



MKS PAMP
GROUP

Daily Asia Wrap - 25th July 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1424.60/80	16.59/61	876/78	1539/41
HIGH	1426.10/30	16.62/64	880/82	1545/47
LOW	1421.70/90	16.43/45	875/77	1539/41
LAST	1422.50/70	16.47/49	878/80	1540/42

MARKETS/MACRO

It was a mixed session in the U.S. on Wednesday amid a number of disappointing earnings results and further antitrust concerns for big tech names. The DJIA slipped -0.29% to 27,269.97 points as declines from Caterpillar (-4.48%) and Boeing Co. (-3.12%) weighed upon the bourse, while gains across financials (+0.91%) and technology (+0.86%) helped see the S&P 500 +0.47% higher to 3,019.56 points, marking a fresh all-time closing high. Strong earnings results from Texas Instruments Inc. (+7.44%) buoyed chip related stocks to underpin a +0.85% gain to the Nasdaq Composite to 8,321.50 points, also marking a fresh record. In economic data, new home sales in the U.S. rebounded during June, jumping +7.0% MoM (exp: +5.1%) to an annualized 646k. The monthly gain follows a negatively revised -8.2% fall during May (prev: -7.8%), however are tracking +4.5% higher than a year ago to June. Data from Markit showed the U.S. manufacturing sector expanded at the slowest pace in nearly 10-years during June. The IHS Markit manufacturing PMI fell to 50.0 (exp: 51.0) from 50.6 previously, the lowest level since September 2009. The Markit services PMI meanwhile pushed higher to 52.2

(exp: 51.8) from 51.5 previously. The greenback ended trade relatively flat on Wednesday, firmer against the euro (EUR/USD -0.10%) heading into the ECB meeting and modestly down against the yen (USD/JPY -0.05%) after the pair briefly tested underneath 108.00 (107.94 low). The main mover was however the British pound following the appointment of Boris Johnson as Prime Minister, adding +0.33% to finish just underneath 1.2500. Treasury yields reversed previous session gains to see the 10-year down 4bps to 2.043% and the two-year eased around 2bps to 1.818%. European stocks firmed on Wednesday, as participants looked past weaker than expected PMI prints and instead turned focus to the upcoming ECB meeting. The Markit/BME manufacturing PMI for Germany slumped to a seven-year low during July, falling to 43.1 from 45.0 previously, while the Markit Eurozone manufacturing PMI fell well short of expectations, declining to 46.4 (exp: 47.7) from 47.6 previously. The Stoxx Europe 600 finished +0.05% higher to 391.73 points, the German Dax popped +0.26% to 12,522.89 points, while in London the FTSE 100 declined -0.73% to 7,501.46 points on the back of a firmer pound and heavy trade to the big miners.

PRECIOUS

A modest pullback across the precious complex during Asian trade today, generally limited however to gold and silver as the white metals remained firm. After once again failing to make headway above USD \$1,430 on Wednesday, gold opened offered in Asia, declining underneath USD \$1,425 in early Tokyo trade. Interest out of China remained evident as the Shanghai premium held above USD \$12, however this was more supportive to bullion to restrict declines rather than pushing price action higher. Volatility continues to ease amid the recent tight range and we look for a breakout through USD \$1,430 to once again test USD \$1,440. Supportive interest sits around USD \$1,420, with extension to USD \$1,414. A firm session for silver on Wednesday saw the grey metal above USD \$16.60, marking a fresh cycle high of USD \$16.65 in early New York. While closing above USD \$16.60, the metal failed to consolidate the previous session gains in Asia today as the recent move higher shows signs of running out of steam. While interest in China has supported the metal in recent times, the premium softened somewhat during Asian pricing today to see silver offered underneath USD \$16.50, while RSI's are sitting well within overbought territory and ETF's inflows are tempering. We look for initial support toward USD \$16.34, with extension to USD \$16.20 and the key psychological USD \$16.00 below this. Platinum remains bid and tested briefly above USD \$880 during Asian pricing today, with targets now extending toward USD \$900. All eyes today on the ECB, while we also see German IFO results, U.S. durable goods orders, U.S. wholesale inventories, U.S. initial jobless claims and Bloomberg U.S. consumer comfort.

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