

## Daily Asia Wrap - 1st June 2021

Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1907.70/00	28.07/09	1190/93	2833/43
HIGH	1914.10/40	28.33/35	1195/98	2850/60
LOW	1906.80/10	28.00/02	1189/92	2833/43
LAST	1910.90/20	28.18/20	1194/97	2848/58

### MARKETS/MACRO

A very quiet session on Monday with major centres New York and London on leave for Memorial Day and the Spring Bank Holiday respectively. Major bourses in Europe traded lower to see the pan-European Stoxx 600 off -0.49% to 446.76 points and the German Dax down -0.64% to 15,421.13 points. Inflation data out of Germany for May outpaced expectations to increase +0.5% MoM (exp: +0.3%) and +2.5% YoY (exp: +2.3%). The print underpinned Euro price action as the common currency consolidated above 1.22 to finish the session +0.28% higher, while the greenback slipped -0.24%. The PBOC announced it will lift its reserve requirement ratio for foreign currency deposits by 2pp to 7% effective June 15<sup>th</sup>, the first such increase since 2007. The measure is being undertaken to “enhance the foreign exchange liquidity management of financial institutions”, a move that should also slow the recent Yuan appreciation. Treasury markets in the U.S. were closed in observance of Memorial Day, while the 10-year bund yield eased 0.4bps to -0.187%. Oil futures lifted ahead of this week OPEC+ meeting, seeing Brent Crude +0.7% higher to USD \$69.50 per barrel, while WTI added +0.51% to USD \$66.90 per barrel.

### PRECIOUS

A buoyant session across the precious complex to follow Monday's shortened session, as a softer greenback continued to underpin price action. The recent move in gold above USD \$1,900 has seen renewed interest in the metal, as an increase in ETF flows coupled with significant short covering over the past few weeks drives price action higher. The on-shore premium in Shanghai remains at a robust USD \$7 over spot gold, whilst USD/CNY has moved back above 6.37 this afternoon after today's reference rate was set at 6.3572. Interest remains evident through USD \$1,890 - \$1,900 over the near-term, while initial top-side resistance sits through USD \$1,915/20. Silver has attempted to play catch-up to gold today, jumping to a session high around USD \$28.33 after struggling to consolidate a break above USD \$28 over the past week. The grey metal tracks an uptrend from late March and looks to target a break back through USD \$28.5/29.00 for a renewed attempt at the cycle high around USD \$30. With regards to the white metals, we are beginning to see some Asian physical interest in palladium, while platinum sees offers toward USD \$1,200 keep price action in check for the time being. Data today includes U.K. house prices, German employment, Markit German manufacturing PMI, Markit Eurozone manufacturing PMI, Markit U.K. manufacturing PMI, Eurozone employment, Eurozone CPI, Canada GDP, Markit Canada manufacturing PMI, U.S. construction spending, ISM U.S. manufacturing, IS U.S. prices paid and the Dallas Fed manufacturing activity report.

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