



MKS PAMP  
GROUP

## Daily Asia Wrap - 8th September 2020



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1930.50/00	26.87/90	910/15	2300/25
<b>HIGH</b>	1933.75/25	27.03/06	915/20	2312/37
<b>LOW</b>	1921.60/10	26.70/73	907/12	2300/25
<b>LAST</b>	1930.30/80	26.94/97	910/15	2303/28

### MARKETS/MACRO

Equities in Europe moved sharply higher on Monday, with defensive stocks in favour as investors rotate out of technology names. The Europe Stoxx 600 finished the session +1.67% higher to 367.97 points, the German Dax jumped +2.01% to 13,100.28 points, while in London the FTSE 100 surged +2.39% to 5,937.40 points as the Sterling declined sharply on the back of weekend Brexit headlines. Talks between the U.K. and the European Union have soured after reports that Britain is planning new legislation that would override key parts of the Brexit withdrawal agreement should the EU not agree to a free-trade deal by October 15. The news sent the Sterling into a tailspin against the Euro, as the pair (EUR/GBP) jumped +0.7%, while GBP/USD sunk -0.8% on the session. The U.S. treasury market was closed for the session, while 10-year bund yields in Germany added 1.1bps to -0.464%. It was a light day of data with German industrial production the main print, increasing just +1.2% MoM during July (exp: +4.5%) to see the annualised figure to -10.0% YoY (exp: -7.4%) as construction output weighed upon the monthly figure.

## PRECIOUS

A muted session across the precious complex in Asia today, as a firmer greenback kept price action subdued amid a narrow range. A brief early session move above USD \$1,930 ran out of steam heading into the Japanese open as bullion declined underneath the level, basing toward USD \$1,925 heading into Shanghai. Chinese interest remained subdued as the on-shore discount held around USD -\$50, providing little in the way of support to bullion as the Euro tested underneath 1.18 to see gold to a USD \$1,922.10 session low. Afternoon pricing was relatively buoyant as gold tracked higher back toward USD \$1,930, with U.S. 10-year yields easing 1bp to 0.705% and the DXY index tempered earlier gains. Gold remains within a period of consolidation, attempting to base through USD \$1,900 - \$1,920 as participants consider the on-going economic risks associated with increasing corona virus cases across the world. Focus this week for the metal will be on how U.S. stocks trade following last weeks falls, while on Thursday all eyes will be on the ECB meeting for Euro direction. Silver pivoted back above USD \$27 in late after trade, however was unable to hold onto the figure, while the white metals are finding interest to see platinum above USD \$900 and palladium above USD \$2,300. Data today includes Eurozone GDP and U.S. NFIB small business optimism.

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