



MKS PAMP GROUP
Asia Market Update
24th May 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1283.50/90	14.60/03	800/02	1312/17
HIGH	1284.30/70	14.60/03	802/04	1315/20
LOW	1282.90/30	14.57/60	799/01	1312/17
LAST	1283.40/80	14.57/60	801/02	1315/20

MARKETS/MACRO

US equities were lower again on Thursday as trade concerns remain high on investors minds. The Dow lost 286.14 points, or 1.14%, to 25,490.47, the S&P 500 fell 34.03 points, or 1.19%, to 2,822.24, while the Nasdaq shed 122.56 points, or 1.58%, to 7,628.28. Big losses in the energy (-3.13%) and tech (-1.73%) sectors led a near broad decline in the markets. European equities were lower on speculation that the resignation of UK Prime Minister Theresa May is imminent, the EuroSTOXX gave up 5.40 points, or 1.42%, to 373.79, the German DAX erased 216.33 points, or 1.78%, to 11,952.41, and the London FTSE 100 declined 103.15 points, or 1.41%, to 7,231.04. In the currencies, the US dollar index eased 0.27% to 97.86, the EUR traded up to 1.1184, while USD/JPY was as low as 109.48. US treasury yields were sharply lower, the 2 year yield dumped 6.6 bps to 2.148% while the 10 year yield dropped 5.6 bps to 2.320%. Oil prices were hammered after EIA data showed an unexpected increase in US inventories, Brent tumbled 3.4% to \$67.93 while WTI sold off 4.5% to 58.17. US-China trade war concerns continue to weigh on industrial metals, with copper falling to its lowest level since January. In US economic data, new home sales fell 6.9% to a seasonally adjusted annual rate of 673k in April. The HIS Markit manufacturing index showed a flash reading of 50.6 in May, down from 52.6 in April. The flash reading for the services index was 50.8 in May from 52.7 in April. Initial jobless claims fell 1k to 211k in the 7 days ending May 18, continuing claims edged higher to 1.68M. In Asia today, as I write the Nikkei is at -0.69%, the Shanghai composite is at -0.04%, the Hang Seng is at +0.23%, and the ASX S&P 200 is at +0.21%. Tonight we have durable goods orders and core capital goods orders out of the US.

PRECIOUS

The precious takes advantage of risk-of sentiment in the markets as gold and silver close higher. After opening at \$1273 it was another quiet Asian trading session with going trading in a very tight \$2 range. The onshore SGE premium firmed to \$11-12 but buying action remained muted. Mild bid tone crept in during the London AM session. They yellow metal jumped \$5 on the NY open and then again up to the days high \$1287 as the greenback dropped and equities were dumped. Gold closed off the highs at \$1283. Silver rose over 1% to a high of \$14.64. PGMs didn't fare quite as well, platinum and palladium both closing in the red. The Philadelphia gold and silver index firmed 0.10% to 66.21. SPDR gold trust holdings were down 0.12%. Once again it is very quiet in Asia today, gold trading a \$2 range with the onshore SGE premium at \$10-11 over loco London. The yellow metal is at \$1283 as I write. Silver is trading sideways, the grey metal is currently sitting at \$14.57. Have a good day ahead.



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