



MKS PAMP  
GROUP

## Daily Asia Wrap - 23rd September 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1513.40/60	17.96/98	946/48	1646/49
HIGH	1519.80/00	18.35/37	959/61	1666/69
LOW	1511.50/70	17.96/98	945/47	1646/49
LAST	1516.10/30	18.30/32	956/58	1659/62

### MARKETS/MACRO

Stocks in the U.S. finished in the red on Friday following headlines that Chinese officials were cutting their U.S. trip short and had cancelled plans to visit farms in Nebraska. The headlines were viewed as unfavourable towards U.S. – China trade relations, especially with regards to China re-commencing purchases of U.S. agricultural goods. After firming in early session trade, the DJIA turned sharply lower on the trade headlines, finishing down -0.59% at 26,935.07 points, while heavy trade to technology (-1.12%) and consumer stocks (-1.17%) saw the S&P 500 hand back -0.49% to 2,992.07 points. The Nasdaq Composite meanwhile dropped -0.80% to 8,117.674 points, ending the week -0.7% lower, while the DJIA slumped -1.1% over the period and the S&P 500 declined -0.5% on the week. In currency majors, the greenback finished trade on Friday modestly firmer (DXY +0.13%), however gave back ground late in trade, notably against the safe-haven yen (USD/JPY -0.46%) following the trade headlines. The euro handed back early session gains to finish -0.22% lower, while the pound traded heavily in Europe (GBP/USD -0.46%). Treasury yields in the U.S. reversed earlier gains following the trade headlines,

as investors rotated out of stocks and into safe-haven assets. The two-year yield declined 5bps to 1.685%, while the 10-year yield fell 7bps to 1.718%. In European trade, markets were mostly higher on trade optimism. The Stoxx Europe 600 ended the session +0.29% firmer to 392.95 points, the German Dax finished +0.08% higher at 12,468.01 points and in London the FTSE 100 slipped -0.16% to 7,344.92 points as Brexit developments remain in focus.

#### **PRECIOUS**

Firm on-shore price action out of China underpinned a strong bid tone across the precious complex during Asian trade today, notably driving silver and the white metals higher. Early session flows were driven by offers as profit taking following the weekend trade headlines drove gold lower, albeit amid thin liquidity with Japan on leave for Autumnal Equinox Day. Supportive interest around USD \$1,515 saw the metal use the level as a pivot for direction throughout the session, pushing toward USD \$1,520 on early Shanghai demand, before tempering gains into European trade and holding the pivot. The yellow metal continues to trade favourably as trade negotiations ebb and flow, while the Iran situation no doubt underpins safe-haven demand. We look toward USD \$1510 as initial support, while USD \$1,500 - \$1,505 should restrict further declines. Resistance levels initially cut in at USD \$1,520, while we see a broad band of resistance through USD \$1,524 - \$1,530. Silver was a standout during Asian trade today, as on-shore demand in China took the metal to a USD \$18.35 session high, around +2% higher from opening levels. The grey metal saw stop loss runs on the way through USD \$18.10 and once again moving through \$18.20, before running into resistance at USD \$18.35 at which point the uptrend resistance cuts in. Afternoon pricing remained buoyant as the metal continued to see interest on any declines toward USD \$18.25. Should USD \$18.35 be breached we will look to resistance around USD \$18.46 - \$18.50, with daylight through to USD \$18.80. Palladium remains firm and extended to a fresh all-time high today of USD \$1,666/69 as we continue to see borrowing enquiries, while platinum has pivoted above the key USD \$950 level and is seeing demand on the back of the general bid tone across the precious. Data today includes a host of PMI prints out of Europe and the U.S., while we also see the Chicago Fed National activity index

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