



MKS PAMP  
GROUP

## Daily Asia Wrap - 1st October 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1472.80/00	17.01/03	883/85	1677/80
HIGH	1474.70/90	17.05/07	888/90	1684/87
LOW	1460.90/10	17.89/91	878/80	1673/76
LAST	1462.70/90	17.98/00	882/84	1673/76

### MARKETS/MACRO

Stocks in the U.S. finished the month on a positive note, however focus remained squarely on developments across trade discussions and impeachment proceedings. The DJIA ended +0.36% higher at 26,916.83 points, finishing the month +2% higher for a quarterly gain of +1.2%. Gain across technology stocks (+1.04%) underpinned a firm session for the S&P 500 as the bourse added +0.50% to 2,976.74 points, ending the month +1.7% for a quarterly gain of +1.2%, while the Nasdaq Composite jumped +0.75% to 7,999.34 points, a +0.5% increase over the month, however -0.1% lower on the quarter. In currency majors, the greenback firmed +0.33% after seeing solid month end demand. The buck was modestly higher against the yen (USD/JPY +0.11%), while the euro declined -0.39% as regional data disappointed and the pound saw whippy pricing but ultimately ended unchanged. Treasury yields in the U.S. moved slightly lower to see the 10-year to 1.66% and the two-year held around 1.621%. On the data front, the MNI Chicago PMI sunk to 47.1 during September (exp: 50.0) from 50.4 previously as new orders contracted and production fell. Meanwhile the September Dallas Fed PMI also

softened, falling to 1.5 (exp: 1.0) from 2.7 in August as new orders fell 2.2 points to 7.1 and capacity utilisation dropped 3.7 points to 12.0.

## **PRECIOUS**

A relatively quiet session across the precious complex during Asian trade today in thin liquidity as China celebrates Golden week. While range-bound for the majority of the session, metals traded with an offered bias and faced headwinds from both a firmer greenback and a leg higher to U.S. yields as the 10-year spiked 6bps. Gold saw moves toward USD \$1,475 capped by offers in early pricing and pulled away from the level as Tokyo opened, drifting lower in a relatively orderly decent toward USD \$1,465, whereby resting bids sat around the previous session low. We saw modest interest around this level during the afternoon, however the greenback soon found favor once again after a mid-afternoon lull to pressure the yellow metal toward USD \$1,460 into European hours. Price direction going forward remains skewed to the down-side following the break through USD \$1,485 - \$1,475, with targets sitting toward USD \$1,440 - \$1,450, while USD \$1,475 with extension to \$1,480 will act as a pivot for near term direction. Silver failed to hold the USD \$17 psychological support on Monday and remained offered around the figure today. The grey metal held a narrow USD \$0.15 range and could see further weakness while Chinese demand sits out the rest of the week. While having collapsed around -14% since touching USD \$19.65 in early September, it still remains difficult to play on the long-side following the breadth of the moves we have seen in recent weeks. It is worth noting that the 100 DMA and 200 DMA sit either side of USD \$16 at USD \$16.29 and USD \$15.82 respectively. Focus remains on U.S. – China trade headlines and any impeachment developments, while on the data front we see a host of PMI prints out of Europe, Eurozone CPI, U.S. Markit manufacturing PMI, U.S. ISM manufacturing and U.S. construction spending.

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