



MKS PAMP GROUP

Asia Market Update

18th March 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1301.80/00	15.30/32	831/33	1550/55
HIGH	1302.20/40	15.31/33	831/33	1550/55
LOW	1298.30/50	15.21/23	823/25	1540/45
LAST	1299.20/40	15.29/31	827/29	1543/48

MARKETS/MACRO

Positive comments from Chinese Premier Li Keqiang regarding U.S. – China trade discussions buoyed sentiment on Friday, helping to lift U.S. equity markets into positive territory as both the S&P 500 and the Nasdaq Composite ended at five-month highs. The S&P 500 climbed +0.50% to 2,822.48 points, posting a +2.9% weekly gain to mark the best result over that period since late November last year. The Nasdaq Composite jumped +0.76% to 7,688.527 points to mark a +3.8% weekly return, while the DJIA tacked on +0.54% to 25,848.87 points for a +1.6% weekly return. Industrial production in the U.S. inched just +0.1% MoM higher during February (exp: +0.4%) from a -0.4% MoM decline during January. Gains to utility output and mining underpinned the figure, while manufacturing output fell for a second consecutive month as did auto output. The New York Federal Reserve's Empire State manufacturing index slipped to 3.7 during March (exp: 10.0) from 8.8 previously. The print is the lowest in close to 2 years, largely a result of softer reads to the new-orders index and the shipments index. The University of Michigan consumer sentiment index (preliminary) spiked higher during March, increasing to 97.8 (exp: 95.6) from 93.8 previously. The greenback finished down -0.2% on Friday after moving sharply lower in New York, weighed down by the mix economic data. The dollar lost ground against the sterling (GBP/USD +0.45%) as Brexit drama continues to dominate the headlines, while the euro (EUR/USD) firmed +0.2% and the yen gained late in trade (USD/JPY -0.2%). Oil futures ended lower on Friday following a string of gains recently amid signs of tightening supply. WTI eased -0.2% to settle at USD \$58.52 per barrel for a +4.4% weekly gain, while Brent crude eased -0.1% to USD \$67.16 per barrel to mark a +2.2% weekly result. Markets across Europe were higher on Friday as investor sentiment received a boost from positive trade headlines. The Stoxx Europe 600 finished with a +0.68% gain to 381.10 points, the German Dax added +0.85% to 11,685.69 points, while the French CAC climbed +1.04% to 5,405.32 points. In London the FTSE 100 clung onto early session gains to finish +0.60% higher at 7,228.28 points amid a firmer pound.

PRECIOUS

Gold skewed to the down-side in a relatively uneventful session during Asian hours today. The metal spent little time above USD \$1,300 after reclaiming the figure on Friday, seeing a mild risk on tone as the dollar turned offered in addition to strength against then yen in major crosses. The session low of USD \$1,298.30 was printed in early Chinese trade and while the level saw interest to restrict any further declines, a lack of follow though buying kept gold underneath USD \$1,300 for the remainder of the session. The on-shore premium in China remained buoyant around USD \$13 as USD/China saw a narrow range, while broad based USD weakness continued throughout the afternoon. Expect gold to oscillate either side of USD \$1,300 with broad support extending toward USD \$1,295 - \$1,290, while resistance is initially evident around USD \$1,310. Dollar positioning into this week's FOMC meeting will



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likely be the key determinant for precious price action, while Brexit developments will also be closely watched.

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