



MKS PAMP
GROUP

Daily Asia Wrap - 22nd September 2020



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1912.30/80	24.70/73	884/89	2280/10
HIGH	1919.60/10	25.20/23	892/97	2295/25
LOW	1906.50/00	24.27/30	880/85	2269/99
LAST	1916.30/80	24.77/80	892/97	2280/10

MARKETS/MACRO

There were declines to stocks in the U.S. on Monday as lawmakers continue to be unable to find common ground on extending fiscal stimulus, while concerns over a fresh wave of coronavirus cases across Europe further weighed upon sentiment. The DJIA ended trade -1.84% lower to 27,147.70 points, the S&P 500 declined -1.16% to 3,281.06 points, while gains across technology stocks supported the Nasdaq Composite as the tech-laden bourse eased just -0.13% to 10,778.797 points. Monday's falls saw the S&P 500 book its fourth consecutive decline, the first time since February for such a streak. The greenback finished higher on Monday (DXY +0.57%), largely a result of a -0.64% decline to the Euro as the pair held support at 1.1730. The safe-haven Japanese Yen tested a break of 104.00 before the dollar gained in New York to see USD/JPY finish relatively flat. Treasury yields diverged to see the two-year hold steady toward 0.141%, while the 10-year sunk 2.7bps to 0.667%. European stocks were sold sharply lower on heightened coronavirus fears. The Stoxx Europe 600 sunk -3.24% to 356.82 points, the German Dax cratered -4.37% to 12,542.44 points, while in London the FTSE 100 fell -

3.38% to 5,804.29 points. Driving declines were headlines that the U.K. is considering another national lockdown in order to stem continued coronavirus outbreaks across the country. The country's top scientists have warned that without further action the daily infection rate could reach 50,000.

PRECIOUS

Mixed pricing across the precious complex today following Monday's sharp falls, however gold remained buoyant above USD \$1,900 after the metal closed above the figure in New York. Early session bargain hunters pushed the yellow metal back toward USD \$1,920 in light flows as Japan took a further day of leave. The previous support and 50 DMA of USD \$1,920 restricted any further top-side gains, while a sharp retracement to the on-shore discount in Shanghai back toward USD -\$50 saw gold under pressure on the Chinese open. Gold pared early session gains to print a USD \$1,906.50 session low, however continued to see interest throughout the afternoon to draw away from the USD \$1,900 figure. While U.S. stocks remain susceptible to further declines and the dollar is in favour, we may once again see gold take a further leg lower, with USD \$1,900 being the key pivot (notably on a closing basis). Down-side targets extend to the August low of USD \$1,860/65 and below this the key 100 DMA at USD \$1,840. Initial top-side resistance cuts in at USD \$1,920, while USD \$1,950/60 is likely to see resting offers. Silver remained volatile today to extend over a USD \$0.90 range, sharply reversing early session gains in Shanghai as the on-shore discount steepened toward USD -\$0.50. The March uptrend remains intact for the grey metal, sitting toward Monday's low of USD \$23.70, while a supportive band through August's USD \$23.44 low should provide supportive interest over the near-term. Monday's -11.5% decline (from high-low) saw the XAU/XAG ration test back above 79.00 and is likely to see some resistance toward 80.00. The white metals remain heavy underneath key figures as platinum tests USD \$900 and palladium sits toward USD \$2,300. Data today includes Eurozone consumer confidence, U.S. existing home sales and the Richmond Fed manufacturing index.

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