

Daily Asia Wrap - 25th May 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1880.70/00	27.75/78	1179/82	2730/40
HIGH	1887.10/40	27.80/83	1182/85	2760/70
LOW	1872.80/10	27.44/47	1168/71	2730/40
LAST	1885.90/20	27.73/76	1180/83	2754/64

MARKETS/MACRO

A positive session on Wall Street to start the week as technology stocks outpaced the broader market. The Dow Jones Industrial Average finished the session +0.54% higher at 34,393.98 points, the S&P 500 increased +0.99% to 4,197.05 points, while the tech-laden Nasdaq Composite jumped +1.41% to 13,661.17 points. A light data session saw the Chicago Fed national activity index slump to 0.24 during April (exp: 1.20) from 1.71 previously. Production indicators were the main drag on the headline print, however this is likely due to capacity constraints rather than demand. Currency majors remained firm against the greenback as the DXY index (-0.23%) remained heavy underneath the 90.00 handle. The Euro (+0.31%) pivoted back above the 1.22 figure, while the Japanese Yen added +0.20% as USD/JPY traded heavily underneath 109.00. Treasury yields eased modestly as the curve flattened. The two-year dipped 0.2bps to 0.1513%, while the 10-year eased 2.4bps to 1.599%.

PRECIOUS

A mixed session across the precious complex during Asian hours today, as an early offered tone sharply reversed in late afternoon flows to see fresh session highs into European trade. A softer greenback provided little in the way of support to gold throughout Asian hours, as USD/CNH tested the 6.40 handle and the yellow metal broke down underneath USD \$1,875. While the on-shore premium in Shanghai firmed toward USD \$8 over spot, gold failed to break out of a narrow USD \$1,880 - \$1,875 range until USD/CNH triggered a stop loss run underneath 6.40 (6.3922 low) as European names filtered in to drive further dollar declines (DXY -0.3%). For now, the yellow metal remains pinned around the USD \$1,880 figure, seeing higher low prints as fast money interest scoops up dips, while ETF's recorded a further 165k ounces of inflows on Monday. The psychological USD \$1,900 figure remains the key top-side pivot and a break through this level should see further interest in the metal drive price action back toward the recent tops through USD \$1,960/65. Silver tested briefly through USD \$27.50 in late Asian trade before following gold higher into European hours, while platinum continues to see offers around the 100 DMA (USD \$1,184) restrict top-side gains.

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