the London FTSE 100 shed 110.16 points, or 1.62%, to 6,705.43. In the currencies, the greenback came under broad pressure with the US dollar index easing 0.79% to 96.58. The EUR rose to 1.1242 while USD/JPY slipped to 106.09. As investors pile in to US treasury's, the 10 year yield reached an all time low. The 2 year yield fell 6.8 bps to 0.576% while the 10 year yield shed 10.2 bps to 0.899%. Oil prices were sharply lower on concerns Russia will not agree to OPEC's deal to cut output. Brent sold off 3.5% to \$49.93 while WTI slumped 3.0% to \$45.86. Base metals were mixed, with nickel (+1.7%) the best performer. In US economic data, factory orders fell 0.5% in January following the sharp rise of 1.9% in December. Fourth quarter productivity rose at an annual rate of 1.2%, revised slightly lower from the original 1.4% estimate, while unit labor costs rose 0.9% in the quarter. Initial jobless claims fell by 3,000 to 216,000 in the 7 days ending February 29, continuing claims rose 7,000 to 1.743 million. In Asia today, as I write the Nikkei is at -3.17%, the Shanghai composite is at -0.98%, the Hang Seng is at -2.06%, and the ASX S&P 200 is at -2.08%. Tonight we

have non-farm payrolls, unemployment rate, average hourly earnings, trade deficit, wholesale inventories, and consumer credit out of the US.

## **PRECIOUS**

Another strong session for the precious as risk-off sentiment pervades markets. Gold opened just under \$1640 and remained flat during a very quiet Asian session before the market turned bid in London. In contrast to the sharp moves we have seen recently, the metal made its way higher in a very orderly fashion. NY came in with bullion testing \$1660 and were happy to continue the buying, the yellow metal peaked at \$1673 just ahead of the close. Silver couldn't quite keep up the same pace, but still picked up 20c to finish around the highs at \$17.43. PGMs were disappointing, relatively speaking, with palladium finishing flat and platinum in the red. The Philadelphia gold and silver index rose 1.97% to 104.70. In Asia today, gold dipped down to \$1667.80 but has found a bid late in the day, the metal is sitting at the \$1678.80 as I write. Silver finding solid resistance at \$17.50 level after an attempt on that level earlier today was soundly rejected. The grey metal is currently at \$17.37. Have a good day ahead.

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