



MKS PAMP GROUP Asia Market Update

23rd May 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1273.60/80	14.43/45	804/06	1315/20
HIGH	1274.80/00	14.47/49	804/06	1317/22
LOW	1272.90/10	14.42/44	798/00	1310/15
LAST	1274.40/60	14.47/49	801/03	1310/15

MARKETS/MACRO

Stocks in the U.S. eased late in trade as lingering trade concerns weighed upon market sentiment, while the FOMC minutes release indicated the committee would remain accommodative. The DJIA finished the session -0.39% lower at 25,776.61 points, weakness across consumer (-0.82%) and energy (-1.58%) stocks weighed upon the S&P 500 as the bourse eased -0.28% to 2,856.27 points, while the Nasdaq Composite declined -0.45% to 7,750.844 points. The greenback ended higher in mixed trade (DXY +0.1%) on Wednesday, largely gaining ground relative to the British pound (GBP/USD -0.42%) as Prime Minister Theresa May pitched a fresh Brexit bill and endured the loss of Andrea Leadsom, the leader of the House of Commons. The buck retraced much of the previous session gains against the safe-haven Japanese yen (USD/JPY -0.18%), while the euro eased late in trade (EUR/USD -0.1%) and USD/China ended flat. U.S treasury yields sunk on Wednesday as global trade concerns and Brexit uncertainty saw investors move to safety. The two-year yield declined 2.7bps to 2.23%, while the 10-year sunk 3.5bps to 2.39%. The FOMC minutes release from the April 30 – May 1 meeting showed members remain comfortable with their patient stance on interest rates, with a wait-and-see approach warranted. While the committee continues to see strength in the domestic economy, global growth is of concern and has seen some officials vote against rate increases. Stocks in Europe ended trade mixed on Wednesday as global trade concerns and Brexit uncertainty created unease across the region. The Stoxx Europe 600 eased -0.08% to 379.19 points as financials lagged, while the German Dax added +0.21% to 12,168.74 points after being as much as -0.7% down intra-session. In London the FTSE 100 edged +0.07% higher to 7,334.19 points as the pound continued to be offered.

PRECIOUS

Another uninspiring range-bound session during Asian hours today, with gold seeing a modest bid tone late in trade, albeit failing to move outside of a USD \$2 band. The metal fought against dollar headwinds throughout the session and was unable to move back above USD \$1,275, while broadly seeing down-side support around USD \$1,273 as global trade concerns and Brexit uncertainty continue to create interest in the safe-haven. Chinese demand once again failed to elicit interest through the spot market, even as the on-shore premium remained buoyant toward USD \$15. We continue to expect supportive price action extend toward USD \$1,270 (possible extension to USD \$1,266), while rallies through to USD \$1,280 remain sold into. Silver remains heavy underneath USD \$14.50 as layered offers cap top-side moves, while both platinum and palladium trade down toward key support levels of USD \$800 and USD \$1,300 respectively. Data releases today include German GDP, Markit PMI prints from France, Germany, the Eurozone and the U.S. We also see German IFO business confidence, U.S. initial jobless claims, Bloomberg U.S. consumer confidence and U.S. new home sales.



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