



MKS PAMP GROUP

Asia Market Update

6th March 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1287.30/50	15.13/15	836/38	1513/18
HIGH	1289.50/70	15.15/17	837/39	1513/18
LOW	1286.10/30	15.06/08	830/32	1503/08
LAST	1287.10/30	15.09/11	832/34	1511/16

MARKETS/MACRO

With a lack of developments between the U.S. and China over trade relations, equities in the U.S. eased modestly on Tuesday. The DJIA fell -0.05% to 25,806.63 points, weakness across industrials (-0.64%) and materials (-0.49%) weighed upon the S&P 500 (-0.11%) to see the bourse end at 2,789.65 points, while the Nasdaq Composite shed -0.02% to 7,576.359 points. Markit reported U.S. services conditions firmed during February, increasing to 56.0 from 54.2 during January. The rate of expansion was the fastest since July 2018 and was led by a sharp increase in new business and growth in new export orders. The ISM non-manufacturing index rebounded during February, increasing to 59.7 from 56.7 previously. Gains to business activity and new orders underpinned the headline print, while employment eased marginally and prices were softer. The greenback firmed on Tuesday (DXY +0.2%) against majors, buoyed by the stronger Market and ISM prints in addition to a declining euro (-0.3%) leading into Thursday's ECB meeting. The common currency tested underneath 1.13 as participants look for any hints as to delays to ECB rate rises out to 2020. U.S. treasury yields ended the session generally unmoved, with the 10-year holding around 2.722% and the two-year adding 0.6 bps to 2.551%. Stocks across Europe firmed on Tuesday amid a softer euro. The Stoxx Europe 600 added 0.15% to 375.64 points and the German Dax tacked on +0.24% to 11,620.74 points. In London the FTSE 100 posted a +0.69% gain to 7,183.43 points, buoyed a softer pound and a +1.99% move by Vodafone.

PRECIOUS

Bullion traded in a relatively subdued fashion during Asian trade today following the overnight test lower, unable to make headway above USD \$1,290 amid a firmer dollar. The yellow metal saw a modest early session bid tone reversed leading into the Chinese open, sliding around USD \$2.50 in mixed early Shanghai pricing. The onshore premium pushed up toward USD \$11 to restrict further declines to bullion, however flows were relatively sedate, with less than 30k lots having passed through Globex as Europe filtered in. Gold looks to trying to base around USD \$1,280 - \$1,285 following the sharp -4.5% fall since the USD \$1,346 cycle high printed on February 20, however top-side moves toward USD \$1,295 - \$1,300 remain restricted by ETF outflows and generally positive dollar moves. Moving to silver and the grey metal remains buoyant above the 100 DMA (USD \$15.07) after moving below both the 50 DMA (\$15.63) and the 200 DMA (USD \$15.17) over the past few sessions. Broadly, the 100 DMA with extension to USD \$15.00 will be the key to a base for the metal. Palladium has tested toward USD \$1,500 in recent sessions and the figure is of modest importance over the near term due to the volatility in price action the white metal experiences. Ahead today we see U.S. mortgage applications, U.S. ADP employment, the U.S. trade balance and the U.S. Fed Beige Book.



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