



MKS PAMP  
GROUP

## Daily Asia Wrap - 7th July 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1785.50/80	18.28/31	825/30	1920/35
HIGH	1787.10/40	18.32/35	829/34	1930/45
LOW	1782.80/10	18.16/19	820/25	1910/25
LAST	1783.70/00	18.19/22	821/26	1912/27

### MARKETS/MACRO

A firm session for U.S. stocks on Monday, once again underpinned by strong performances across the technology sector as Amazon pushed above USD \$3,000 per share for the first time. The gain to Amazon and a fresh all-time high for Netflix helped to push the Nasdaq Composite +2.21% higher to 10,433.652 points, also a fresh all-time high for the bourse. Meanwhile the DJIA finished the session +1.78% higher to 26,287.03 points, while the S&P 500 gained +1.59% to 3,179.72 points. In currency majors the greenback posted declines on the back of the risk-on trade (DXY -0.41%), largely softer relative to the Euro (EUR/USD +0.59%) to finish above 1.13, while the Japanese Yen firmed late in trade to see USD/JPY decline -0.12%. Treasury yields in the U.S. kicked off the week generally unchanged after paring early session gains in New York. The two-year finished flat at 0.152%, while the 10-year inched just 0.1bps higher to 0.674%. On the data front the ISM U.S. services PMI jumped to 57.1 during June from 45.4 in May, the largest month-to-month increase on record. The final June print for the Markit U.S. services PMI increased to 47.9 from an initial estimate of 46.7 and a marked improvement from the May print of 37.5. Stocks in Europe finished the session higher to following the strong Asian lead. The Europe Stoxx 600 ended the session +1.58% higher at 371.21 points,

the German Dax closed +1.64% higher at 12,733.45 points, while in London the FTSE 100 jumped +2.09% to 6,285.94 points.

## **PRECIOUS**

Price action remained buoyant across the precious complex during Asian trade today and although held within a narrow range, gold continued to see good support above USD \$1,780. There remains heightened concern over increasing coronavirus cases in the U.S., however this is having little impact upon the risk-on tone as global equities continue to outpace expectations. The latest spec positioning shows gold length continues to increase on the back on long additions, while ETF inflows show no signs of abating. The tightening ranges are however seeing vols ease, with 3m notably toward 16 and thus far lagging the move higher in spot. Headwinds remain on the move toward USD \$1,800, while declines will see support around USD \$1,770 - \$1,775 and hard support toward USD \$1,740. Chinese interest today took the metal off the session highs, although the on-shore premium remained toward USD \$20 as USD/Yuan (both onshore and offshore) saw a session of consolidation following Monday's steep appreciation of the Yuan. Silver remains unable to break through the recent resistance band around USD \$18.35 - \$18.40, although sees declines relatively shallow and continues to see interest above USD \$18. Data today includes German industrial production and the U.S. JOLTS survey.

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