



MKS PAMP
GROUP

Daily Asia Wrap - 4th October 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1506.60/80	17.57/59	888/90	1657/60
HIGH	1510.10/30	17.65/67	889/91	1663/66
LOW	1505.90/10	17.56/58	883/85	1654/57
LAST	1508.00/20	17.58/60	884/86	1658/61

MARKETS/MACRO

A mixed session across markets on Thursday as U.S. stocks finished higher after paring earlier data driven declines. The DJIA ended the session +0.47% higher at 26,201.04 points, at one stage down 335 points or -1.29% to mark the biggest intraday reversal since May 10. Gains across technology (+1.24%) and energy stocks (+1.26%) helped to underpin the S&P 500 to a +0.80% gain at 2,910.63 point, while the Nasdaq Composite surged +1.12% to 7,872.266 points, as the bourse pivoted from an intraday nadir of -1.095% to mark the biggest reversal since April 4, 2018. On the data front, the Markit U.S. services PMI inched modestly higher during September, printing 50.9 to be in-line with earlier estimates and an improvement from the 50.7 print in August. The print nonetheless signalled one of the slowest increases in output for over 3-years, while new business growth marked the lowest level in survey history. Meanwhile the ISM non-manufacturing index slumped to 52.6 during September (exp: 55.0) from 56.4 previously, in the process marking the weakest reading in close to 3-years. Durable goods orders in the U.S. inched +0.2% MoM higher during August, while excluding transportation goods,

orders increased +0.5% MoM and the closely watched capital goods (non-defence, ex-air) declined -0.4% MoM. The greenback plummeted on the ISM print in New York, however ground higher in tandem with equities to finish the session a modest -0.11% down. The yen continued to see safe-haven demand to add +0.27%, while the euro tested 1.10 before ending the session flat. Treasury yields went into free-fall in early New York, and while moving higher initially following the sharp decline, tempered somewhat into the close. The 10-year finished off 6bps to 1.535%, while the two-year declined 8bps to 1.39%.

PRECIOUS

A typical pre-NFP session in Asia today as the precious complex held a relatively tight range into today's figure. After tempering during late New York into the close, gold found favor in early Asian trade to pull away from the psychological USD \$1,500 figure. In a generally orderly ascent, the yellow metal pushed toward USD \$1,510 in light volumes, underpinned by an offered greenback and little movement across treasuries. Softer global data continues to heighten demand for gold as the metal looks to pivot around USD \$1,500 for a further leg higher. Initial support sits broadly around USD \$1,500 with extension through to USD \$1,495, while resistance cuts in at USD \$1,520, however more importantly the key pivot band at USD \$1,530 - \$1,535. Silver has lagged gold in recent days and actually finished flat at USD \$17.56 on Thursday after testing toward USD \$17.80 in New York. The grey metal has found support around USD \$17.50, with extension toward USD \$17.40, while resistance levels cut in around USD \$17.80 and the psychological USD \$18. All eyes tonight on the jobs data out of the U.S. (exp: 145K), while we also see earnings data, the unemployment rate and the trade balance.

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