



MKS PAMP
GROUP

Daily Asia Wrap - 30th September 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1495.80/00	17.54/56	933/35	1688/91
HIGH	1500.70/90	17.60/62	935/37	1697/00
LOW	1488.90/10	17.28/30	927/29	1687/90
LAST	1489.70/90	17.38/40	932/34	1697/00

MARKETS/MACRO

Stocks in the U.S. handed back early session gains on Monday following headlines that the U.S. are considering delisting Chinese stocks. The headlines sent stocks into a tailspin, pressuring the major bourses over -1% down from early session highs. The DJIA finished trade -0.26% lower at 26,820.25 points, declines to technology stocks (-1.28%) weighed upon the S&P 500 to see the bourse off -0.53% to 2,691.79 points, while the tech-laden Nasdaq Composite collapsed -1.13% to 7,939.627 points. On the data front, consumer spending in the U.S. edged just +0.1% MoM higher during August, while personal income increased +0.4% MoM. Consumer prices meanwhile, as measured by personal consumption expenditures (PCE) held unchanged, while core PCE inched +0.1% MoM higher to move to +1.8% YoY (prev: +1.7%). Durable goods orders outpaced expectations to increase +0.2% MoM during August (exp: -1.1%), largely underpinned by gains to military orders. The closely watched capital goods orders (non-defence, ex-air) fell -0.2% MoM (exp: flat) from a flat read previously. The University of Michigan measure of U.S. consumer sentiment firmed during September, increasing to 93.2 (exp:

92.1) from 89.8 during August. The greenback eased modestly on Friday (DXY -0.06%), exhibiting weakness relative to the euro (EUR/USD +0.21%), while firmer against the yen (USD/JPY +0.12%). Treasury yields finished little changed as the 10-year traded over a 5bp range to hold around 1.68%, while the two-year eased 1.5bps to 1.635%.

PRECIOUS

A softer session for majority of the precious complex during Asian trade today, seeing gold reverse an early session bid tone to test underneath USD \$1,490. The weekend clarification that the U.S. were not looking to delist Chinese companies provided a bid tone to both U.S. stock futures and the greenback to weigh upon price action across the precious. Thin early session liquidity saw bullion briefly above USD \$1,500, however the bid tone was soon extinguished as the yellow metal came under pressure initially on the Tokyo open and then once again as Shanghai filtered in. Bids around USD \$1,495 provided brief supportive interest pre-China, however the Far East soon had the metal toward USD \$1,490 and extended declines into the afternoon. China now takes leave for the remainder of the week, with the increased margin requirements over this period likely resulting in some liquidation of long positioning. We look toward support around USD \$1,485 to initially restrict further declines, however broader support extends through to USD \$1,475. Silver traded well offered throughout Asian trade today and tested Friday's low through USD \$17.30 late in the session. The premium in China saw some volatility, however ultimately ended softer toward USD \$1.11 (high of \$1.16) as participants looked to exit/lighten positioning into the golden week break. Palladium was again the outperformer however, pushing toward USD \$1,700 to print a fresh all-time high as the market remains incredibly tight. Data today includes German unemployment, German CPI, U.K. GDP, the MNI Chicago PMI and the Dallas Fed manufacturing activity print.

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