



MKS PAMP GROUP Asia Market Update

21st May 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1277.90/10	14.46/48	815/17	1331/36
HIGH	1278.10/30	14.48/50	816/18	1335/40
LOW	1275.15/35	14.41/43	812/14	1330/35
LAST	1275.80/00	14.43/45	814/16	1333/38

MARKETS/MACRO

Trade tensions weighed upon market sentiment on Monday following reports that U.S. chip makers have stopped supply of critical software and hardware components to Huawei, while Google is expected to cease selling some services for devices made by Huawei. The DJIA ended the session off -0.33% at 25,679.90, heavy trade to tech stocks (-1.75%) saw the S&P 500 finish -0.67% lower to 2,840.23 points, while the tech-laden Nasdaq Composite collapsed -1.46% to 7,702.375 points. The greenback eased modestly on Monday (DXY -0.1%) following recent advances, seeing mixed trade relative to the safe-haven yen (USD/JPY -0.1%), while the euro inched +0.05% higher. There were a couple of Fed speakers on Monday and while no major headlines were created, New York President Williams did note that “we have changed our view on how low unemployment can get without creating inflation”. Treasury yields firmed as trade tensions remained in focus. The two-year added 1.8bps to 2.22% and the 10-year gained 1.9bps to 2.416%. On the data front, the Chicago Fed’s National activity index plummeted during April to -0.45 (exp: -0.20) from an upwardly revised +0.05 (prev. -0.15). Stocks in Europe finished lower on Monday as technology names traded heavily on the back of the fallout from Huawei. The Stoxx Europe 600 ended the session down -1.06% at 377.46 points, the German Dax sunk -1.61% to 12,041.29 points, while in the U.K. the FTSE 100 declined -0.51% to 7,310.88 points.

PRECIOUS

A firmer greenback weighed upon the precious complex during Asian trade today, with the metals failing to make any headway higher even amid continued U.S. - China trade concerns. Gold firmed above USD \$1,278 in early pricing as the buck opened lower, however it was generally one-way traffic from there as the greenback found favour and bullion declined to test USD \$1,275. Chinese interest continued to see an elevated on-shore premium toward USD \$12, while USD/China traded with a mild offered bias. The yellow metal remains constructive around USD \$1,270 - \$1,275 and looks to base above the recent low toward USD \$1,266 as lingering trade and global growth concerns underpin the need for safety. Silver once again failed a break above USD \$14.50 on Monday and has remained heavy underneath the figure throughout the session today in Asia as industrial metals remain soft. Platinum is looking for support toward USD \$800, with top-side moves targeting the 200 DMA at USD \$828, while palladium has benefited from interest over the past 24 hours and looks to retake USD \$1,350. Data today includes Eurozone consumer confidence and U.S. existing home sales.



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