



MKS PAMP GROUP

Asia Market Update

12th February 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1308.10/30	15.70/72	785/87	1385/90
HIGH	1310.50/70	15.76/78	788/90	1393/98
LOW	1306.60/80	15.68/70	785/87	1383/88
LAST	1310.50/70	15.75/78	787/89	1393/98

MARKETS/MACRO

U.S. equities once again ended trade mixed on Monday, with lingering concerns over U.S. – China trade relations and the potential for a further U.S. government shutdown creating an air of uncertainty. The DJIA declined -0.21% to 25,053.11 points to log a fourth consecutive decline, while strength across industrials (+0.55%) and energy (+0.46%) helped the S&P 500 to a +0.07% gain at 2,709.80 points. The greenback remained firm against majors on Monday, seeing the DXY index +0.41% higher to build upon the +1.1% gain last week. The buck made notable gains against the pound (GBP/USD -0.6%) following softer than expected U.K. GDP figures, while the euro (EUR/USD -0.4%) broke underneath 1.1300. Oil futures declined modestly on Monday on the back of signs of rising production in the U.S. and a firmer greenback. WTI bounced late in trade to end off the session lows, however finished -0.6% down at USD \$52.40 per barrel, while Brent crude dropped around -0.7% to USD \$61.60 per barrel. European stocks bounced back from recent declines on Monday, seeing a relief rally ahead of the latest round of trade talks between the U.S. and China. The Stoxx Europe 600 clawed back some of the recent declines to end +0.85% higher to 361.12 points, while the German Dax jumped +0.99%. In London the FTSE 100 was boosted by an ailing pound, with investor's putting to one side softer than expected GDP data to send bourse +0.82% to 7,129.11 points. 4Q GDP in the U.K. inched just +0.2% higher (exp: +0.3%) from +0.6% previously, while on an annualised basis GDP increased +1.3% YoY (exp: +1.4%) from +1.5% previously.

PRECIOUS

Monday's dollar bias remained evident during Asian trade today, and although tempered somewhat, still weighed upon bullion to restrict top-side gains. Early session price action saw bullion ease toward USD \$1,306 amid light flows as USD/CNH moved above 6.80 leading into the Shanghai open. After testing toward 6.81, USD/CNH sharply reversed once China opened, falling to a 6.7898 low to underpin a recovery to gold. Bullion recovered back toward USD \$1,310, whereby offers kept further gains in check as interest diminished during the Chinese lunch break. Afternoon flows saw bullion turn bid, with the USD \$1,310 pivot coming into play to see participants move back into the metal, settling above the figure as London entered. Trade and geopolitical risks remain to underpin price action and we expect this to continue over the near-medium term, with supportive price interest remaining broadly toward USD \$1,300 - \$1,310. Weighing upon a move through top-side resistance levels of USD \$1,320 - \$1,325 is a firmer dollar, benefiting from expected near-term weakness in Europe and to a lesser extent in the U.K. Data today includes the U.S. JOLTS job openings report.



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