



MKS PAMP  
GROUP

## Daily Asia Wrap - 10th July 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1397.30/50	15.10/12	812/14	1548/51
HIGH	1397.30/50	15.10/12	812/14	1549/52
LOW	1389.90/10	15.04/06	809/11	1545/48
LAST	1391.50/70	15.07/09	809/11	1545/48

### MARKETS/MACRO

A relatively subdued session on Tuesday as we head toward Fed Chair Powell's congressional testimony on Wednesday and Thursday. The DJIA eased -0.08% to 26,783.49 points to mark a third consecutive fall, firmer trade across financials (+0.35%) and real estate (+0.51%) underpinned the S&P 500 to a +0.12% gain, while the Nasdaq Composite outpaced to end +0.54% higher at 8,141.727 points. The U.S. and China will relaunch trade talks this week following a two-month hiatus, however even though the respective leaders agreed to a ceasefire of sorts at the G20 meeting in Osaka, there remains a divide between the two sides, with China yet to recommence their pledge to purchase more agricultural products. Currency majors held generally rangebound on Tuesday, with the greenback remaining mildly bid to see the DXY just +0.1% higher. The euro tested under 1.12, however was able to close above the figure, while the Japanese yen eased -0.1% as USD/JPY tried a break above 109.00 in late session trade. Treasury yields inched modestly higher to see the two-year add 2bps to 1.91%, while the 10-year ended 2bp higher at 2.06%.

## PRECIOUS

A wait-and-see approach across the precious complex during Asian trade today, with participants turning focus toward Fed Chair Powell's testimony tonight and the implications for future interest rate cuts. Gold traded with an offered skew throughout the session, unable to test back toward USD \$1,400, however finding underlying interest toward USD 1,390 to restrict further declines. Markets will be keeping a close eye on Fed chair Powell's testimony before congress today, looking for indications as to the path the central bank will be taking at the upcoming FOMC meeting later this month. A cut of 25bps is priced in by markets, however Powell may look to manage future expectations going forward. Supportive interest toward USD \$1,380 should provide a base over the near term, with potential extension toward USD \$1,360. Resistance meanwhile cuts in initially at USD \$1,400, with extension toward USD \$1,410. Data tonight includes U.K. industrial production and U.S. MBA mortgage applications.

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