



MKS PAMP  
GROUP

## Daily Asia Wrap - 30th August 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1526.50/70	18.25/27	915/17	1475/78
HIGH	1530.60/80	18.40/42	925/27	1492/95
LOW	1522.90/10	18.06/08	913/15	1474/77
LAST	1526.10/30	18.40/42	925/27	1492/95

### MARKETS/MACRO

Stocks in the U.S. firmed on Thursday, as optimism over positive developments between the U.S. and China regarding the current trade impasse saw investor's move back into risk assets. The DJIA ended the session +1.25% higher at 26,362.25 points, gains to industrials (+1.77%) and technology (+1.73%) led all components higher as the S&P 500 gained +1.27% to 2,924.58 points, while the Nasdaq Composite jumped +1.48% to 7,973.395 points. The greenback outpaced majors to end +0.27% higher, largely gaining against the Japanese yen (USD/JPY +0.47%) to consolidate above 106.00, while the euro remained under pressure (EUR/USD -0.21%) and the British pound tempered recent declines but remained heavy (GBP/USD -0.25%). Treasury yields bounced on Thursday as bonds moved lower amid a move into risk. The two-year yield pared early session declines to finish 1bp higher at 1.53%, while the 10-year yield popped 4bps to end just underneath 1.50% after touching a 1.533% high in New York. On the data front, GDP in the U.S. printed in-line with expectations at +2.0% QoQ during 2Q, as stronger consumer spending was offset by a fall to exports. The headline figure was modestly revised from

previous estimates of +2.1%, as exports were hit by the on-going trade war between the U.S. and China and inventories were revised lower. Consumer spending meanwhile jumped +4.7% (exp: +4.3%), while the closely watch core PCE eased to +1.7% from +1.8% previously. Initial jobless claims in the U.S. increased 4,000 to 215,000 (exp: 214,000) during the week ended August 24, while the four-week moving average inched 500 lower to 214,500.

#### **PRECIOUS**

Mixed price action across the precious complex today, initially offered following the previous session weakness, however able to recover during the afternoon to pare earlier declines. The yellow metal held support toward USD \$1,520 on Thursday and remained buoyant toward the level today as early session weakness amid illiquid conditions saw gold to a USD \$1,522.90 low print. Chinese demand saw a mild bid skew, however the metal remained range-bound throughout the majority of the session, only extending higher late in Asia as European names filtered in. The previous pivot through USD \$1,530 - \$1,535 is back in play following Thursday's declines and it is likely that this level will dictate near-term price direction. Targets on the top-side sit toward USD \$1,550 - \$1,555, with a break above these levels likely to entice fresh interest. Supportive demand sits around USD \$1,520, with potential extension toward the psychological USD \$1,500 should fast money exit recent long positioning (shorts likely to exit around the figure to provide support). Silver has remained in favour today even amid the previous session sell off, with large interest toward USD \$18.00 - \$18.15 looking to build length on any pull backs. The grey metal, while nearly +6% higher on the week continues to see strong demand relative to gold as the XAU/XAG ratio declines further underneath the 200 DMA. Platinum refused to give up recent gains today and sees sizeable interest on any moves toward the breakout area around USD \$910 - \$915, while palladium holds the recent broad range (USD \$1,500 - \$1,460), however has skewed modestly higher, likely on the back of platinum contagion. Data today includes U.K. house prices, German retail sales, Eurozone CPI, U.S. personal income/spending, U.S. core PCE, the MNI Chicago PMI and the University of Michigan consumer confidence print.

---

*Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.*