



MKS PAMP  
GROUP

## Daily Asia Wrap - 17th September 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1499.40/60	17.83/85	938/40	1607/10
HIGH	1502.40/60	17.91/93	940/42	1615/18
LOW	1496.20/40	17.77/79	935/37	1605/08
LAST	1497.10/30	17.80/82	937/39	1606/09

### MARKETS/MACRO

Stocks in the U.S. closed softer on Monday following the weekend attacks on Saudi Arabian oil facilities, snapping an eight-session winning streak for the DJIA heading into this weeks FOMC meeting. The DJIA ended the session down -0.52% at 27,076.82 points, the S&P 500 declined -0.31% to 2,997.96 points as energy stocks (+3.29%) were unable to offset broad based weakness, while the Nasdaq Composite slipped -0.28% to 8,153.543 points. The greenback found favor on Monday (DXY +0.57%) amid volatility across oil futures. There was an early session flight into safety that gave the Japanese yen a bid, however the dollar was able to claw back declines to erase the initial -0.4% fall and finish toward Friday's closing levels. The Euro traded heavily (EUR/USD -0.66%) as ECB chief economist Lane commented that QE can continue for an extended period of time, while the pound softened on Brexit woes (GBP/USD -0.58%). Treasury yields in the U.S. declined on the back of the move out of risk, seeing the 10-year fall 6bps to 1.846% and the two-year down 5bps to 1.755%. On the data front, the September Empire manufacturing print out of the U.S. slipped to 2.0 (exp: 4.0) from a 4.8 read the month

prior. New orders were softer, while the shipments index declined to the lowest level in nearly three years. After ripping higher in early Asian trade on Monday, oil prices remained buoyant through the session to see WTI finish +14.7% higher at USD \$62.90 per barrel. The gain marked the largest single session spike since January 2009, while Brent crude settled +14.6% higher at USD \$69.02 per barrel. Markets in Europe posted declines on Monday as investors considered the implications of the weekend attacks on Saudi Arabian oil facilities. The Stoxx Europe 600 ended the session down -0.58% to 389.53 points, the German Dax fell -0.71% to 12,380.31 points, while in the U.K. the FTSE 100 fell -0.63% to 7,321.41 points.

## **PRECIOUS**

A relatively sedate session for the precious complex during Asian trade today, with no further escalation of tensions in the Middle East seeing participants instead turn focus to the upcoming FOMC rates decision. Gold held a narrow range throughout the session, however traded with a mild offered bias, failing to retake the USD \$1,500 handle and finding further offers in late afternoon trade. Chinese demand remained muted as the on-shore premium held around USD \$10, with a mild bid around the Shanghai open soon evaporating. Broad resistance through the USD \$1,500 pivot toward USD \$1,515 is likely to cap any top-side moves should Middle East tension flare up, while supportive interest remains at USD \$1,485 with extension toward USD \$1,475. Silver once again baulked at a break above USD \$18 and has been subject to offers throughout Asian trade today. Monday morning's move now looks to have been a 'flash in the pan' and we could see the metal re-traceback toward USD \$17.50 - \$17.40. With regards to the white metals, platinum held a narrow range today following Monday's fall back underneath USD \$950, while palladium has reversed early session interest late in afternoon trade to test back toward USD \$1,600. Data today includes German ZEW survey results, U.S. industrial production, U.S. capacity utilisation, the U.S. NAHB housing market index and U.S. long-term TIC flows.

---

*Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.*