



MKS PAMP
GROUP

Daily Asia Wrap - 19th August 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1512.50/70	17.10/12	849/51	1449/52
HIGH	1512.90/10	17.11/13	851/53	1455/58
LOW	1505.00/20	16.97/99	847/49	1448/51
LAST	1509.10/30	17.05/07	851/53	1453/56

MARKETS/MACRO

Equities in the U.S. firmed on Friday as participants looked to square positions heading into the weekend amid a marginally friendlier risk environment. The DJIA advanced +1.20% to 25,886.01 points, industrial stocks (+1.90%) led all components of the S&P 500 higher (+1.44%) to see the bourse finish at 2,888.68 points, while the tech-laden Nasdaq Composite jumped +1.67% to 7,895.994 points. The greenback found favour to extend recent session gains, adding around +0.1% as the yen eased -0.25% and the Euro pulled back -0.2%. Treasury yields finished mixed, however saw a tighter range than in previous sessions. The two-year declined 1.9bps to 1.48%, while the 10-year added 2.7bps to 1.553%. On the data front, housing starts in the U.S. slumped -4.0% MoM during July (exp: +0.2%) from a -1.8% fall the month prior, marking a third consecutive monthly fall. Building permits meanwhile spiked +8.4% MoM (exp: +3.1%) from a -5.2 fall the month prior, largely driven by a +21.8% jump to the volatile multi-family segment. The University of Michigan's read on U.S. consumer sentiment collapsed to 92.1 during August, well down on expectations centred around 97.0 and July's print of

98.4. The August print was the lowest recorded since January as trade tensions weigh upon confidence. Oil futures pared Asian/European gains in New York, however were able to firm late in trade to finish the session in the green. WTI added +0.9% to just under USD \$55 per barrel, while Brent crude firmed +0.91% to USD \$58.76 per barrel. Markets in Europe ended the week on a positive note as the Stoxx Europe 600 gained +1.24% to 369.63 points, the German Dax added +1.31% to 11,562.74 points and in London the FTSE 100 closed +0.71% higher at 7,117.15 points.

PRECIOUS

A softer start to the week across the precious complex in Asian trade today, as positive trade comments from President Trump with reference to China talks saw risk on the table. Early session pricing saw gold move underneath USD \$1,510 leading into the Chinese open, however early demand from the far-East reversed the offered tone to see the metal test back toward opening levels following the PBOC fixing the yuan in-line with estimates. Firmer U.S. equity futures and strong regional markets weighed upon bullion during afternoon trade, seeing gold touch a USD \$1,505 low before underlying bids restricted any further declines. Trade headlines currently remain the main directional driver to price action for gold, however global growth concerns coupled with geopolitical tensions, namely in Hong Kong, should provide support over the near-term. The psychological USD \$1,500 level looms as the first major support, with extension toward \$1,495 and hard support at USD \$1,475 - \$1,480. Top-side targets extend through USD \$1,525 - \$1,535. Silver softened with gold during afternoon pricing to test a move through USD \$17, however managed to hold the figure, while platinum crabs sideways around USD \$850 and palladium sees supportive interest at USD \$1,450. Data today includes Eurozone CPI, while focus this week is undoubtedly on the FOMC minutes release on Wednesday and Fed chairman Powell's speech at Jackson Hole on Friday.

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