



MKS PAMP GROUP Asia Market Update

12th March 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1293.40/60	15.30/32	818/20	1536/41
HIGH	1297.10/30	15.40/42	824/26	1538/43
LOW	1292.10/30	15.29/31	818/20	1535/40
LAST	1296.10/30	15.37/39	823/25	1537/42

MARKETS/MACRO

Stocks in the U.S. snapped a 5-session losing streak on Monday, buoyed by gains to the tech sector and firm retail sales, however tempered somewhat by declines to Boeing following Sunday's tragic crash of an Ethiopian Airlines 737 Max 8. The DJIA posted a +0.79% gain to 25,650.88 points after opening around 200 points down, while strength to technology (+2.17%) helped propel the S&P 500 +1.47% higher to 2,783.30 points. The Nasdaq Composite meanwhile outperformed, surging +2.02% to 7,558.063 points as shares in Nvidia jumped after reporting an agreement to acquire Israeli server and storage company Mellanox. Retail sales in the U.S. rebounded during January following the biggest decline in 10-years the month prior. Sales rose +0.2% MoM (exp: flat) from a negatively revised -1.6% previously, while excluding auto and gas, sales were +1.2% firmer. The greenback eased on Monday relative to majors (DXY -0.25%), notably lower against the pound on the back of positive Brexit developments. U.K. Prime Minister Theresa May announced at a joint press conference with European Commission President Jean-Claude Juncker that she had secured legally binding changes to her Brexit deal. The news saw the pound trade to a 1.3289 high in early Asia following a +1.4% gain on Monday. Stocks in Europe ended higher as optimism over a Brexit deal saw investors grow in confidence, while largely ignoring softer German as industrial production declined. The Stoxx Europe 600 gained +0.78% to 373.47 points, the German Dax added +0.75% to 11,543.48 points, while in the U.K. the FTSE 100 pushed +0.37% higher to 7,130.62 points amid a firming pound.

PRECIOUS

A weaker dollar and heightened Chinese interest saw gold firmer during Asian trade on Tuesday, seeing the yellow metal rebound off the USD \$1,290 support tested late in New York. Driving the greenback lower was the Brexit-led pound strength, jumping around +1% in early Asian trade to extend previous session gains, testing toward 1.33 in rather illiquid conditions. Gold initially firmed on the dollar weakness, however pared gains leading into Chinese trade to touch a USD \$1,292.10 session low in thin trade. Shanghai opened to an on-shore premium around USD \$13 to underpin spot pricing, seeing gold to a test of USD \$1,295, while a move to USD/CNH toward 6.715 accompanied by broader dollar declines took the metal to USD \$1,297 into the Chinese lunch-break. Sizeable bids toward USD \$1,290 kept price action buoyant on Monday, with support broadly extend from the USD \$1,295 pivot broken in Asia today. Near-term we look to the USD \$1,295 pivot as support for a test of USD \$1,300 should the dollar remain under-pressure as Brexit headlines develop, while interest on the down-side through to the aforementioned USD \$1,290 remains. Silver attempted a break above USD \$15.40 during Asian hours today, however saw offers around the level restrict any meaningful move though the level. The grey metal saw supportive price action around USD \$15.20 on Monday and will continue to see support around the 200 DMA (USD



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\$15.15) and the 100 DMA (USD \$15.10). Data today includes U.K. industrial / manufacturing production and the important U.S. CPI figure.

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