

Metals Weekly

Brought to you by Phillip Futures Sdn Bhd (362533-U) (A member of PhillipCapital)

CME GOLD (\$1,962.10, +0.73%)



Our Call of The Week:

Mildly Bearish
21 September 2020

Market Commentary

Highlights:

- **U.S.** – The dollar resumed its downward trend amid concern over the outlook for the US economy and the risk that a weakening stock market may feed through into lower global demand for US financial assets.
- **US** - US Consumer sentiment increased more than expected in early September to a 6 month high as Americans grew more upbeat about the economy's prospects
- **EUR** - The European Central Bank will review its emergency bond purchase scheme that was introduced in response to the coronavirus crisis in March.
- **China** - China kept its benchmark lending rate for corporate and household loan steady for the fifth straight month at its September fixing on Monday.

Precious Metals

Gold prices rose on Friday, en route to a second straight weekly gain, as the dollar weakened and on concerns about economic recovery from the coronavirus crisis.

The path of least resistance is upwards because of the Fed, all the stimulus coming from global central banks (and) more fiscal stimulus if there's deal in Washington, all the tailwinds are pointing in the direction for higher prices.

The U.S. Federal Reserve vowed on Wednesday to keep interest rates near zero for a long time, while the United States considered a proposed \$1.5 trillion coronavirus aid bill.

Barring short-term corrections, negative real yields and a weaker dollar, alongside the unprecedented stimulus, create a favourable macro environment for gold and are likely to be the key price drivers over the coming months.

Investors now await speeches by Fed committee members, including Chairman Jerome Powell, who will appear before Congressional committees later this week.

The U.S. elections in early November certainly pose a major event risk on gold's trajectory. Should risk aversion creep up over the coming six weeks, that may translate into upward pressure for bullion prices in the interim.

This week, gold will likely to trade low as the dollar strengthened, while scepticism over additional stimulus measures from U.S. Federal Reserve policymakers' speeches this week added further pressure.

Bursa Gold

Bursa Gold futures contract on Bursa Malaysia Derivatives movement shall track the COMEX gold movement to trade low this week.

Some significant economy data for the week:

U.S: US New Homes Sales, US Initial Jobless Claims, US Crude Oil Inventories, US Fed Chair Powell Testifies, US Treasury Department Report, US Existing Homes Sales

EUR : Eurozone Manufacturing PMI, Eurozone Services PMI, Germany Manufacturing PMI

UK : Bank of England Governor Bailey Speaks, UK Services PMI, UK Manufacturing PMI, UK Composite PMI

Key Price Changes

Precious Metal COMEX

Contract	Last	Wkly Chg	%	High	Low
Gold	1,962.10	14.20	0.73	1983.80	1938.20
Silver	27.129	0.272	1.01	27.865	26.405
Platinum	938.50	-1.10	-0.12	989.50	925.40
Palladium	2,380.80	50.00	2.15	2454.60	2310.30

Base Metal LME

Contract	Last	Wkly Chg	%	High	Low
Copper	6,812.50	73.50	1.09	6875.00	6676.00
Aluminium	1,792.50	17.50	0.99	1810.50	1775.50
Lead	1,913.00	23.50	1.24	1946.00	1873.70
Zinc	2,538.00	67.00	2.71	2550.00	2465.00
Nickel	14,904.00	-190.00	-1.26	15365.00	14810.00

Currencies

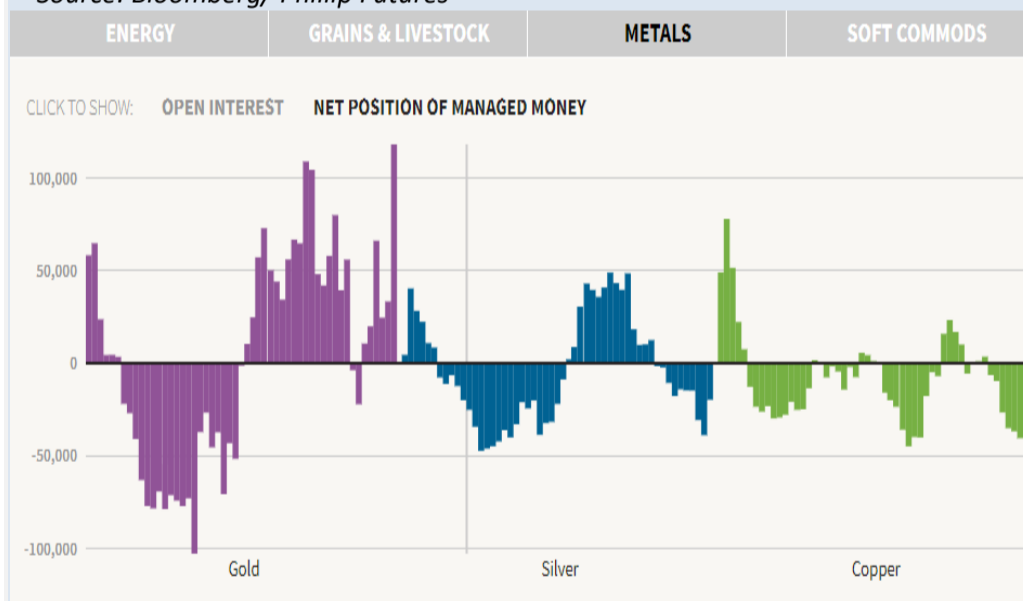
Indexes	Last	Wkly Chg	%	High	Low
US Dollar Index	92.926	-0.407	-0.44	93.592	92.766
USDMYR	4.1145	-0.0390	-0.94	4.1555	4.1000
USDJPY	104.57	-1.59	-1.50	106.17	104.27
USDEUR	0.8446	0.0004	0.05	0.8517	0.8403

