



MKS PAMP
GROUP

Daily Asia Wrap - 9th August 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1501.50/70	16.96/98	865/67	1420/23
HIGH	1509.10/30	17.12/14	868/70	1430/33
LOW	1499.10/30	16.96/98	863/65	1419/22
LAST	1505.20/40	17.08/10	866/68	1427/30

MARKETS/MACRO

Stronger than expected trade data out of China and lower than expected jobless numbers in the US helped to buoy markets overnight. US stocks continued to head north after sustaining steep losses earlier in the week, the Dow Jones rose +371.12 pts (+1.43%) to 26,378.19, the S&P500 jumped +54.11 pts (+1.88%) to 2,938.09 and the Nasdaq Composite accelerated +176.33 pts (+2.24%) to 8,039.156. European indices benefitted from the positive China trade data as well as more stability in the CNY/CNH. The FTSE100 rallied +87.20 pts (+1.21%) to 7,285.90, the DAX climbed +195.26 pts (+1.68%) to 11,845.41, the CAC40 tacked on 121.45 pts (+2.31%) to 5,387.96 and the EuroStoxx 600 rose +6.11 pts (+1.66%) to 374.71. Crude oil prices rallied after Saudi Arabia said it would take steps to stabilise the market after the recent fall in prices. The kingdom said it would keep oil exports below 7mb/d and allocate less crude than customers are currently demanding. For North American customers, the cut amounts to around 700kb/d, while European customers will be short an even amount. Saudi's production in September will also be lower than it is currently. WTI rallied +3.15% to

\$52.70/bbl and Brent advanced +2.7% to \$57.75/bbl as a result. In the G10 space, haven currencies continue to remain well bid with \$JPY oscillating around the 106 level. We did see the dollar lose a bit of its momentum last night after President Trump fired off a tweet disapproving of a stronger dollar while again calling out the Federal Reserve to be more aggressive in its easing approach.

Bloomberg headlines this morning say the White House is holding off on a decision about licences for U.S. companies to restart business with Huawei Technologies Co. after Beijing said it was halting purchases of U.S. farming goods, according to people familiar with the matter. Commerce Secretary Wilbur Ross, whose department has vetted the applications to resume sales, said last week he's received 50 requests and that a decision on them was pending. American businesses require a special license to supply goods to Huawei after the U.S. added the Chinese telecommunications giant to a trade blacklist in May over national-security concerns.

PRECIOUS

Gold opened firmer in Asian trade on Friday as headlines out of the White House regarding Huawei underpinned early session pricing. It was reported that the White House is holding off on a decision regarding licenses for U.S. companies to restart business with Huawei, a move widely viewed as retaliation to China failing to increase their purchase of agricultural products from the U.S. Gold surged to a USD \$1,409.10 early session high to test the previous high prints made on both Wednesday and Thursday, however once again ran into offers around USD \$1,510. Early weakness out of China saw the yellow metal briefly test underneath USD \$1,500 whereby interest restricted any further declines, while the PBOC fixed the yuan at 7.0136 to help stabilise gold prices above the figure. Afternoon pricing saw a mild uptick toward USD \$1,508 as the greenback skewed lower, however volumes remained markedly down on recent sessions to see the metal hold within a range. Initial resistance sits toward USD \$1,510 with extension toward USD \$1,520, while supportive interest initially cuts in around USD \$1,490 with hard support at USD \$1,475 - \$1,480. Data today includes German trade data, U.K. GDP, U.K. industrial/manufacturing production, U.K. trade balance and U.S. PPI.

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