

Daily Asia Wrap - 29th April 2021

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1781.50/80	26.23/26	1221/24	2935/45
HIGH	1789.90/20	26.45/48	1231/34	2948/58
LOW	1781.30/60	26.22/25	1221/24	2923/33
LAST	1784.90/40	26.35/38	1224/27	2948/58

MARKETS/MACRO

Focus was squarely on the FOMC on Wednesday, and while the committee expressed a more favourable view on the U.S. economy, Chairman Powell noted reiterated that the recovery was uneven and far from complete. While downside risks to the economy remain, the committee no longer views these as 'considerable', however Powell downplayed any talk of tapering and noted the economy 'is a long way from our goals' and inflation was 'largely' transitory. Markets ended a jittery session with modest declines post-FOMC, seeing the Dow Jones Industrial Average end -0.48% lower at 33,820.38 points, the S&P 500 eased just -0.08% to 4,183.18 points, while the tech-laden Nasdaq Composite slipped -0.28% to 14,051.031 points. The dollar index tested briefly above the 100 DMA in late Asian trade, before sharply paring gains in New York to finish -0.31% lower (DXY basis). The Euro (+0.28%) rallied post-FOMC to break back above the 1.21 handle, while the Japanese Yen saw a modest +0.11% gain as USD/JPY failed to hold above 109.00. Treasury yields reversed an earlier bid to finish modestly lower on the session as the two-year declined 1.6bp to 0.1641%, while the 10-year eased 1.7bp to 1.609%. On the data front, U.S. wholesale inventories increased +1.4% MoM during March (exp: +0.5%), while February saw an upwards revision to +0.9% from +0.6% previously. The FOMC held rates unchanged at the April meeting, between 0.00% - 0.25% as expected. Stocks in Europe posted modest gains, with regional equities buoyed by strong earnings reports. The pan-European Stoxx 600 inched just +0.02% higher to 439.92 points, the German Dax tacked on +0.28% to 15,292.18 points, while in London the U.K. FTSE 100 finished +0.27% higher at 6,963.67 points.

PRECIOUS

A generally robust session across the precious complex in Asia today as the post-FOMC dollar weakness underpinned price action. Early Shanghai trade saw a firmer on-shore and off-shore Yuan as both traded with a 6.46 handle after moving sharply lower on the open. The broad dollar weakness saw spot extend just short of USD \$1,790, while the on-shore premium in Shanghai remained firm around USD \$8 - \$9. Afternoon flows saw profit taking emerge on the back of a firmer greenback to see gold settle back toward USD \$1,785 as Europe filtered in. Upcoming Chinese Labor Day holidays (1 - 5 May) and the terrible Covid situation across India has the potential to dampen physical gold/silver demand over the near-term, with focus squarely on the Greenback and yields to support a move back toward USD \$1,800. Silver saw good interest throughout today's Asian session and we have seen the discount in Shanghai tighten in toward USD \$0.20 after extending out to USD \$0.30 in recent sessions. Offers toward USD \$26.50 capped further gains in Asia, while a break above USD \$26.50 - \$26.60 should provide fresh air for a renewed test higher toward USD \$27.00. Platinum importantly held above USD \$1,200 in New York on Wednesday and has remained supported throughout today's session, with near-term targets extending to recent resistance through USD \$1,250. Data releases today include German employment, German inflation, U.S. initial jobless claims, U.S. GDP, U.S. core PCE, Langer U.S. consumer comfort and U.S. pending home sales.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.

MKS PAMP GROUP B.V. | World Trade Center - B Tower, 867 Strawinskylaan, Amsterdam, 1077XX
Netherlands

[Unsubscribe {recipient's email}](#)

[Update Profile](#) | [Customer Contact Data Notice](#)

Sent by news@mkspamp.com