



MKS PAMP
GROUP

Daily Asia Wrap - 7th May 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1686.20/7.20	14.82/85	751/55	1779/99
HIGH	1693.60/4.60	15.02/05	762/66	1818/38
LOW	1686.20/7.20	14.82/85	751/55	1779/99
LAST	1687.40/8.40	14.95/98	759/63	1812/32

MARKETS/MACRO

U.S. stocks ended trade mixed on Wednesday as participants weighed up a record drop in private payrolls with the re-opening of the U.S. economy. The DJIA finished down -0.91% to 23,664.64 points, the S&P 500 declined -0.70% to 2,848.42 points, while the Nasdaq Composite outperformed to finish +0.51% to 8,854.39 points. Private payrolls in the U.S. collapsed by a record -20.2 million during April according to the latest data released by ADP. More than half of the headline figure came from small size companies (less than 500 workers), while hospitality and leisure saw 8.6 million jobs cut. The greenback was firmer on Wednesday across majors, however lost ground to the safe-haven Japanese Yen to test a break of 106.00, while the Euro declined toward 1.08. Treasury yields in the U.S. were mixed as the two-year eased 1bp to 0.178%, while the 10-year extended 5.3bps higher to 0.708%. In Europe markets were generally lower as the EuroStoxx declined -1.1%, matched by a -1.1% fall to the German Dax, while in London the FTSE 100 advanced +0.1%. Oil futures traded lower as WTI handed back -2.3% to USD \$24 on storage concerns, while Brent crude slipped -2.7% to USD \$29.86 per barrel.

PRECIOUS

A tight range-bound session across the precious complex during Asian trade today, as gold bounced off the previous session low and moved above USD \$1,690. Interest out of China picked up modestly

to see the on-shore premium continue to improve, sitting toward USD -\$30 relative to the USD -\$50 discount we saw last week before the holiday period. Gold price action remains constructive above USD \$1,677, with top-side pivots sitting around USD \$1,710 and USD \$1,750 to for a move toward a USD \$1,800 minimum target. A breakdown through USD \$1,675 however would likely test supportive levels through USD \$1,650 - \$1,638. Silver attempted a move back above USD \$15, however was met with offers in Asia today. Notably the premium in Shanghai is sitting toward USD \$1, while we expect physical interest out of India to further increase as restriction in the country lift. The white metal are showing little signs of life as platinum holds toward USD \$750 - \$760, while palladium clings to USD \$1,800. Tonight we see the BOE rate decision followed by U.S. initial jobless claims.

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