



MKS PAMP
GROUP

Daily Asia Wrap - 6th May 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1705.90/6.90	15.00/03	771/74	1785/15
HIGH	1707.20/8.20	15.14/17	771/74	1807/37
LOW	1700.40/1.40	14.87/90	761/64	1783/13
LAST	1703.90/4.90	15.12/15	771/74	1807/37

MARKETS/MACRO

There was optimism across global markets on Tuesday despite a slew of disappointing economic data releases. The Dow added 133.33 points, or 0.56%, to 23,883.09, the S&P 500 rose 25.70 points, or 0.90%, to 2,868.44, while the Nasdaq gained 98.41 points, or 1.13%, to 8,809.12. Healthcare (+2.15%) and tech (+1.42%) led a near broad advance across the markets. European equities were higher, the EuroSTOXX advanced 7.06 points, or 2.15%, to 335.50, the German DAX added 262.66 points, or 2.51%, to 10,729.46, and the London FTSE 100 put on 95.64 points, or 1.66%, to 5,849.42. In the currencies, the EUR was sold off after the German constitutional court ruled that the Bundesbank cannot participate in the ECB stimulus program beyond the next three months. The EUR dropped to 1.0831 against the greenback, the US dollar index firmed 0.29% to 99.80, while USD/JPY was at 106.53. US treasury yields were higher, the 2 year yield rose 0.6 bps to 0.188% while the 10 year yield firmed 2.7 bps to 0.660%. Oil prices were sharply higher as investors anticipate a rebound in demand, Brent climbed 10.6% to \$31.39 while WTI jumped 15.9% to \$25.28. Base metals were broadly higher, with nickel (+1.6%) leading the gains. In US economic data, the ISM non-manufacturing index dropped to 41.8% in April from 52.5% in March, while the Markit Services PMI slid to 26.7 pts, it's lowest ever reading. The US trade deficit widened by almost 12% to \$44.4 billion in March. In Asia today, as I write the Nikkei is at -2.84%, the Shanghai composite is at +0.09%, the Hang Seng is at +0.97%, and the ASX S&P 200 is at -0.35%. Tonight we have ADP employment out of

the US; along with Markit services PMI and retail sales out of the eurozone.

PRECIOUS

Gold was under pressure during Asian hours with China still out for the holiday, falling to the session low of \$1692. London were buyers at this level and the market traded around \$1700 through the AM session. An early pop up to \$1705 in NY was premature and the metal was promptly sold toward the Asian lows, from here a more sustained rally saw gold climb up to a high of \$1710. The buying came despite general risk-on tone in the markets, with quantitative easing and low rates still proving supportive for the yellow metal. Gold closed out the session ear the highs at \$1707. Silver also saw interest in New York managed a close above \$15. PGMS remained range-bound for the session. The Philadelphia gold and silver index rose 1.47% to 121.37. Gold is testing the \$1700 support in Asia today as China return from the holiday. The onshore SGE premium came in slightly to \$40 over the loco London price. The yellow metal is currently at \$1704. Silver rallied after an early drop and finds itself sitting just below the \$15.14 high as I write. Have a good day ahead.

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