



MKS PAMP
GROUP

Daily Asia Wrap - 12th July 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1404.80/00	15.10/12	823/25	1562/64
HIGH	1410.10/30	15.15/17	826/28	1562/64
LOW	1403.70/90	15.09/11	822/24	1551/53
LAST	1406.10/30	15.13/15	824/26	1552/54

MARKETS/MACRO

U.S. stocks finished mostly higher on Thursday, with both the DJIA and the S&P 500 booking record closes as investor's monitored Fed chair Powell's second day of testimony, this time in front of the Senate Banking Committee. The DJIA added +0.85% to finish at 27,088.08 points, while the S&P 500 tacked on +0.23% to 2,999.91 points and the tech-laden Nasdaq Composite eased -0.08% to 8,196.043 points. A firmer CPI print in the U.S. saw the greenback rally in New York on Thursday, erasing Asian declines to finish relatively flat on the session. The dollar moved back through 108.00 against the yen, while the euro was sold in New York after testing toward 1.13. The greenback's strength was exacerbated by a weak 30-year treasury auction, moving yields higher across the long end of the curve, while the 1-year yield increased 8bps to test 2.14%. On the data front, U.S. CPI firmed +0.1% MoM during June (exp: 0.0%) from a +0.1% gain previously. The monthly print saw the annualised figure print +1.6% YoY (exp: +1.6%) from +1.8% previously, while core CPI improved +0.3% MoM (exp: +0.2%) to tick up to +2.1% YoY (exp: +2.0%) from 2.0% previously. Initial jobless claims in the U.S. sunk

13,000 to a 3-month low of 209,000 during the week ended July 6, while the four-week moving average eased 3,125 to 219,250.

PRECIOUS

A muted session across the precious complex in Asia today as gold remained heavy toward USD \$1,400, albeit within a narrow range. Early session pricing saw the yellow metal ease to USD \$1,403.70, marking the session low amid thin liquidity. Tocom filtered in and pushed the metal back toward USD \$1,405, while firmer price action continued into Shanghai. The Chinese on-shore premium remained buoyant toward USD \$13 throughout the session as gold touched USD \$1,410, however a lack of follow through interest capped any further gains and the metal settled underneath the figure. While the dollar remains under pressure expect to see supportive price action toward USD \$1,400, with participants still looking to play on the long side. In broad terms, we see resistance initially toward USD \$1,425, while the double top at USD \$1,440 remains restrictive.

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