



MKS PAMP  
GROUP

## Daily Asia Wrap - 11th July 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1418.80/20	15.24/27	824/27	1588/93
HIGH	1425.60/00	15.30/33	829/32	1599/04
LOW	1418.60/00	15.23/26	821/24	1588/93
LAST	1420.50/90	15.24/27	825/28	1595/99

### MARKETS/MACRO

In his testimony before the House Financial Services Committee US Federal Reserve Chairman Jerome Powell put forward the case for further rate cuts, highlighting the “uncertainty” around trade concerns and global economic weakness as weighing on the Fed’s growth outlook. US equities were higher after Powell’s dovish commentary, the Dow added 76.71 points, or 0.29%, to 26,860.20, the S&P 500 rose 13.44 points, or 0.45%, to 2,993.07, while the Nasdaq gained 60.80 points, or 0.75%, to 8,202.53. There were wins for energy (+1.40%) and communications (+1.26%) while financials (-0.46%) led the laggards. European equities were lower, the EuroSTOXX lost 0.77 points, or 0.20%, to 387.15, the German DAX fell 63.14 points, or 0.51%, to 12,373.41, and the London FTSE 100 slipped 5.78 points, or 0.08%, to 7,530.69. The dovish comments from the Fed chair saw the greenback come under broad pressure with the US dollar index easing 0.42% to 97.08. The EUR traded up to 1.1260 while USD/JPY dropped to 108.37. US treasury yields were lower also, the 2 year yield sank 8.3 bps to 1.826% while the 10 year yield lost 1.7 bps to 2.060%. Oil prices were higher on weaker inventories, Brent rose 2.7% to \$66.56 while WTI put on 2.7% to \$60.26. Base metals were broadly higher, with nickel (+2.3%) leading the gains. In US economic data, wholesale inventories rose 0.4% in May following a 0.8 increase in April. In Asia today, as I write the Nikkei is at +0.50, the Shanghai composite is at +0.26%, the Hang Seng is at +1.03%, and the ASX S&P 200 is at +0.48%. Tonight we have, weekly jobless claims, consumer price index, core CPI, and federal budget out of the US.

## PRECIOUS

A bumper session for the precious with gold taking full advantage of the dollar weakness sparked by the Fed Chairs testimony. Gold opened at \$1397 and looked heavy through Asian hours, with the day's low \$1390 printed in the late afternoon. The onshore SGE premium was around \$12-13 and we saw decent selling out of China. London bought the metal back toward opening levels during the AM session. Gold was at \$1391 ahead of the Powell text and surged to \$1410 after its release saw the greenback sold off. The market retraced to \$1403 before pushing another leg higher to close right at the peak of \$1418. Silver gapped 16c to a high of \$15.27, the grey metal finished the session in front at \$15.24. Palladium was the pick of the PGMs, climbing over \$50 off the low to test \$1600. The Philadelphia gold and silver index rose 2.33% to 85.86. SPDR Gold Trust holdings were up 0.81% to 800.54 metric tonnes. In Asia today, gold printed the high \$1425.60 within the first few hours of trading and remained within \$1420-25 since then. The US dollar continues to weaken which is propping up the market. The onshore SGE premium is around \$11-12 over loco London. The yellow metal is at \$1420.50 as I write. Silver printed a high of \$15.30 before retracing to the opening levels, the grey metal is currently sitting at \$15.24. In the PGMs, palladium is still testing that \$1600 resistance with no luck yet. Have a good day ahead.

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