



MKS PAMP  
GROUP

## Daily Asia Wrap - 2nd May 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1276.60/00	14.67/70	864/66	1353/63
HIGH	1277.60/00	14.69/72	866/68	1354/64
LOW	1271.20/60	14.59/62	856/58	1334/44
LAST	1271.60/00	14.64/67	860/62	1344/54

### MARKETS/MACRO

The US Federal Reserve held the benchmark interest rate at a target range of 2.25% to 2.5%, making mention of the fact that inflation is running below the 2% target. US equities saw a late sell off after the FOMC statement, the Dow lost 162.77 points, or 0.61%, to 26,430.14, the S&P 500 fell 22.10 points, or 0.75%, to 2,923.73, while the Nasdaq gave up 45.75 points, or 0.57%, to 8,049.64. Energy (-2.17%) and materials (-1.84%) led a near broad decline in the market. European equities were mixed, the EuroSTOXX slipped 0.26 points, or 0.07%, to 391.09, the German DAX added 16.06 points, or 0.13%, to 12,344.08, and the London FTSE 100 fell 32.96 points, or 0.44%, to 7,385.26. The US dollar came under broad pressure leading into the announcement before a sharp move higher as the Fed's comments tempered expectations of a rate cut in the next 12 months. The US dollar index firmed 0.10% to 97.62, the EUR was dumped to 1.1188, while USD/JPY traded as high as 111.61. US treasury yields were mixed, the 2 year yield rose 4.0 bps to 2.306% while the 10 year yield shed 0.2 bps to 2.500%. Oil prices were higher, Brent gained 0.7% to \$72.12 while WTI advanced 0.4% to \$63.59. Base metals were mostly lower, with copper (-2.8%) taking the biggest hit. In US economic data, ADP reported a 275k increase in private sector jobs in April, the number was well in excess of the 180k predicted by economists. The ISM manufacturing index fell to 52.8% in April from 55.3% in May. Construction spending dropped by 0.9% to a seasonally adjusted annual rate of \$1.282 trillion in March. In Asia today, as I write the Nikkei and Shanghai composite are closed for holidays, the Hang

Seng is at +0.57%, and the ASX S&P 200 is at -0.71%. Tonight we have weekly jobless claims, productivity, unit labor costs, and factory orders out of the US; along with Markit manufacturing PMI out of the Eurozone.

## **PRECIOUS**

Losses for the precious as the FOMC announcement buoys the US dollar. Gold opened at \$1283 and drifted lower through Asian hours with both China and Japan out for holidays. London came in with the market at \$1278 and supported the metal back toward opening levels. Volatility started to pick up through NY AM hours, gold traded to the session high \$1286 as the greenback was sold off ahead of the FOMC announcement. The metal plunged \$13 to a low of \$1273 after the FOMC statement on the back of a surging US dollar. The yellow metal closed the session lower at \$1276. Silver tumbled to a new 2019 low of \$14.64, while the PGMs also finished in the red. The Philadelphia gold and silver index lost 2.21%. SPDR gold trust holdings remained unchanged at 746.69 metric tonnes. In Asia today, the downward trend continues as USD remains well supported. Gold opened at \$1276.60 and has softened through the day with China and Japan still out for holidays. The yellow metal is at \$1271.60 as I write. Silver reached a new low of \$14.59, the grey metal is currently sitting at \$14.64. Have a good day ahead.

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