



MKS PAMP
GROUP

Daily Asia Wrap - 12th August 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1496.50/70	16.96/98	861/63	1424/27
HIGH	1501.50/70	17.00/02	862/64	1428/31
LOW	1494.60/80	16.86/88	859/61	1422/25
LAST	1497.10/30	16.87/89	859/61	1428/31

MARKETS/MACRO

Stocks in the U.S. finished lower on Friday as trade tensions were further heightened following comments from President Trump warning that scheduled talks with China in September could be cancelled. The DJIA ended -0.34% lower at 26,287.44 points, declines to energy stocks (-1.25%) and technology stocks (-1.25%) weighed upon the S&P 500 as the bourse fell -0.66% to 2,918.65 points, while the tech-laden Nasdaq Composite slumped -1.00% to 7,959.10 points as chipmakers were sold on Huawei headlines. On a weekly basis the DJIA finished down -0.75%, the S&P 500 slipped -0.5% and the Nasdaq Composite fell -0.6%. The greenback finished relatively unchanged on Friday, benefiting from a late session rally after trading offered throughout the majority of the session. The dollar declined -0.43% relative to the yen after touching a 105.27 low, while the euro firmed +0.17% and the pound sunk -0.92% following a weaker than expected GDP print. Treasury yields edge modestly higher to see the two-year firm 2bps to 1.639%, while the 10-year added 3bps to 1.739%. On the data front, U.S. PPI (final demand) increased +0.2% MoM (exp: +0.2%) to see the annualised figure hold at +1.7%

YoY. Once the volatile food and energy components are excluded, PPI declined -0.1% MoM (exp: +0.1%) to mark the first monthly fall since October 2015 and take the annualised print to +2.1% YoY (exp: +2.3%).

PRECIOUS

The precious complex experienced mixed pricing across Asian hours today, with volumes well down on recent sessions as a number of centres took leave. Early session interest saw the metal extend briefly above USD \$1,500 as the dollar softened to see USD/JPY test toward Friday's New York session low. The bid tone was however short-lived, and the metal eased back underneath the figure, extending declines further as China opened to test toward USD \$1,495 following the PBOC fixing USD/CNY at 7.0211. Broad supportive interest around USD \$1,495 - \$1,497 kept pricing buoyant throughout the afternoon, keeping the metal within a narrow range into European hours. Interest remains evident broadly through USD \$1,495 - \$1,490, while hard support sits toward USD \$1,480 - \$1,475. Expect the yellow metal to continue to build momentum as trade tensions between the U.S. and China show no sign of abating over the near term, while global growth concerns and central bank easing cycles add further fuel to the recent rally. Target on the top-side initially cut in around USD \$1,510, with extension through USD \$1,520. Silver briefly moved above the USD \$17 handle in early Asian trade today, however much like gold, turned offered during Chinese hours. The grey metal found supportive interest toward USD \$16.90 to hold above Friday's low print, while broad support should extend through to USD \$16.80, with hard support at USD \$16.60. With a lack of notable data releases today, trade and currency war developments will continue to dictate market direction.

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