



MKS PAMP
GROUP

Daily Asia Wrap - 29th October 2020



Range Asian Hours
(from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|------|------------|----------|----------|-----------|
| OPEN | 1877.00/50 | 23.36/39 | 869/72 | 2235/55 |
| HIGH | 1882.50/00 | 23.48/51 | 871/74 | 2254/74 |
| LOW | 1875.50/00 | 23.25/28 | 864/67 | 2235/55 |
| LAST | 1882.30/80 | 23.48/51 | 868/71 | 2250/70 |

MARKETS/MACRO

Skyrocketing global Coronavirus cases and fresh lock-downs across Europe have spooked global markets on Wednesday, sending major bourses sharply lower. German officials on Wednesday agreed to a four-week shutdown of restaurants, bars and other leisure facilities in an attempt to curb further increases in coronavirus cases, coming as the country hit a fresh record of 14,964 yesterday. France meanwhile announced measures of its own, as more than half of the country's intensive care units already occupy Covid-19 patients. The new measures will come into place across France on Friday, with people only allowed to leave home for essential work or medical reasons, while schools will remain open. In U.S. markets the Dow Jones Industrial Average collapsed -3.43% to 26,519.95 points, the S&P 500 cratered -3.53% to 3,271.03 points, while the tech-laden Nasdaq Composite sunk -3.73% to 11,004.867 points. The VIX gauge meanwhile spiked +20.78% to 40.28, the highest level since June. The greenback found interest on the risk-off tone, jumping +0.4% as the DXY index firmed above 93. The majority of gains were against the Euro (EUR/USD -0.46%) as at pair tested toward

1.17, while the safe-haven Japanese Yen finished largely unchanged, tracking between 104.10 – 104.50. Treasury yields meanwhile finished relatively unmoved to see the two-year at 0.149%, while the 10-year inched less than 1bp higher to 0.772%. On the data front, U.S. MBA mortgage applications improved +1.7% during the week ended October 23 to follow a -0.6% decline the week prior. Wholesale inventories in the U.S. eased -0.1% MoM during September (Exp: +0.4%) to follow a +0.3% increase the month prior. Soaring coronavirus cases across Europe weighed upon regional stocks on Wednesday as investors considered the impact of the announced shutdowns.

PRECIOUS

A relatively subdued session across the precious complex in Asia today following previous session fireworks. Gold saw less than 25k lots pass through Comex during the Asian session, with price action generally pinned toward USD \$1,880 throughout the afternoon after pushing back above the level post-Shanghai open. The on-shore discount in China remained stagnant around USD -\$30, while USD/Yuan declined as the greenback consolidated overnight gains. The broad supportive band through USD \$1,870 - \$1,880 remains intact for the time-being, with hard support through \$1,840 - \$1,850 the key down-side level for the bull trend to continue. Key near-term drivers remain U.S. equity flows and dollar direction as coronavirus cases across the globe put the brakes on growth expectations. Silver remained buoyant above USD \$23 in Asia today, pinned toward USD \$23.50 throughout the majority of the session following the previous session decline. The key down-side level for the metal sits through USD \$23.00 - \$22.90, while top-side moves will target a pivot back through USD \$24. Data today includes German employment, European consumer confidence, U.S. initial jobless claims, U.S. GDP and the ECB meeting.

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