



MKS PAMP  
GROUP

## Daily Asia Wrap - 17th July 2020



### Range Asian Hours (from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1796.50/7.50	19.15/17	822/32	1981/01
<b>HIGH</b>	1799.60/0.60	19.20/22	826/36	1991/11
<b>LOW</b>	1795.60/6.60	18.93/95	821/31	1961/81
<b>LAST</b>	1799.20/0.20	19.04/06	822/32	1968/88

### MARKETS/MACRO

U.S. stocks snapped a four-session winning streak on Thursday as investors grappled with escalating tensions between the U.S. and China in addition to a spate of mixed earnings reports. The DJIA ended the session -0.50% down at 26,734.71 points, the S&P 500 finished -0.34% lower at 3,215.57 points, while weakness in the technology sector saw the Nasdaq Composite fall -0.73% to 10,473.83 points. In currency majors, the greenback edged higher to post a +0.3% gain, reclaiming the 107.00 handle against the Japanese Yen, while the Euro declined back underneath 1.14. Treasury yields eased modestly as concerns over increasing coronavirus cases in the U.S. saw a move out of risk. The two-year ended the session 0.6bps lower to 0.147%, the lowest level since early May, while the 10-year declined 1.8bps to 0.611%. On the data front, retail sales in the U.S. picked up during June, increasing +7.4% MoM to follow a 18.2% gain the month prior. When stripping out strong gains across autos and gas, sales increased +6.7%. The Philadelphia business index outpaced expectations to print 24.1 in July (exp: 18.1) from a 27.5 read during June. Initial jobless claims in the U.S. printed 1.3 million last week, a new post-pandemic low, while continuing claims eased by 0.422 million to 17.34 million during the week ended July 4. Stocks in Europe posted declines to see the Stoxx Europe 600 finish -0.47% to 372.13 points, the German Dax closed -0.43% lower to 12,874.97 points, while in London the FTSE 100 fell -0.67% to 6,250.69 points.

## PRECIOUS

A rangy session throughout Asian trade on Friday, with gold and silver notably oscillating around the key psychological levels of USD \$1,800 and USD \$19 respectively. Gold price action remained supported toward USD \$1,795 - \$1,790 as has been evident during recent moves underneath USD \$1,800, with underlying bids restricting further down-side moves. Chinese demand provided little in the way of direction as the on-shore discount pushed back toward USD -\$30 after trading in toward USD -\$24 in recent sessions. Expect the recent range of USD \$1,790 - \$1,820 to remain in play as Covid cases in the U.S. continue to increase and the global economic recovery remains jittery. Silver has seen broad support through USD \$19.20 - \$19.10 in recent sessions, however the USD \$19 handle was placed under pressure today, broadly holding the psychological level as participants remain bullish and look for better entry levels. Near-term direction for the metal remains skewed to the top-side, as targets extend through the recent highs through USD \$19.50 - \$19.64 to target USD \$20.

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