



MKS PAMP
GROUP

Daily Asia Wrap - 16th July 2019



Range Asian Hours
(from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|------|------------|----------|----------|-----------|
| OPEN | 1414.80/00 | 15.38/40 | 842/44 | 1562/64 |
| HIGH | 1418.30/50 | 15.42/44 | 843/45 | 1564/66 |
| LOW | 1411.10/30 | 15.31/33 | 837/39 | 1559/61 |
| LAST | 1414.10/30 | 15.33/35 | 841/43 | 1562/64 |

MARKETS/MACRO

Stocks in the U.S. hit fresh records on Monday, with investor's focusing on Chinese data releases and the commencement of earnings season. The DJIA added +0.10% to a new closing record of 27,359.16 points, gains to technology (+0.30%) and consumer discretionary (+0.32%) saw the S&P500 inch +0.02% higher to 3,014.30 points, while the Nasdaq Composite gained +0.17% to 8,258.188 points. With regards to treasuries, 10-year yields eased around 3bps to 2.08%, while the greenback firmed (DXY +0.13%) after making notable gains relative to the pound (GBP/USD -0.4%). On the data front, the Empire State manufacturing index recovered to 4.3 points (exp: 2.0) in July from -8.6 previously. New orders firmed, however remained in negative territory, while the index for the number of employees fell to -9.6 to mark the softest read in almost 3-years. Stocks in Europe finished higher on Monday as participants waved away concerns over the headline Chinese GDP print. The German DAX closed +0.52% higher at 12,387.34 points, the Stoxx Europe 600 added +0.23% to 387.75 points, while in London the FTSE 100 tacked on +0.34% to 7,531.72 points as the pound fell out of favour.

PRECIOUS

A mixed session for gold during Asian trade today, initially testing through the previous session high in thin early trade, before turning offered in China. The yellow metal topped out above USD \$1,418 as offers toward the top of the recent USD \$1,400 - \$1,420 range restricted further gains leading into the Tokyo open, while easing underneath USD \$1,415 on dollar strength in early Shanghai. The on-shore premium in China remained buoyant toward USD \$12 over spot gold, however softer USD/China looks to be keeping price action muted for the time being. Catalysts for a break from the USD \$1,400 - \$1,420 range may come over the next 24 hours or so as various Fed officials hit the wires, in particular Fed chair Powell. Silver has importantly managed to hold onto recent gains and edged above USD \$15.40 briefly in early Asian trade before backing away from the level. Interest in palladium remains evident toward USD \$1,550, although we haven't seen noticeable volumes today, while platinum looks constructive for a test through USD \$850.

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