



MKS PAMP GROUP

Asia Market Update

20th May 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1277.20/40	14.42/44	820/22	1314/19
HIGH	1278.70/90	14.45/47	827/29	1320/25
LOW	1276.00/20	14.41/43	818/20	1312/17
LAST	1276.40/60	14.43/45	823/25	1318/23

MARKETS/MACRO

Stocks in the U.S. declined on Friday following reports that trade negotiations between the U.S. and China had stalled. The DJIA posted a -0.38% fall to 25,764.00 points, declines to industrials (-1.10%) and energy stocks (-1.05%) weighed upon the S&P 500 as the bourse eased -0.58% to 2,859.53 points, while the Nasdaq Composite sank -1.04% to 7,816.285 points. On a weekly basis the DJIA finished -0.7% lower to mark a fourth consecutive weekly fall, the S&P 500 slipped -0.8% and the Nasdaq Composite fell -1.3%. The greenback firmed on Friday (DXY +0.18%), largely seeing strength against the pound (GBP/USD -0.63%) and moving above 110.00 relative to the yen (USD/JPY +0.18%). Treasury yields eased modestly on Friday to see the 10-year down 1.1bps to 2.396% and the two-year generally unmoved at 2.205%. On the data front, the University of Michigan consumer sentiment gauge spiked to a 15-year high of 102.4 in May (exp: 97.2) to follow a 97.2 print the month prior.

PRECIOUS

The precious complex saw modest demand on Monday, holding above Friday's low prints, however unable to make headway higher. Gold saw decent two-way flows in early pricing, testing toward USD \$1,279 before easing modestly leading into the Chinese open. USD/China opened with an offered bias to see the yellow metal once again move back toward USD \$1,279 as the on-shore premium pushed above USD \$12, however a lack of follow through interest restricted top-side gains and bullion eased lower to hold above USD \$1,276 throughout the afternoon. The ongoing trade negotiations, while underpinning interest in bullion are creating dollar demand to restrict moves higher. The latest CFTC report shows length creeping back into the market and this coupled with an easing to the recent ETF redemptions does seem to indicate a basing market, however with that being said, we may still see further extension toward USD \$1,270 - \$1,265, while the 200 DMA sits at USD \$1,257. Data releases today include German PPI and the Chicago Fed Nat activity index.

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