

Daily Asia Wrap - 7th May 2021

Range Asian Hours
(from Globex open)

7-May-21	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1814.70	1815.30	27.2800	27.3100	1254.00	1257.00	2948.50	2963.50
HIGH	1822.10	1822.70	27.5250	27.5550	1258.00	1261.00	2958.00	2973.00
LOW	1812.80	1813.40	27.2150	27.2450	1248.50	1251.50	2935.50	2950.50
LAST	1819.90	1820.50	27.3200	27.3500	1249.00	1252.00	2956.00	2971.00

MARKETS/MACRO

US equities rallied ahead of Friday' NFP release, with the Dow rising to another record close. The Dow added 318.19 points, or 0.93%, to 34,548.53, the S&P 500 rose 34.03 points, or 0.82%, to 4,201.62, while the Nasdaq gained 50.42 points, or 0.37%, to 13,632.84. Financials (+1.43%) and consumer staples (+1.33%) led a broad advance across the markets. European equities were mostly higher, the EuroSTOXX shed 0.53 points, or 0.12%, to 441.02, the German DAX added 25.96 points, or 0.17%, to 15,196.74, and the London FTSE 100 put on 36.87 points, or 0.52%, to 7,076.17. In the currencies, the US dollar came under broad pressure as the Fed continued to downplay concerns over inflation. The US dollar index eased 0.42% to 90.89, the EUR traded up to 1.2067, while USD/JPY was down at 109.03. US treasury yields were lower, the 2 year yield was flat at 0.155%, while the 10 year yield slipped 0.5 bps to 1.568%. Oil prices were lower, Brent sold off 1.3% to \$68.30 while WTI fell 1.6% to \$64.71. Base metals were broadly higher, aluminium (+1.8%) leading the gains while copper closed above \$10,000/t for the first time in 10 years. In US economic data, initial jobless claims fell to 498,000 in week ending May 1 which was stronger than the 527,000 forecast. Continuing claims rose slightly to 3.69 million the week prior. Non-farm productivity rose at an annual rate of 5.4% during the first quarter of 2021, while unit labor costs fell at a 0.3% rate in the same period. In Asia today, as I write the Nikkei is at +0.15%, the Shanghai composite is at +0.14%, the Hang Seng is at +0.25%, and the ASX S&P 200 is at +0.32%. Tonight we have non-farm payrolls, unemployment rate, average hourly earnings, wholesale inventories, and consumer credit out of the US.

PRECIOUS

Strong session for the precious as a softer USD sparks demand across the complex. Mild bid tone through Asian hours saw gold reach \$1795 by the time London came in. The market remained within a tight range through the London AM session despite the US dollar coming under broad pressure during this period. The metal shot up to \$1814 just after the open in NY as the weaker greenback and softer bond yields fuelled demand. Gold traded as high as \$1817 and remained around that peak for the remainder of the session. The yellow metal ended the day at \$1815, its first close above \$1800 since February. Silver surged almost 5% off the lows to a 2 month high \$27.45. Platinum broke the \$1250 resistance and closed near the highs. The Philadelphia gold and silver index rose 3.86% to 153.81. In Asia today, gold found a bid has extended yesterday's gains, the yellow metal is currently sitting just under the high at \$18.19. Silver was as high as \$27.52 earlier in the day but saw a wave of selling which sent it back to opening levels. The grey metal is trading at \$27.32 as I write. Have a good day ahead.

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11/05/2021

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