



MKS PAMP GROUP

Asia Market Update

8th April 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1291.80/00	15.12/14	902/04	1374/79
HIGH	1296.90/10	15.18/20	912/14	1383/88
LOW	1291.70/90	15.12/14	901/03	1375/80
LAST	1296.30/50	15.14/16	907/09	1377/82

MARKETS/MACRO

Jobs data out of the U.S. on Friday showed the economy remained strong during March, adding a robust 196k payrolls (exp: 177k) to follow an upwardly revised 33k during February (prev: 20k). The unemployment rate remained unchanged at 3.8% as expected, while the U-6 measure of unemployment or underemployment that includes discouraged workers who have quit looking for a job and part-time workers who are seeking full time employment held at 7.3%. Wage growth meanwhile came in softer than expectations during March, growing +0.1% MoM (exp: +0.3%) from +0.4% during February, while on an annualised basis wages increased +3.2% YoY (exp: +3.4% YoY) from +3.4% YoY in February. Equities in the U.S. ended higher on Friday, buoyed by the strong jobs data and optimism over U.S. – China trade negotiations. The DJIA added +0.15% to 26,424.99 points, strength across energy (+1.69%) on the back of oil gains underpinned a +0.46% gain to the S&P 500 at 2,892.74 points, while the Nasdaq Composite jumped +0.59% to 7,983.692 points. On a weekly basis the DJIA added +1.9%, the S&P 500 gained +2.1% and the Nasdaq Composite outperformed to rally +2.7%. The greenback firmed on Friday following the upbeat jobs data, making notable gains relative to the pound (GBP/USD -0.3%) after the pair briefly traded underneath 1.30 on the back of Brexit uncertainty. Oil futures ripped higher in New York on Friday as supply concerns out of Libya underpinned gains. WTI jumped +1.8% to finish at USD \$63.23 per barrel, while Brent crude surged 1.9% to USD \$70.37 per barrel. British Prime Minister Theresa May has admitted that the only way of passing her Brexit deal is with the support of the Labour Party, comments that are likely to further exacerbate tensions among conservatives. While negotiations continue in the U.K., May is due to meet with European Union leaders at a special summit in Brussels on Wednesday, where she will ask for an extension to the April 12 Brexit deadline out to June 30 in an attempt to avert a no-deal Brexit occurring. Stocks in Europe firmed on Friday as headline U.S. jobs data outpaced expectations. The Stoxx Europe 600 closed the session +0.09% higher at 388.23 points, while the German Dax gained +0.18% to 12,009.75 points and the French CAC tacked on +0.23% to 5,476.20 points. In London the FTSE 100 popped +0.61% higher to 7,446.87 points as the pound softened and the U.K. looks likely to get an extension on Brexit through to June 30.

PRECIOUS

A firmer session across the precious during Asian trade today, underpinned by a softer dollar to consolidate Friday's late New York gains. The yellow metal held the key 100 DMA (USD \$1,284) support on Friday around the jobs release as interest moved back into the market following the risk event. Chinese demand continued to support price action across Asia today, with the Shanghai premium pushing above USD \$15, driving spot through the USD \$1,295 pivot. Bloomberg reported that China increased its gold reserves for a fourth straight month during March, adding just over 11 tonnes, increasing optimism across the market the central banks will continue to drive demand. ETF's however



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recorded outflows last week, most notably from the SPDR fund. Gold vols have moved marginally higher over the past few sessions as 1m sits toward 8.7 and 3m touched 9.0. While the metal has consolidated above the USD \$1,295 pivot following Friday's test toward the 100 DMA, the top-side key remains the psychological USD \$1,300 with extension toward USD \$1,305. We should see supportive interest through USD \$1,295 toward USD \$1,290. Silver has tested the USD \$15.20 resistance, however thus far has not been able to make headway through the figure, while platinum remains buoyant above USD \$900 after an early session test of the figure in Asia. Data today includes German trade prints, U.S. factory orders, U.S. durable goods orders and U.S. capital goods orders.

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