

Daily Asia Wrap - 11th May 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1836.20/50	27.32/35	1249/52	2960/70
HIGH	1838.10/40	27.39/42	1255/58	2964/74
LOW	1831.50/80	27.11/14	1242/45	2949/59
LAST	1835.90/20	27.34/37	1249/52	2957/67

MARKETS/MACRO

A soft session across U.S. equities to start the week, with major bourses trading heavily into the close as tech stocks dragged the broader market lower. The Dow Jones Industrial Average snapped a five-session winning streak to decline -0.10% to 34,742.82 points, the S&P 500 fell -1.04% to 4,188.43 points, while the Nasdaq Composite (-2.55%) unwound Friday's gains and booked its worst single-session decline since March 18 to finish at 13,041.86 points. The greenback finished modestly firmer (DXY +0.08%), supported late in trade after the DXY index tested toward the 90.0 handle in early U.S. hours, marking the lowest print (90.042) since late February. The Euro (-0.28%) eased late in trade after holding a narrow range broadly through 1.2140 – 1.2180, while the Japanese Yen handed back -0.25% as USD/JPY tested briefly above 109.00, however finished underneath the figure. Treasury yields firmed modestly as the curve steepened to see the 10-year add 2.4bps to 1.602%, while the two-year gained 0.8bps to 0.1528%. Oil futures ended the session little changed after a strong open following the weekend cyber-attack on the operators of the colonial pipeline. Brent crude sharply reversed early session gains in New York to add +0.05% to USD \$68.30 per barrel, while WTI gained +0.12% to USD \$64.90 per barrel. Stocks across Europe ended mixed as the pan-European Stoxx 600 added +0.10% to 445.39 points, the German Dax finished unchanged at 15,400.41 points, while in London the FTSE 100 eased -0.08% to 7,123.68 points as the pound added over +1% to consolidate gains above 1.41.

PRECIOUS

A session of consolidation during Asian trade on Tuesday, with muted price action across currency majors and U.S. yields to provide little in the way of direction. Pricing was generally limited to either-side of the Chinese open, as gold dipped toward USD \$1,830 pre-open, however saw good interest toward the figure and soon pushed back above USD \$1,835. The on-shore premium in Shanghai opened firmer toward USD \$9 relative to spot bullion, seeing USD/CNY higher as producer prices (+6.8% YoY) outpaced expectations during April and CPI increased to +0.9% YoY. Top-side price action remains capped by the 200 DMA toward USD \$1,850, with further pain for shorts through this key pivot having the potential to accelerate gains on a break higher. Platinum saw larger than usual flows in early session trade, with over 1000 lots traded pre-China as the metal straddled USD \$1,250. Good two-way interest restricted any material moves away from USD \$1,250 throughout the session and the metal generally held the figure into the afternoon. Silver meanwhile saw a sharp sell-off into the Chinese open to print a USD \$27.14 session low. The grey metal spent little time underneath USD \$27.30 however, sharply reversing the weakness and turning back toward USD \$27.40/45 into European hours. Data tonight includes German ZEW survey results, U.S. NFIB small business optimism and U.S. JOLTS jobs.

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