



MKS PAMP GROUP

Asia Market Update

29th May 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1279.60/80	14.35/37	799/01	1341/46
HIGH	1284.30/50	14.41/43	800/02	1345/50
LOW	1279.10/30	14.35/37	796/98	1341/46
LAST	1284.20/40	14.40/42	797/99	1342/47

MACRO

Stocks in the U.S. reversed an early session bid tone to finish sharply lower on Tuesday, as late weakness was driven by trade headlines. Comments from President Trump hit the wires out of Tokyo, noting that the U.S. is “not ready to make a deal, “ and that tariffs on Chinese products could go up “very substantially.” The DJIA finished the session down -0.93% at 25,347.77 points, the S&P 500 saw weakness across healthcare (-1.41%) and consumer stocks (-1.79%) to end -0.84% lower at 2,802.39 points, while the Nasdaq Composite declined -0.39% to 7,607.352 points. On the data front, house prices in the U.S. increased +0.1% MoM in March (exp: +0.2%), to see the 20-city annualised figure at +2.7% YoY, the slowest pace of growth since August 2012. Consumer confidence in the U.S. edged higher during May, pushing to 134.1 (exp: 130.0) from 129.2 previously according to data released from the Conference Board. The Dallas Fed manufacturing activity print slumped during May as uncertainty created by the trade war with China weighed upon the perception of business conditions. The figure fell to -5.3 (exp: +6.2) from a 2.0 read the month prior as new orders notably declined. The greenback firmed on Wednesday after seeing strength in New York, seeing the DXY +0.2% higher as the buck extended post-election gains relative to the euro (EUR/USD -0.3%), while easing modestly against the Japanese yen (USD/JPY -0.1%).

PRECIOUS

A generally positive session for gold during Asian trade today, consolidating above USD \$1,280 on the back of early dollar weakness. The yellow metal saw consistent support throughout the session to remain buoyant above USD \$1,280, albeit within a narrow range. The premium in Shanghai remained toward USD \$14 over spot, however once again failed to elicit demand across spot, rather underpinning supportive price action instead of furthering top-side interest. Afternoon flows saw gold find favour as European names filtered in, impressively extending gains amid dollar strength as participants moved into the safe-haven (USD/JPY notably lower). We saw gold test supportive interest underneath USD \$1,280 on Tuesday as ETF's recorded around 60k of outflows, importantly further the case for a base around the figure. The on-going trade war between the U.S. and China in addition to political developments across Europe should see the metal remain firm, while the key to top-side gains sits broadly at the 100 DMA (USD \$1,296.50) with extension through to the psychological USD \$1,300 level. Data releases today include German employment data, U.A. MBA mortgage applications and the Richmond Fed manufacturing print.



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