



MKS PAMP GROUP

Asia Market Update

23rd January 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1285.20/40	15.33/35	790/92	1346/51
HIGH	1285.70/90	15.39/41	793/95	1347/52
LOW	1283.20/40	15.31/33	789/91	1336/41
LAST	1284.50/70	15.39/41	793/95	1343/48

MARKETS/MACRO

Risk took a backseat on Tuesday following uncertainty over progress being made between the U.S. and China during their continued trade discussions. The mood saw equities pressured lower and treasury yields ease as participants looked for safety. Stocks in the U.S. snapped a four-day winning streak upon returning from the long weekend, seeing the DJIA -1.22% lower to 24,404.48 points and the S&P 500 down -1.42% to 2,632.90 points. Currency majors saw the greenback mixed (DXY -0.04%) as commodity sensitive currencies slipped on the back of weaker oil prices, while the pound firmed (+0.51%) following strong U.K. employment data. Treasury yields pared some of last week's gains following the soft Chinese GDP data and lack of U.S. – China trade developments. The two-year yield slipped 3.5bps lower to 2.576% and the 10-year declined 5.1bps to 2.732%. On the data front, existing home sales in the U.S. sunk -6.4% MoM during December (exp: -1.5%) to a seasonally adjusted annual rate of 4.99 million. The print was the lowest since November 2015 and saw full-year sales for 2018 to 5.34 million, the worst year since 2015. In London the FTSE 100 sunk -0.99% to 6,901.39 points as financial stocks turned lower following a profit miss from UBS, while a firmer pound weighed broadly on the market. European courses were also under pressure on Tuesday amid concerns over slowing global growth and a disappointing UBS profit report. The Stoxx Europe 600 finished the session -0.36% lower at 355.09 points, while the German Dax slipped -0.41% to 11,090.11 points.

PRECIOUS

Another rangebound session for bullion during Asian trade today, with muted flows (Globex 20k lots) and quiet price action across currency majors for the majority of the session. The yellow metal eased back underneath USD \$1,285 in early session flows to see the session low of USD \$1,283.20 printed leading into the Shanghai open. Chinese interest saw gold higher as USD/CNH slipped toward 6.80 (opening around 6.815) and the on-shore premium edged modestly higher toward USD \$9. After breaking back above the USD \$1,285 pivot in early Chinese hours, gold pared gains throughout the remainder of the morning session, losing a few dollars to test toward USD \$1,283 once again. Declines to USD/CNH gained momentum in the afternoon to underpin a modest bid tone across the precious complex, seeing gold back toward USD \$1,285 in late Asian trade. Gold looks to have defined a broad supportive range around USD \$1,277 - \$1,280, with a pivot and USD \$1,285 to regain the upwards momentum and re-test USD \$1,300 once more. Silver price action outpaced gold during Asian trade today, notably well supported in Chinese trade to move through the New York high of USD \$15.35. The grey metal sustained early Chinese gains throughout the afternoon to attempt a move above USD \$15.40 late in trade, however will need to move through the USD \$15.50 pivot to reinstate the early January move toward USD \$16.



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