	AM	PM
LBMA Gold Price	1954.75	1950.85

Bursa Gold Futures

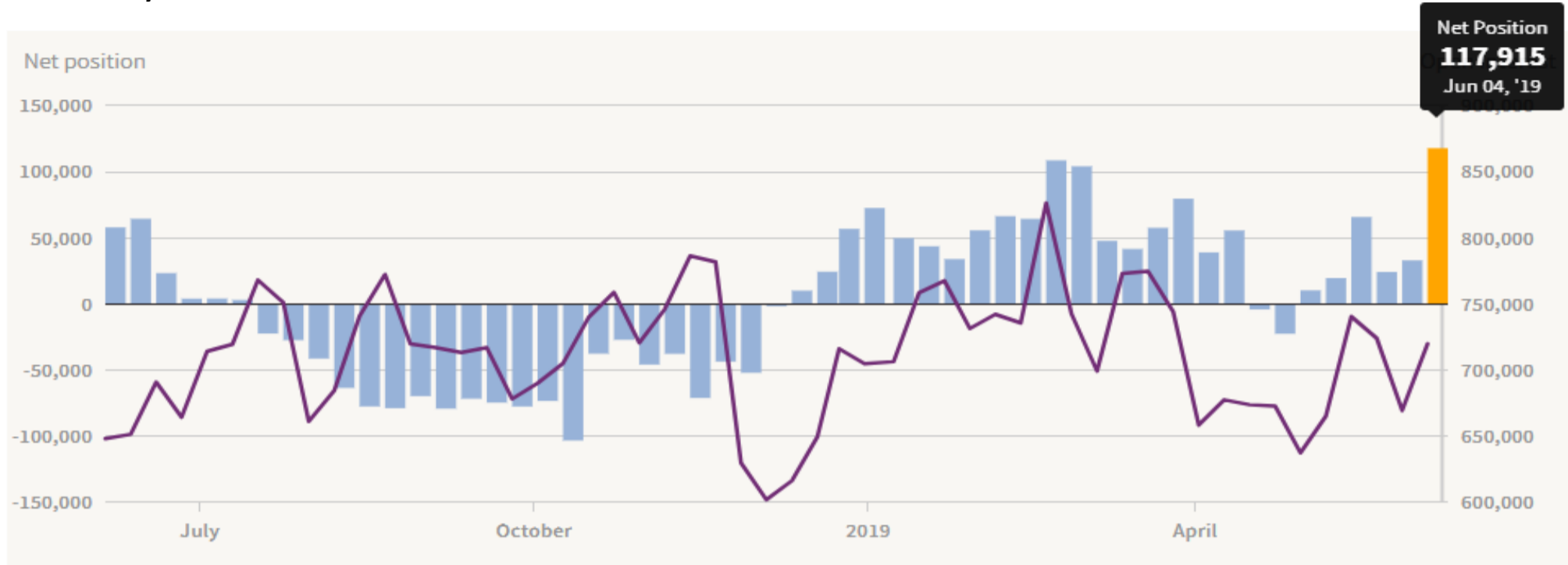
Contract	Last	Wkly Chg	%	High	Low
Sep-20	254.00	0.00	0.00	-	-
Oct-20	255.00	0.00	0.00	-	-

