



MKS PAMP GROUP

Daily Asia Wrap

11th June 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1328.30/50	14.71/73	805/07	1381/85
HIGH	1329.90/10	14.74/76	809/11	1387/91
LOW	1327.50/70	14.68/70	805/07	1377/81
LAST	1329.20/40	14.72/74	806/08	1379/83

MARKETS/MACRO

Stocks in the U.S. ended firmer on Monday following a strong open, however eased to end toward the session low print as late weakness was driven by concerns over trade negotiations with China. The U.S. decision to suspend tariffs on Mexico supported markets to see the DJIA finish +0.30% higher at 26,062.68 points, the S&P 500 saw strength across technology (+0.98%) and consumer stocks (+1.05%) to underpin a +0.47% gain at 2,886.73 points, while the Nasdaq Composite jumped +1.05% to 7,823.168 points. The greenback gained ground against majors on Monday, recovering some of Friday's payrolls related declines to see the DXY +0.2% higher from Friday's closing level. The Japanese yen dropped in early session pricing, however tempered declines through the day to finish down -0.2%, while the euro slipped -0.14% and Brexit / political woes in the U.K. saw the pound off -0.4%. Treasury yields firmed on Monday as investors buoyed stocks. The two-year yield added 4.7bps to 1.90% and the 10-year gained around 6bps to 2.148%. Oil futures pared early session gains to finish down on Monday, with concerns over slowing global growth weighing upon prices. WTI ended the session -1.4% lower at USD \$53.32 per barrel, while Brent crude fell -1.6% to USD \$62.40 per barrel. European markets were buoyed on the U.S. – Mexico trade news, seeing the Stoxx Europe 600 finish +0.21% higher to 378.27 points, while the German Dax gained +0.77% to 12,045.38 points and in the U.K. the FTSE 100 booked a +0.59% gain to 7,375.54 points.

PRECIOUS

An uninspiring session during Asian hours today as gold looked to base around USD \$1,325 - \$1,330 following Monday's declines. A lack of headlines and a generally languid greenback saw the yellow metal hold a narrow USD \$2.50 range over the session, pushing toward USD \$1,330 on early USD/JPY declines (under 108.50), however unable to make headway through the figure. The on-shore premium in China remained at a supportive USD \$12, however failed to elicit much in the way of bids in spot gold. Following Friday's rejection of USD \$1,347 and subsequent fall on Monday, gold could test lower over the near term, with key down-side targets extending through USD \$1,325 - \$1,318. While equities have benefitted from renewed interest following the change in tact by the U.S. with regards to Mexico, there remains



MKS PAMP
GROUP

considerable uncertainty with regards to negotiations on trade with China in addition to growth concerns out of the U.K. and Europe. Should bullion manage to hold the aforementioned supportive band, we are likely to see a re-test toward USD \$1,347, while a break of this key resistance should open up a test of USD \$1,365 - \$1,375. The latest COTR data release shows over 8 million ounces of increased net longs to see net long positioning at 52% of the all-time high and the highest in over a year. The change comprised of 5.7 million ounces in gross longs added, while shorts were trimmed by 2.7 million ounces. Data today includes U.K. jobs data and U.S. PPI.

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.