



MKS PAMP GROUP
Asia Market Update
2nd April 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1287.30/50	15.10/12	850/52	1424/29
HIGH	1289.20/40	15.12/14	853/55	1428/33
LOW	1285.45/65	15.05/07	849/51	1414/19
LAST	1287.20/40	15.07/09	849/51	1415/20

MARKETS/MACRO

Stocks in the U.S. have kicked off the week in positive fashion, with the major bourses posting strong gains on the back of positive manufacturing PMI prints from both the U.S. and China. The DJIA ended +1.27% higher at 26,258.42 points to mark the first close above 26,000 points since February 26, gains across financials (+2.42%) and industrials (+2.07%) underpinned a +1.16% return to the S&P 500, while the Nasdaq Composite firmed 1.29% to 7,828.91 points. The Institute for Supply Management's U.S. manufacturing PMI print outpaced expectations during March, rebounding to 55.3 (exp: 54.5) from 54.2 previously. The headline figure was led by firmer new orders, production and employment prints. Construction spending in the U.S. increased for a third consecutive month during February, adding +1.0% MoM (exp: -0.2%) from a positively revised +2.5% (prev: +1.3%) during January. Retail sales in the U.S. declined -0.2% MoM during February (exp: +0.2%) from a positively revised +0.7% gain (prev: +0.2%) in January. Core retail sales (excluding auto, gas, building and food) were also -0.2% lower during February to follow an upwardly revised +1.7% gain (prev: +1.1%) during January. The greenback saw mixed price action during Monday's session (DXY +0.17%), offered throughout Asian/European hours before recovering in New York on the better than expected manufacturing data and late session Brexit-led pound declines. The rejection of all Brexit alternatives saw the pound collapse around -0.65% in late session pricing, moving underneath 1.3050 after touching a 1.3150 intra-session high. The euro (-0.2%) also saw late session declines, while the yen (USD/JPY +0.3%) softened in New York trade. Treasury yields spiked on Monday on the back of positive U.S. and Chinese data releases, taking both the 10-year and 30-year yields to the largest single-session increases since January 4. The 10-year note jumped 8bps to 2.496%, the 30-year gained 7bps to 2.89%, while the two-year climbed 5bps to 2.326%. European stocks scored wins on Monday following stronger than expected manufacturing data out of the U.S. and China. The Stoxx Europe 600 saw broad-based strength to end the session +1.21% higher at 383.67 points, while in London the FTSE 100 firmed +0.52% to 7,317.38 points

PRECIOUS

A generally heavy session across the precious complex during Asian trade today, weighed down by a firmer dollar and higher regional equity markets. The greenback was well supported in early pricing to restrict a test toward USD \$1,290 leading into the Chinese open, with Shanghai opening at a premium above USD \$15 relative to London spot. Bids fell out of the market once China took lunch, seeing gold trade to a USD \$1,285.45 session low before supportive interest emerged. The yellow metal remains firmly entrenched within the USD \$1,280 - \$1,300 range, however it is beginning to look increasingly likely that the down-side support will be tested over the near-term as global equities see interest following recent positive data releases out of the U.S. and China. Underlying growth concerns do however remain, as does the ongoing Brexit saga to provide interest in the metal. The 100 DMA cuts in at USD \$1,281.70



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and will be the key support level, with a break through here potentially extending as far as the 200 DMA at USD \$1,248.33. Resistance remains formidable through USD \$1,295 - \$1,300. Silver has held USD \$15 today with interest evident around the 200 DMA at USD \$15.05, while a break through USD \$15.00 - \$15.05 could extend toward USD \$14.50. Palladium price action remains volatile broadly between the 50 DMA at USD \$1,446 and the 100 DMA at USD \$1357, while platinum attempts hold around USD \$850.

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