Source: Bloomberg/ Phillip Futures

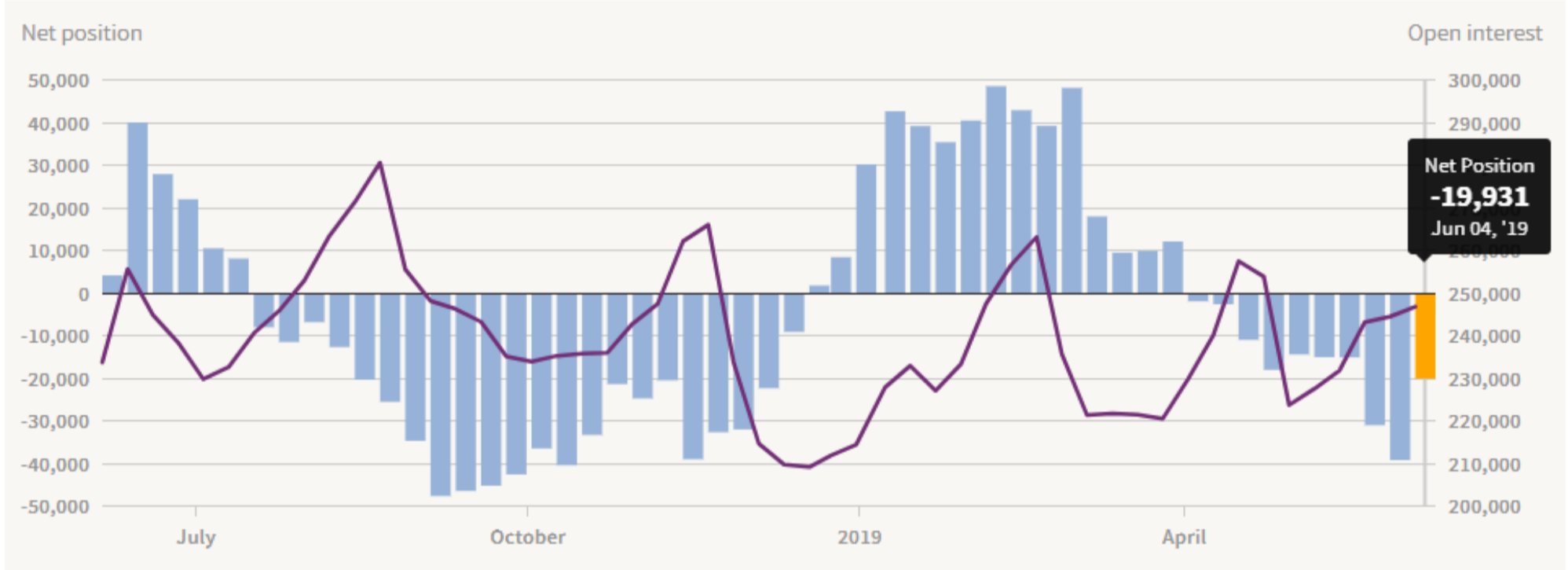


Source: CFTC

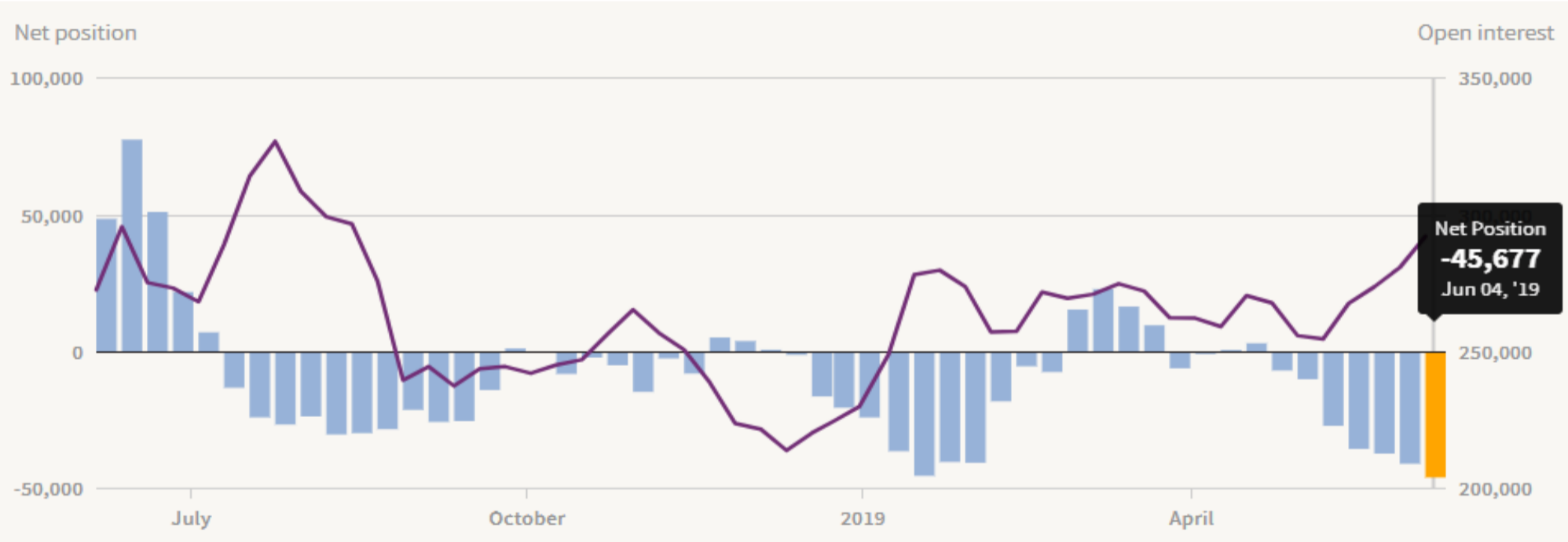
CFTC Commodity Trader's Position



Managed Net Positions on Silver



Managed Net Positions on Copper



Source : CFTC

Bursa Gold



Spot Gold



CME Gold Futures



Source : Bloomberg

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