



MKS PAMP
GROUP

Daily Asia Wrap -8th May 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1718.00/9.00	15.35/37	768/72	1853/73
HIGH	1719.80/0.80	15.52/54	773/77	1910/30
LOW	1711.50/2.50	15.22/24	762/66	1853/73
LAST	1716.30/7.30	15.47/49	762/66	1887/07

MARKETS/MACRO

US equities were higher, with the Nasdaq crossing into positive territory for 2020. The Dow added 211.25 points, or 0.89%, to 23,875.89, the S&P 500 rose 32.77 points, or 1.15%, to 2,881.19, while the Nasdaq gained 125.27 points, or 1.41%, to 8,979.66. Energy (+2.47%) and financials (+2.22%) led a near broad advance in the markets. European equities were higher, the EuroSTOXX advanced 3.64 points, or 1.09%, to 337.98, the German DAX put on 153.07 points, or 1.44%, to 10,759.27, and the London FTSE 100 strengthened 82.22 points, or 1.40%, to 5,935.98. In currency majors, the US dollar index eased 0.33% to 9.84, the EUR traded up to 1.0835, while USD/JPY was as high as 106.64. US treasury yields were lower, the 2 year yield lost 4.0 bps to 0.137% while the 10 year yield fell 5.7 bps to 0.638%. Oil prices were lower, Brent gave up 1.2% to \$29.43 while WTI sold off 3.1% to \$23.39. Base metals were broadly higher, with copper (+1.5%) leading the gains. In US economic data, initial jobless claims were 3.2 million in the 7 days ending May 2, around 33 million new claims have been processed over the last 7 weeks. Continuing claims surged to 22.6 million in the week ending April 25 from 18 million the following week. Productivity declined at an annual rate 2.5% in the first quarter of 2020, while unit labour costs rose 4.8%. Consumer credit fell \$12 billion in March, following a \$19.9 rise in February. In Asia today, as I write the Nikkei is at +2.27%, the Shanghai composite is at +0.83%, the Hang Seng is at +1.14%, and the ASX S&P 200 is at +0.72%. Tonight we have nonfarm

payrolls, unemployment rate, average hourly earnings, and wholesale inventories out of the US.

PRECIOUS

The precious enjoyed a strong trading session as the US dollar weakened and bond yields continued to fall. Gold opened at \$1687 in Asia which would end up the lowest as the lowest print of the day, with buying interest in China picked up slightly and the SGE premium tightened toward -\$30. The market remained rangebound through the London AM session. The metal found a bid in NY as the greenback came under broad pressure, surging through \$1700 to a high of \$1721. The yellow metal closed the session just off the highs at \$1719. Silver was also well bought in NY, jumping almost 50c to a high of \$15.43. In the PGMs, platinum gave back most of the NY gains while palladium closed around the highs. The Philadelphia gold and silver index rose 3.75% to 122.30. Gold has been quiet in Asia today ahead of tonight's NFP report, the metal drifted toward \$1710 earlier before finding some support. The yellow metal is at \$1717 as I write. Silver too saw interest around \$15.20 and is now back toward opening levels, the grey metal is currently sitting at \$15.47. Have a good day ahead.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.