



MKS PAMP GROUP

Daily Asia Wrap

20th June 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1359.80/00	15.15/17	812/14	1503/06
HIGH	1394.00/20	15.35/37	818/20	1523/26
LOW	1358.90/10	15.13/15	811/13	1502/05
LAST	1384.50/70	15.35/37	817/19	1523/26

MARKETS/MACRO

Focus was squarely on the Fed overnight, with the bank leaving the benchmark funds rate unchanged as expected, however significantly changed the language around future policy, removing the reference to patient on borrowing costs and signalling that cuts would likely be delivered in the coming months if the growth outlook were to deteriorate. There was also a shift to the Fed's dot plots, with 8 dots now indicating lower rates this year when compared to the previous meeting. The market is now pricing in a close to 100% chance of a rate cut in July (an increase from 80% pre-meeting, while the chances of three cuts between now and the end of they year has risen to 70% from around 47% pre-meeting. Stocks in the U.S. finished higher on Wednesday following late session post-FOMC gains. The DJIA ended trade +0.15% higher at 26,504.00 points, the S&P 500 added +0.30% to 2,926.46 points and the Nasdaq Composite firmed +0.42% to 7,987.324 points. In currency majors the greenback finished sharply lower following post-FOMC weakness, seeing the DXY index off -0.4%, while the 10-year treasury yield narrowed in on the 2% handle. European equities were mixed as the Stoxx Europe finished flat, the German Dax eased -0.19% and in London the FTSE 100 sunk -0.53%.



PRECIOUS

A breakout session for gold during Asian trade today, consolidating the late session New York gains in early pricing, before ripping higher as stops were triggered through recent high prints. Early session pricing saw the yellow metal hold around USD \$1,360 amid decent two-way flows, before a leg lower to the greenback saw the metal toward USD \$1,365 in early Japanese trade. From there the metal made light work of the recent high prints clustered around USD \$1,365 - \$1,367, running higher on a stop loss run toward the 2016 high of USD \$1,375. The metal stalled briefly at the figure, however drove higher on the Chinese open, triggering further stops through USD \$1,375 and extended to a 6-year high of USD \$1,394 before running out of steam. The move higher looks constructive for a further test toward USD \$1,400 as participants focus upon the Fed's dovish skew, with potential targets extending toward USD \$1,450 should near-term support around USD \$1,375 remain in-tact. Data today includes U.K. retail sales, the BOE decision, Eurozone consumer confidence, U.S. initial jobless claims, Bloomberg U.S. consumer confidence and the U.S. leading index.

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