



MKS PAMP  
GROUP

## Daily Asia Wrap - 29th July 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1419.80/00	16.38/40	867/69	1533/35
HIGH	1424.20/40	16.46/48	868/70	1534/36
LOW	1417.70/90	16.34/36	863/65	1526/28
LAST	1418.50/70	16.37/39	867/69	1528/30

### MARKETS/MACRO

Firm earnings reports buoyed stocks in the U.S. on Friday, seeing both the S&P 500 and the Nasdaq Composite to fresh record closing levels. The DJIA ended the session +0.19% higher at 27,192.45 points, strength to Google parent Alphabet (+10%) helped underpin the S&P 500 to a +0.74% gain and fresh all-time record close of 3,025.86 points, while the tech-laden Nasdaq Composite jumped +1.11% to 8,330.211 points, also a record closing high. Over the week the S&P 500 added +1.7%, the Nasdaq Composite gained +2.3% and the DJIA inched +0.1% higher. Preliminary data released by the Commerce Department on Friday showed U.S. GDP increased +2.1% QoQ annualised during Q2, outpacing expectations centred around +1.8%, however well down on the +3.1% printed during Q1. Personal consumption jumped +4.3% during Q2 (exp: +4.0%) from +1.1% previously, while the closely watched core PCE figure increased +1.8% (exp: +2.0%) during Q2, to follow a +1.1% increase previously. The greenback firmed on Friday to mark a 2-month high (DXY +0.2%), buoyed by the stronger than expected U.S. GDP print and upbeat earnings reports. The dollar posted gains against the euro (EUR/USD -

0.18%), the Australian dollar (AUD/USD -0.62%) and the British pound (GBP/USD -0.55%), while finishing unchanged amid a narrow range relative to the Japanese yen. Treasury yields finished relative stable following an early New York spike on the back of the GDP print. The two-year added 1.4bps to 1.87% and the 10-year inched just 0.3bps higher to 2.081%. Stocks in Europe finished higher on Friday following the ECB meeting on Thursday, as President Draghi indicated a future easing of monetary policy. The Stoxx Europe 600 finished +0.31% higher to 390.73 points, the German Dax added +0.47% to 12,419.90 points, while in London the FTSE 100 jumped +0.80% to 7,549.06 points.

#### **PRECIOUS**

There was mixed price action across the precious complex during Asian trade today, with early session gains reversed following the Chinese open as USD/China firmed. Gold spent early pricing either side of USD \$1,420, before seeing strength on the Shanghai open to extend briefly through USD \$1,424. The USD/CNY fix saw the early offered bias to the greenback reverse, dragging bullion lower to move underneath USD \$1,420 in late afternoon trade. The recent USD \$1,410 - \$1,430 range remains in-tact and it's difficult to see this being broken pre-FOMC on Wednesday. Silver pricing once again saw the lower end of the recent range tested, reversing an early Chinese bid tone that saw the grey metal extend to a USD \$16.46 high. Heavy afternoon trade saw a USD \$16.34 session low printed, however once again, supportive interest around the level restricted any further declines. All eyes this week on the FOMC meeting, and while a 25bp cut is expected, participants will be looking toward the narrative from Fed chair Powell as to the pace of further easing. The U.S. and China will also resume trade talks this week, however those close to the talks believe that a major breakthrough is unlikely. Data today includes U.K. mortgage approvals and U.S. Dallas Fed manufacturing activity.

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