

Daily Asia Wrap - 6th May 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1787.20/50	26.52/55	1229/32	2972/82
HIGH	1794.90/20	26.79/82	1235/38	2990/00
LOW	1782.50/80	26.16/19	1218/21	2969/79
LAST	1793.90/20	26.77/80	1235/38	2985/95

MARKETS/MACRO

A mixed session in the U.S. on Wednesday as tech names weighed upon the broader market, while softer than expected data gave participants pause for thought. The Dow Jones Industrial Average finished the session +0.29% higher at 34,230.34 points, the S&P 500 added +0.07% to a fresh record close at 4,167.59 points, while the Nasdaq Composite declined late in traded to finish -0.37% lower at 13,582.43 points. On the data front, the April U.S. ADP employment print came in below expectations at 742k (exp: 850k), however improved from 565k previously. There was a generally even spread of job gains across business sizes, while the services producing sector was responsible for 636k hires. The Markit read of U.S. services improved during April to 64.7 to follow an earlier estimate at 63.1 and a March print of 60.4. Meanwhile the ISM measure of U.S. services eased to 62.7 during April (exp: 64.1) from 63.7 previously, largely a result of a drop in new orders. The DXY index ended a whippy session little changed, remaining buoyant above the 100 DMA. The Euro (-0.07%) traded a narrow range but found interest underneath 1.20 to finish above the figure, while the safe-haven Japanese Yen added +0.07%, however USD/JPY remained buoyant above 109.00. Treasury yields traded lower to see the two-year 0.8bps lower at 0.152%, while the 10-year slipped 2.8bps to 1.5677%. Markets across Europe posted firm gains to see the pan-European Stoxx 600 jump +1.82% to 441.55%, the German Dax gained +2.12% to 15,170.78 points, while in London the FTSE 100 added +1.68% to 7,039.30 points amid a modestly firmer Pound (+0.16%).

PRECIOUS

A generally robust session across the precious complex as China returned from leave and the dollar saw mixed pricing. An initial offered tone across gold reversed on the Chinese open as the dollar turned lower and USD/CNH was sold. The gold premium in China opened toward USD \$10, however eased back to around pre-holiday levels either-side of USD \$9 over London spot soon after, while the silver discount tightened back in toward USD \$0.30 after pushing to around USD \$0.40 pre-holiday. On the spot side, gold found good interest toward USD \$1,780 and remained bid throughout the session to test toward USD \$1,795 as Europe entered. Focus for the yellow metal remains the key USD \$1,800 figure, however U.S. jobs data is set for release on Friday so it's hard to see the figure being breached before then. Silver reversed an early decline toward USD \$26.20 to pivot through resistance above USD \$26.60, and much like gold is positioned to test an import top-side figure (\$27) over the near-term. The white metals meanwhile remain well supported with palladium within sight of USD \$3,000 and platinum finding good bids toward USD \$1,220. All eyes tonight on the BOE decision, while out of the U.S. we see initial jobless claims and Langer consumer comfort.

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