



MKS PAMP GROUP

Asia Market Update

3rd April 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1292.10/30	15.10/12	850/52	1432/37
HIGH	1293.30/50	15.17/19	857/59	1437/42
LOW	1290.20/40	15.10/12	849/51	1430/35
LAST	1292.80/00	15.17/19	857/59	1435/40

MARKETS/MACRO

Stocks in the U.S. ended mixed on Tuesday as soft economic data weighed upon investor appetite and Walgreens (-12.8%) announced an earning miss. The DJIA slipped -0.30% to 26,179.13 points, the S&P 500 finished the session relatively unchanged at 2,867.24 points and the Nasdaq Composite added +0.25% to 7,848.688 points. Durable goods orders in the U.S. declined during February, sliding -1.6% MoM (exp: -1.8%) from a +0.1% increase previously, while ex-transportation orders edged +0.1% higher (exp: +0.1%) from a -0.1% fall the month prior. The closely watched capital goods orders (nondefence ex-air) eased -0.1% MoM (exp: +0.1%) to follow a +0.9% gain in January, as demand for machinery, computers and electronic products softened. The greenback ended modestly lower on Tuesday after easing late in trade (DXY -0.05%). Late session Brexit-led gains to the pound weighed upon the buck, while the safe-haven yen remained unchanged within a narrow range. Treasury yields in the U.S. eased on Tuesday following Monday's gains, weighed down by softer than expected U.S. data and Brexit concerns. The 10-year yield slipped around 2bps to 2.4813% after moving above 2.50% on Monday. IMF Managing Director Christine Lagarde said on Tuesday that the global economy is "unsettled", with the outlook "precarious" and vulnerable to trade war shocks and uncertainty surrounding Brexit. During the remarks prepared for the U.S. Chamber of Commerce in Washington, DC, Lagarde noted that in January, the IMF predicted global growth for 2019 and 2020 at around 3.5 percent, however "it has since lost further momentum, as you will see from our updated forecast next week," European stocks firmed to see the Stoxx Europe 600 +0.35% higher at 385.03 points, while in the U.K. the FTSE 100 ignored Brexit concerns to jump +1.01% to 7,391.12 points.

PRECIOUS

Muted price action across the precious complex during Asian trade today, trading with a mild bid tone, however locked within a narrow range for the most part. After holding above USD \$1,285 on Tuesday, bullion spent today's session consolidating above USD \$1,290, benefiting from an offered greenback in early session pricing. Chinese demand remained robust at a USD \$15 premium over London spot gold to underpin interest, however the metal failed to elicit follow through bids to extend toward USD \$1,295. The yellow metal continues to trade within the USD \$1,280 - \$1,300 range and still looks likely to test downside support through USD \$1,280 - \$1,285 as global equities firm. On the data front today, Chinese PMI prints were firm to see the services PMI at 54.4, marking the highest print since January 2018, while the composite PMI improved to 52.9 from 50.7 previously. Australian retail sales firmed +0.8% MoM during February (exp: +0.3%) from +0.1% previously, supporting the AUD higher. Upcoming data includes Markit composite and services PMI prints from France, Germany, the Eurozone, the U.K. and the U.S. We also see U.S. MBA mortgage applications and the U.S. ISM non-manufacturing index.



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