



MKS PAMP  
GROUP

## Daily Asia Wrap - 13th August 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1509.50/70	17.06/08	858/60	1431/34
<b>HIGH</b>	1525.50/70	17.36/38	867/69	1441/44
<b>LOW</b>	1509.20/40	17.05/07	857/59	1429/32
<b>LAST</b>	1525.10/30	17.32/34	864/66	1440/43

### MARKETS/MACRO

Stocks in the U.S. registered further declines on Monday as lingering concerns over trade and an escalation in tensions in Hong Kong saw investors heading for the exits. The DJIA finished the session down -1.48% to 25,897.71 points, heavy trade across financials (-1.92%) and energy (-1.45%) saw the S&P 500 off -1.22% to 2,883.09 points, while the Nasdaq Composite shed -1.2% to end the session at 7,863.41 points. The greenback saw whippy price action to finish down -0.16%, reversing early European interest in New York. The buck tested 105.00 relative to the yen (105.05 low) as investors flocked into the safe-haven (USD/JPY -0.29%), while the euro recovered from a move underneath 1.12 to post a +0.12% gain and the pound recovered from Friday's GDP induced weakness to add +0.22%. Treasury yields saw further falls in the flight to safety, sending the two-year 5bps lower to 1.575%, while the 10-year sunk 8bps to 1.636%. In emerging market news, Argentinian primaries saw the country's center-right leader, President Mauricio Macri lose by a far greater margin than expected, casting significant doubts on his chances of reelection in October. The results saw the Argentine stock market

collapse around -30%, while the Argentinian peso sunk close to -25% relative to the greenback.

## **PRECIOUS**

The overnight gains to gold and silver continued during Asian hours today, as both metals traded with a solid bid tone throughout the session. Early session trade saw a narrow range while buoyant above USD \$1,510, however the majority of price action was reserved for the Shanghai session as gold ripped toward USD \$1,520. While unable to capture the figure pre-lunch, the metal gave back very little throughout the session and found renewed interest in afternoon hours to trigger a stop loss run through the previous session high. Early European bids underpinned the metal to a USD \$1,525.50 high, with consolidation above USD \$1,520 the key to a further extension of the recent move higher. Gold will now look to target resistance toward USD \$1,540 - \$1,550, while USD \$1,520 looms as a pivot for near-term pricing. With regards to currency moves, the PBOC once again set the Yuan fix higher, increasing to 7.0326 relative to the greenback as the central bank continues to slowly devalue the currency. Spot CNY pushed higher to test 7.07, while CNH was initially sold underneath 7.09, however firmed above 7.10 during late afternoon pricing. Silver was a standout today, adding in excess of +2% to break above last weeks test through USD \$17.20. The grey metal was relatively unimpeded on the way through USD \$17.30, however offers extending toward USD \$17.40 restricted further top-side gains late in Asia. All eyes tonight on the U.S. CPI print, while we also see German CPI, U.K. employment data and German ZEW survey results.

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