



MKS PAMP
GROUP

Daily Asia Wrap - 9th January 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1554.80/00	18.09/11	954/56	2104/07
HIGH	1561.20/40	18.20/22	959/61	2145/48
LOW	1553.90/10	18.08/10	954/56	2103/06
LAST	1560.20/40	18.12/14	957/59	2138/41

MARKETS/MACRO

An easing of tensions between the U.S. and Iran helped propel stocks higher on Wednesday. President Trump's comments noting Iran appeared to be 'standing down' removed a degree anxiety from markets following the strikes on Iraqi military bases, with the administration turning to further sanctions rather than any further military action. The DJIA ended the session +0.56% higher to 28,745.09 points, strength across technology (+1.03%) and communications (+0.69%) saw the S&P 500 +0.49% higher to 3,253.05 points, while the Nasdaq Composite jumped +0.67% to 9,129.242 points. The greenback outperformed on Wednesday after reversing early Asian weakness, seeing the DXY index end +0.48% higher on the session. The Euro remained offered to shed a further -0.42% and test a break under 1.11, while the pound finished modestly lower (GBP/USD -0.18%) and the safe-haven yen handed back -0.64%. Treasury yields pushed higher following Asian declines, seeing the two-year finish 4bps higher at 1.582% and the 10-year add 5.5bps to 1.873%. Oil futures retraced the geopolitical induced gains as the market pushed back toward risk. WTI declined -4.4% on the session to USD \$60 per

barrel, while Brent crude slipped -3.75% to USD \$65.90 per barrel. ADP employment data showed private payrolls in the U.S. increased by 202,000 during December (exp: 160,000), while November saw an upwards revision to 124,000 from just 67,000 previously. Services added 173,000 jobs, while the goods producing sector was responsible for 29,000 as both manufacturing (-7,000) and mining (-1,000) shed jobs.

PRECIOUS

A rather subdued session across the precious complex considering Wednesday's fireworks, with gold holding a narrow range throughout today's session in Asia. We saw headlines in early Asia regarding two rockets hitting the Green Zone (area that contains the U.S. embassy) within Baghdad, however there were no immediate reports of casualties and gold saw little volatility. The metal remained supported broadly toward USD \$1,550 following the previous session retracement from above USD \$1,600, resuming back within its recent range as participants looked to reevaluate positioning. Buyers look to be taking advantage of current levels to either build or reinstate positions and the Chinese on-shore premium remains buoyant above USD \$7. Expect interest to remain through USD \$1,550 - \$1,560, however a move toward USD \$1,530 - \$1,540 should not be ruled out over the near-term. Silver continues to find favour above USD \$18 as the Chinese on-shore premium moves back toward USD \$1.40 following weakness earlier in the week. Palladium was once again the standout today, ripping to a USD \$2,148 session high as market tightness persists. The white metal has added over USD \$200 or 10% this year alone and gains show little sign of abating over the near-term. On the data front today we saw Chinese PPI to -0.5% during December (exp: -0.4%) from -1.4% previously, while CPI held at 4.5% (exp: 4.7%). Further data today includes German industrial production, Eurozone employment, U.S. initial jobless claims and Bloomberg U.S. consumer confidence.

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