



MKS PAMP
GROUP

Daily Asia Wrap - 8th January 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1574.80/00	18.30/32	969/71	2051/54
HIGH	1610.80/00	18.85/87	974/76	2071/74
LOW	1574.80/00	18.30/32	969/71	2025/28
LAST	1593.20/40	18.52/54	971/73	2071/74

MARKETS/MACRO

On-going uncertainty over U.S. – Iran tensions saw investors head for the exits on Tuesday, as the major U.S. bourse's recorded declines. The DJIA ended the session -0.42% lower at 28,583.68 points, heavy trade to financials (-0.67%) and consumer staples (-0.73%) weighed upon the S&P 500 to see the bourse hand back -0.28%, while the Nasdaq Composite finished the session just -0.03% lower at 9,068.582 points. The greenback found favor on Tuesday (DXY +0.38%), largely firmer against both the euro (-0.44%) and the pound (-0.42%), while the safe-haven yen held relatively unmoved (USD/JPY +0.1%). Treasury yields traded mixed as the two-year yield ended the session 1bp lower at 1.536%, while the 10-year inched 0.9bps higher to 1.819%. On the data front, the ISM U.S. non-manufacturing print for December climbed to 55.0 (exp: 54.5) from 53.9 in November. Factory orders declined -0.7% during November (exp: -0.8%) to follow a +0.2% gain the month prior, while durable goods orders for November (final) declined -2.1% from a -2.0% estimate previously. The closely watched capital goods shipments meanwhile held at -0.3% MoM during November. Stocks in Europe finished

generally higher on Tuesday with little in the way of geopolitical events to dictate direction. The German Dax jumped +0.76% to 13,226.83 points, the Stoxx Europe 600 added +0.25% to 417.67 points, while in London the FTSE 100 eased just -0.2% to 7,573.85 points.

PRECIOUS

A wild event driven ride across the precious complex during Asian trade today, as Iran targeted Iraqi military bases that currently host U.S. personnel. At least two military bases were targeted, however there are currently no reports of U.S. casualties. The news sent gold ripping higher through mild resistance toward USD \$1,590, while offers around \$1,600 put up little resistance on the way to the session high of USD \$1,610.80. Initial reports that Trump would respond to the attacks underpinned the move through USD \$1,600, however it soon became clear that a formal statement from the President would not be forthcoming at this time, allowing sellers to wrestle back control of the market. We saw sizeable offers toward USD \$1,600 to drag the metal back underneath the figure, extending declines to USD \$1,585 before supportive interest became evident. Near-term pricing will remain highly volatile while gleaning direction from the U.S. response to today's events. Expect supportive interest to keep pricing buoyant above USD \$1,550 - \$1,560, while any military retaliation would see USD \$1,610 re-broken. Silver followed gold higher today to print a USD \$18.87 session high on the Chinese open, however has returned the majority of the gains and looks to hold USD \$18.50. Data releases today include German factory orders, Eurozone consumer confidence and U.S. employment.

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