



MKS PAMP GROUP

Daily Asia Wrap

1st March 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1313.20/60	15.60/63	869/72	1543/51
HIGH	1314.60/00	15.62/65	871/74	1546/54
LOW	1312.40/80	15.59/62	869/73	1541/49
LAST	1312.90/30	15.59/62	870/73	1545/53

MARKETS/MACRO

US President Trump reportedly walked out of the meeting with North Korean leader Kim Jong Un because the two sides were unable to reach an agreement. The news dragged US equities into negative territory despite better than expected GDP data released earlier in the day. The Dow lost 69.16 points, or 0.27%, to 25,916.00, the S&P 500 fell 7.89 points, or 0.28%, to 2,784.49, while the Nasdaq shed 29.978 points, or 0.29%, to 7,532.531. Materials (-1.27%) and energy (-0.97%) dragged the markets lower. European equities were mixed, the EuroSTOXX inched higher 0.22 points, or 0.06%, to 372.80, the German DAX added 28.31 points, or 0.25%, to 11,515.64, and the London FTSE 100 lost 32.47 points, or 0.46%, to 7,074.73. In the currencies, the US dollar bounced off the lows during NY hours after a stronger than expected GDP reading. The US dollar index rose 0.11% to 96.11 after being as low as 95.84. The EUR was as high as 1.1418, while USD/JPY peaked at 111.74. US treasury yields were higher, the 2 year yield firmed 2.4 bps to 2.508% while the 10 year yield gained 4.1 bps to 2.710%. Oil prices were mixed, Brent sold off 0.3% to \$66.02 while WTI rose 0.6% to \$57.23. Base metals were mixed, with zinc (+1.2%) the standout. In US economic data, GDP grew at an annual rate of 2.6% in the fourth quarter of 2018, this was well in excess of the 1.9% economists were expecting. The US economy grew by 2.9% in 2018, equalling the biggest calendar year increase since the recession. The Chicago PMI rose 8 points to 64.7 in February, with the new orders component climbing 15.2 points. The home ownership rate rose 0.2% to a seasonally adjusted 64.6% in the fourth quarter of 2018. Initial jobless claims rose 8k to 225k in the week ending Feb 23, continuing claims rose 79k to 1.81. In Asia today, as I write the Nikkei is at +1.14, the Shanghai composite is at +0.14%, the Hang Seng is at +0.45%, and the ASX S&P 200 is at +0.51%. Tonight we have personal income, consumer spending, core inflation, Markit manufacturing PMI, ISM manufacturing index, and consumer sentiment index out of the US; along with Markit manufacturing PMI, core inflation, and unemployment rate out of the Eurozone.

PRECIOUS

Another soft session for the precious as gold extends its losses. Gold opened at \$1319 and slipped to \$1317 during early Asian trading. The onshore SGE premium remained around \$10-11 over loco London. Gold found some support in late Asian hours and NY were happy to buy as they came in, the market peaked at \$1327 during the AM session as the EUR surged above 1.14. The greenback rebounded strongly after the impressive GDP numbers were released in the US, the yellow metal quickly shed \$14



MKS PAMP
GROUP

dollars to the session low of \$1313. Gold spent the remainder of the session trading around the lows and finished up at \$1313. Silver lost over 1.5% in the NY sell off and closed only marginally above the low. PGMs bucked the trend and finished higher, with platinum and palladium closing at \$872 and \$1543 respectively. The Philadelphia gold and silver index fell 0.53%. The SDPR Gold Trust holdings lost 0.52% to 784.22 metric tonnes. We have seen very little action in Asia today as the precious complex remains within a tight range. Gold has remained between \$1312-15 with the SGE premium at \$10 over loco London, the yellow metal is sitting at \$1312.90 as I write. Silver is currently at the days low of \$15.59. PGMs are flat. Have a good day ahead.

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.