



MKS PAMP GROUP

Asia Market Update

4th April 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1290.10/30	15.13/15	870/72	1409/12
HIGH	1292.90/10	15.15/17	875/77	1410/13
LOW	1290.10/30	15.11/13	870/72	1405/08
LAST	1292.00/20	15.14/16	875/77	1409/12

MARKETS/MACRO

Risk returned to the market on Wednesday on the back of upbeat U.S. – China trade talk headlines as participants largely ignored softer U.S. jobs data. Strength across materials (+1.33%) and technology (+0.83%) underpinned a +0.21% gain for the S&P 500 to 2,873.40 points, while the DJIA firmed +0.15% to 26,218.13 points and the Nasdaq Composite jumped +0.60% to 7,895.555 points. Private payrolls in the U.S. underwhelmed during March, with the ADP employment print registering 129,000 new payrolls (exp: 175,000) to follow an upwardly revised 197,000 during February. Midsized (+63,000 payrolls) and large businesses (+60,000 payrolls) were responsible for the majority of hires, while the services sector reported a 135,000 increase and the goods producing sectors lost 6,000. IHS Markit reported a solid upturn in U.S. services activity during March, however slightly down on what was seen during February. The U.S. services PMI (final) printed 55.3 during March (exp: 54.8) from 56.0 during February, with positive contributions from new orders and new business supporting the headline figure. ISM reported service sector growth slumped during March, with the non-manufacturing index falling to 56.1 (exp: 58.0) from 59.7 previously. The monthly print was the weakest since August 2017 and was led lower by a fall to new orders. The greenback traded under pressure on Wednesday (DXY -0.22%), weighed down by firm European data and positive U.S. – China trade negotiation headlines. Firmer retail sales saw the AUD gain +0.6%, while the euro consolidated above 1.12 to add +0.27% following positive PMI prints across the region. Treasury yields in the U.S. rose on Wednesday on trade negotiation optimism, seeing the 10-year to around 2.524%. In Brexit related news, MPs have voted by a majority of one to force Prime Minister Theresa May to ask for an extension to Article 50 beyond 12 April. The vote came after May and Labour leader Jeremy Corbyn met to discuss a possible compromise on the withdrawal agreement, with the meeting said to have been ‘constructive’ and further talks planned. Stocks in Europe ripped higher on the back of optimism surrounding the U.S. – China trade negotiations. The German Dax led the way to end +1.70% higher at 11,954.40 points, the Stoxx Europe 600 gained +1.01% to 388.92 points, while in the U.K. the FTSE 100 moved +0.37% higher to 7,418.28 points.

PRECIOUS

Another relatively muted session for the precious complex in Asia today, with namely gold and silver holding within their recent ranges. The metals, while supported throughout the session, failed to benefit from a soft dollar in early session trade, rather gold added no more than a few dollars leading into the Chinese open to top out around USD \$1,292.40. While still buoyant, the Shanghai premium slipped underneath USD \$15 as USD/China took a leg higher from the open, weighing marginally upon bullion to test back toward opening levels around USD \$1,290. The yellow metal found favour leading into the Chinese lunch break to move back through USD \$1,292 and continued higher into European hours as the



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greenback saw mixed trade. Gold looks to be consolidating around USD \$1,290 following recent mixed data releases out of the U.S. and may see some respite from a further test toward the USD \$1,281 - \$1,283 support leading into tomorrow's NFP print following the soft ADP figure. The 100 DMA at USD \$1,283 remains the key downside support level, with potential extension through to USD \$1,263 and the 200 DMA around USD \$1,250. Broad resistance through USD \$1,295 - \$1,300 currently caps further top-side gains, while the 50 DMA sits at USD \$1,308.50. Silver continues to see support around USD \$15, with the figure the key over the near-term, while platinum is outperforming and looks to target the late February and mid July 2018 high just underneath USD \$880. Data today includes German factory orders, U.S. initial jobless claims and Bloomberg U.S. consumer confidence.

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