



MKS PAMP  
GROUP

## Daily Asia Wrap - 1st May 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1283.30/70	14.93/96	887/89	1387/97
HIGH	1283.40/80	14.94/97	887/89	1387/97
LOW	1279.20/60	14.89/92	876/78	1374/84
LAST	1279.20/60	14.89/92	879/81	1375/85

### MARKETS/MACRO

No real surprises from the FOMC minutes, the Fed's decision to stop any interest rate rises in 2019 was driven by concerns over the global economy and weaker than expected inflation in the US. US equities were higher on the news, the Dow added 6.58 points, or 0.03%, to 26,157.16, the S&P 500 rose 10.01 points, or 0.36%, to 2,888.21, while the Nasdaq gained 54.96 points, or 0.69%, to 7,964.24. There were wins for REITs (+0.73%) and tech (+0.70%) while utilities (-0.38%) led the laggards. European equities were mixed, the EuroSTOXX advanced 1.00 points, or 0.26%, to 386.68, the German DAX put on 55.34 points, or 0.47%, to 11,905.91, and the London FTSE 100 edged lower 3.66 points, or 0.05%, to 7,421.91. There was volatility in the currencies as ECB President Draghi's dovish press conference sent EUR/USD lower, only for sentiment to reverse ahead of the FOMC minutes as the greenback came under broad pressure. The US dollar index ended up 0.10% lower at 96.91 despite being up at 97.21 at one point, the EUR settled back around 1.1275, and USD/JPY traded down to 110.86. US treasury yields were lower, the 2 year yield eased 1.0 bps to 2.319% while the 10 year yield shed 2.5 bps to 2.463%. Oil prices were higher, Brent added 1.1% to \$71.60 while WTI rose 0.3% to \$64.42. Base metals were mixed, with aluminium (-0.7%) the biggest mover. In US economic data, the consumer price index rose 0.4% in March following a 0.2% increase in Feb, this is the largest monthly rise in 14 months. Core CPI rose 0.1% in March and 2% over the past 12 months. Retail hourly earnings dropped by 0.3% in March after a 0.2% rise in Feb. The US government ran a budget deficit of \$147 billion in

March, down from \$209 billion in the same month last year. In Asia today, as I write the Nikkei is at +0.11%, the Shanghai composite is at -1.04%, the Hang Seng is at -0.71%, and the ASX S&P 200 is at -0.40%. Tonight we have weekly jobless claims and producer price index out of the US; along with industrial production out of the Eurozone.

## **PRECIOUS**

Gold continues to grind higher with the US dollar under pressure. The metal traded down to the session low of \$1301 during the Asian AM session but appeared to find plenty of support ahead of the \$1300 level. The onshore SGE premium pulled back to \$14. The market was rangebound through the London AM session. Investors piled into the yellow metal just after the open in NY as the EUR recovered from the drop sparked by dovish comments from ECB President Draghi, the market peaked at \$1310 around NY lunchtime. Gold finished higher for the third consecutive session, ending the day at \$1307. Silver still struggling to break out of the recent range, the grey metal finished flat at \$15.20. Platinum traded through \$900 but couldn't consolidated above the level. The Philadelphia gold and silver index lost 127%. SPDR Gold Trust holdings were unchanged at 757.85 metric tonnes. Mild offered tone for gold in Asia today as USD/JPY firms, the SGE premium is still around \$14 over loco London. The yellow metal is sitting right on the days low at \$1304.90. Silver is in the red at \$15.17, while platinum tries to hold above \$900. Have a good day ahead.

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