



MKS PAMP GROUP

Asia Market Update

20th March 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1306.40/60	15.36/38	851/53	1590/95
HIGH	1307.20/40	15.37/39	858/60	1598/03
LOW	1303.70/90	15.31/33	849/51	1587/92
LAST	1305.20/40	15.32/34	857/59	1593/98

MARKETS/MACRO

Mixed results for U.S. equities on Tuesday as the FOMC kicked off their two-day meeting, while trade headlines continue to dominate. Markets were buoyed by the news that leading U.S. trade negotiators will travel to Beijing next week in an attempt to finalise outstanding trade issues, with hopes a final deal can be reached by the end of April. Tempering the positive news was a report by Bloomberg that some U.S. officials fear China are pushing back against demands, stepping back from their initial data protection of pharmaceuticals and refusing to give ground on data-service issues. The DJIA ended the session with a modest -0.10% decline to 25,887.38 points, the S&P 500 inched down just -0.01% to 2,832.57 points and the Nasdaq Composite edged into positive territory with a +0.12% gain at 7,723.945 points. The greenback turned lower (DXY -0.12%) on Tuesday as the FOMC kicked off their two-day meeting. The dollar saw mixed trade against CAD to pair early New York declines as oil pulled back, while the pound ended with a modest gain (GBP/USD +0.1%) after seeing weakness following comments from French President Emmanuel Macron, noting France would veto any meaningless Brexit delay. Treasury yields pushed marginally higher on Tuesday to see the two-year add 1.2bps to 2.471% and the 10-year ended 1bp higher at 2.614%. Factory orders in the U.S. edged up +0.1% MoM during January, durable goods orders improved +0.3% MoM, while durable good ex-transportation eased -0.2%. The closely watch capital goods orders (non-defence, ex-air) increased +0.8%.

PRECIOUS

Gold prices eased modestly during Asian trade on Wednesday, with moves largely dollar driven as the greenback found favour. Price action was generally limited to early Shanghai hours, seeing the yellow metal underneath USD \$1,305 as USD/China firmed and the on-shore premium drifted underneath USD \$14 relative to London gold. Expectations are that post-FOMC gold will resume its uptrend and test back toward USD \$1,350 over the medium term, with supportive interest still evident around USD \$1,295 - \$1,300 should we see any shocks from the FOMC today. Gold ETF's continue to see inflows, while positioning, although long, is not restrictively so and allows room for further build. The white metals have outpaced over the past 24 hours, with palladium briefly moving through USD \$1,600, while platinum added +2% on Tuesday and extended upon this in Asia today. All eyes tonight on the FOMC meeting and subsequent press conference, with participants focusing on the central bank's monetary policy path and path to balance sheet normalisation. Also, today we see U.K. CPI, RPI and PPI.



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