



MKS PAMP
GROUP

Daily Asia Wrap - 16th July 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1810.50/00	19.28/31	828/33	1977/97
HIGH	1813.10/60	19.42/45	834/39	1980/00
LOW	1808.10/60	19.27/30	825/30	1960/80
LAST	1808.50/00	19.29/32	828/33	1960/80

MARKETS/MACRO

Global equities strengthened on Wednesday as investors remain optimistic regarding the development of a COVID vaccine. The Dow added 227.51 points, or 0.85%, to 26,870.10, the S&P 500 rose 29.04 points, or 0.91%, to 3,226.56, while the Nasdaq gained 61.91 points, or 0.59%, to 10,550.49. Wins for industrials (+2.55%) and energy (+1.96%) led a near broad advance in the markets. European equities were higher, the EuroSTOXX advanced 6.47 points, or 1.76%, to 373.87, the German DAX put on 233.62 points, or 1.84%, to 12,930.98, and the London FTSE 100 gained 112.90 points, or 1.83%, to 6,292.65. In the currencies, the US dollar index eased 0.15% to a 1 month low of 96.04, the EUR was at 1.1417 with USD/JPY trading as low as 106.72. US treasury yields were mostly higher, the 2 year yield was unchanged at 0.155% while the 10 year yield firmed 0.5 bps to 0.630%. Oil prices were higher, Brent added 1.3% to \$43.62 while WTI rose 1.4% to \$41.00. Base metals were mostly lower as US-Chinese tensions remain increase, with copper (-1.7%) leading the losses. In US economic data, industrial production rose 5.4% in June, the second monthly gain following steep drops in March and April. Capacity utilisation rose to 68.6% in June. The import price index rose 1.4% in June, led by a rebound in oil prices off their 18 year low earlier in the year. The Empire State Index rose to 17.2 in July from negative 0.2 in June, this is the first increase since the pandemic began in March. In Asia today, as I write the Nikkei is at -0.70%, the Shanghai composite is

at -1.64%, the Hang Seng is at -1.30%, and the ASX S&P 200 is at -0.89%. Tonight we have initial jobless claims, continuing jobless claims, retail sales, the NAHB home builders index, the Philly Fed index, and business inventories out of the US; along with balance of trade, and the ECB interest rate decision out of the eurozone.

PRECIOUS

Trading was listless through Asian hours and gold remained within a \$5 range. London came in on the bid and squeezed the market to the days high \$1814, the metal once again met with solid resistance around this level and retraced toward \$1805. Session low of \$1804 was printed just after the open in NY, but the softening greenback was supportive for the yellow metal through the remainder of trading. Gold finished up flat at \$1810. Silver continued it's recent run higher, peaking at \$19.40 and closing around the highs. PGMs were range-bound but held on to recent supports. The Philadelphia gold and silver index rose 0.63% to 137.93. In Asia today, data showed the Chinese economy grew 3.2% in the second quarter of 2020, following a steep decline in the first quarter. This means China has avoided a technical recession and points to a v-shaped recovery for their economy. The news has had little effect on the precious however, gold has remained within a \$5 range and is sitting at \$1808 as I write. Silver has drifted off the highs and is currently trading at \$19.29. Have a good day ahead.

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