



MKS PAMP  
GROUP

## Daily Asia Wrap - 31st October 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1495.00/40	17.85/88	925/27	1810/16
HIGH	1499.20/60	17.95/98	928/30	1820/26
LOW	1493.80/20	17.79/82	922/24	1810/16
LAST	1497.60/00	17.92/95	927/29	1815/21

### MARKETS/MACRO

The US Federal Reserve announced a 25 bps cut to its benchmark interest rate at the October FOMC meeting. The S&P 500 closed at a fresh record high as US equities rallied on the Fed's announcement. The Dow added 115.27 points, or 0.43%, to 27,186.69, the S&P 500 rose 9.88 points, or 0.33%, to 3,046.77, while the Nasdaq rose 27.12 points, or 0.33%, to 8,303.98. There were wins for utilities (+0.87%) and healthcare (+0.78%) while a sharp loss in the energy sector (-2.12%) led the laggards. European equities were mostly higher, the EuroSTOXX crept up 0.33 points, or 0.08%, to 398.70, the German DAX lost 29.39 points, or 0.23%, to 12,910.23, and the London FTSE 100 advanced 24.52 points, or 0.34%, to 7,330.78. Volatility in currencies markets the US dollar spiked higher just after the announcement before being dumped during Powell's press conference. The US dollar index eased 0.24% to 97.45, the EUR traded up to 108.77 to 1.1154, while USD/JPY was down slightly at 108.75. US treasury yields were lower, the 2 year yield shed 3.2 bps to 1.604% while the 10 year yield lost 4.6 bps to 1.780%. Oil prices were lower, Brent sold off 1.4% to \$60.54 while WTI gave up 0.7% to \$54.90. Base metals were mostly lower, with zinc (-0.6%) leading the losses. In US economic data, ADP advised 125,000 private sector jobs were created during October while the September figure was revised from 135,000 to 93,000. US GDP grew at an annual rate of 1.9% during the third quarter, eclipsing economist's expectations of a 1.6% rate, with healthy consumer spending (+2.9%) outweighing losses in business investment. In Asia today, as I write the Nikkei is at +0.36%, the Shanghai composite is at -

0.09%, the Hang Seng is at +1.06%, and the ASX S&P 200 is at -0.46%. Tonight we have weekly jobless claims, employment cost index, personal income, consumer spending, core PCE inflation, and Chicago PMI out of the US; with GDP growth, inflation, and unemployment out of the euro zone.

## **PRECIOUS**

Some wild swings in the precious after the FOMC announcement. Gold was quiet through Asian hours, trading between \$1487-90 with onshore SGE premium around \$6 over the loco London price. The market firmed slightly during the London AM session but movement was muted as investors awaited the interest rate announcement. Gold was around \$1493 at the announcement and plunged to the session low \$1481 soon after. We saw a swift reversal in the markets during Powell's press conference, gold rebounded up to \$1495 and the dollar gave back its gains. The yellow metal closed right on the high at \$1495. Silver dropped to \$17.60 before recovering to close marginally ahead at \$17.83. Palladium was the standout, climbing to a high of \$1819. The Philadelphia gold and silver index rose 0.86% to 93.26. In Asia today, gold made a move on the \$1500 level but ran into solid resistance. The onshore SGE premium remains around \$6 over loco London. The yellow metal is at \$1497.60 as I write. Silver is currently up near the day's high at \$17.92. Have a good day ahead.

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