



MKS PAMP GROUP

Asia Market Update

17th May 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1296.90/10	14.55/57	833/35	1333/36
HIGH	1289.30/50	14.55/57	834/36	1335/38
LOW	1284.90/10	14.50/52	828/30	1324/27
LAST	1287.50/70	14.52/54	829/31	1324/27

MARKETS/MACRO

Stocks in the U.S. reclaimed the entirety of Monday's fall following a firm session on Thursday, with markets buoyed by upbeat earnings results and strong data releases. The DJIA finished the session +0.84% higher at 25,862.68 points, strength across financials (+1.10%) and consumer stocks (+1.00%) helped underpin the S&P 500 to a +0.89% gain at 2,876.32 points, while the Nasdaq Composite jumped +0.97% to 7,898.047 points. The greenback tracked higher on Thursday in what was a relatively quiet session across the forex space. The DXY index added +0.3% and pushed through the 97.75 resistance level, sending the euro (-0.27%) underneath 1.12, while USD/JPY (+0.28%) tested toward 1.10, however eased away from the figure as U.S. equities tapered off late in the session. USD/China remained bid as the yuan softened further, seeing USD/CNH briefly above 6.93 (highest level since December), while USD/CNY moved toward 6.89, however eased late. Initial jobless claims in the U.S. fell by 16,000 during the week ended May 11, printing 212,000 (exp: 220,000), taking the four-week moving average 4,750 higher to 225,000. Continuing claims meanwhile declined by 28,000 to 1.66 million (exp: 1.688 million) during the week ended May 4. Housing starts in the U.S. rebounded during April, increasing +5.7% MoM (exp: +6.2%) to follow an upwardly revised 1.7% increase during March (prev: -0.3%). The headline figure was supported by a +6.2% increase to single-family home starts, while multi-family home starts grew +2.3%. Building permits also rebounded to increase +0.6% MoM (exp: +0.1%) to follow an improved -0.2% decline during March (prev: -1.7%).

PRECIOUS

Gold saw a modest bid tone during Asian trade today, finding some respite from a further extension of the weakness exhibited during New York trade on Thursday on the back of a mildly offered greenback and weakness across Chinese equities and U.S. stock futures. Early session offers saw the yellow metal briefly test underneath USD \$1,285, however supportive price action on the Chinese open held the metal above the figure as the on-shore premium pushed above USD \$10. The majority of price action was however reserved for afternoon trade as China returned from the break and Europe began to filter in. Gold pushed to a USD \$1,289.30 high in late Asian trade, however soon tempered as the dollar regained its footing. While trade concerns continue to linger, they have moved into the background somewhat and participants seem comfortable enough to move back into risk as equities in the U.S. reverse recent declines. After failing to consolidate the psychological USD \$1,300 level and extending underneath both the 100 DMA (USD \$1,297) and the 50 DMA (USD \$1,291.50), bullion is struggling to find supportive interest as fast money sells rallies and ETF's once again liquidate. Bids broadly around USD \$1,275 - \$1,280 will be the key to short-term pricing, while offers are layered from USD \$1,290 - \$1,300. Data



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today includes Eurozone CPI, the U.S. leading index and the University of Michigan U.S. consumer sentiment gauge.

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