



MKS PAMP GROUP

Asia Market Update

8th May 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1284.30/70	14.90/93	870/72	1330/36
HIGH	1287.50/90	14.93/96	867/69	1333/39
LOW	1284.30/70	14.90/93	872/74	1328/34
LAST	1287.50/90	14.93/96	871/73	1333/39

MARKETS/MACRO

US equities were hammered on fears the US will raise tariffs on Chinese goods by the end of the week. Analysts believe there is still a chance a deal will be reached as US trade negotiators met with their Chinese counterparts this week, but the final details of such an agreement were not likely to be settled before the Friday deadline. The Dow dropped 473.39 points, or 1.79%, to 25,965.09, the S&P 500 tumbled 48.42 points, or 1.65%, to 2,888.21, while the Nasdaq plunged 159.53 points, or 1.96%, to 7,963.76. Tech (-2.12%), industrials (-2.04%) and healthcare (-1.95%) led a broad decline in the markets. European equities also suffered sharp losses after the European Commission cut its expectation for the eurozone to 1.2% from 1.3% on the back of weaker German data. The EuroSTOXX shed 5.31 points, or 1.37%, to 381.64, the German DAX dumped 194.14 points, or 1.58%, to 12,092.74, and the London FTSE 100 lost 120.17 points, or 1.58%, to 7,260.47. In the currencies, the US dollar index was flat at 97.55, the EUR traded as low as 1.1171, while USD/JPY traded down to 110.24. US treasury yields were lower, the 2 year yield eased 1.0 bps to 2.280% while the 10 year yield fell 3.2 bps to 2.446%. Oil prices were lower, Brent sold off 2.2% to \$69.67 while WTI gave up 1.7% to \$61.29. Base metals were mostly lower, with zinc (-2.9%) leading the losses. In US economic data, job openings climbed to 7.49 million in March from 7.14 million in February. In Asia today, as I write the Nikkei is at -1.66%, the Shanghai composite is at -0.11%, the Hang Seng is at -0.70%, and the ASX S&P 200 is at -0.55%. No significant data du for release on Wednesday.

PRECIOUS

Gold opened remained at \$1281-83 during Asian hours in fairly quiet trading, with the onshore SGE premium around \$9-10. The market test \$1280 during the London AM session as the EUR traded below 1.120. The session low \$1278 was printed right on the NY open before gold found a bid. The yellow metal remained well supported during the NY session as equities were hammered and the greenback came under broad pressure. Gold tested \$1285 which has been a sturdy resistance level of late, but was unable to push any higher. Silver was sold off sharply to the low of \$14.80 before an impressive rebound in NY saw the grey metal close the session at \$14.90. PGMs were lower, with platinum testing the early May low underneath \$1320. The Philadelphia gold and silver index added 1.34% to 69.69. Gold opened at \$1284.30 in Asia today and is slowly grinding higher as USD comes off. The SGE premium is at \$8-9 over loco London. The yellow metal is at the high of \$1287.50 as I write. Silver is edging higher also, the grey metal sits at \$14.93 as I write. Have a good day ahead.



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