



MKS PAMP GROUP

Asia Market Update

21st March 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1312.10/30	15.48/50	861/63	1599/04
HIGH	1319.20/40	15.59/61	870/72	1610/15
LOW	1312.10/30	15.48/50	861/63	1598/03
LAST	1318.20/40	15.57/59	869/71	1608/13

MARKETS/MACRO

As widely expected, the Federal Reserve kept the benchmark funds rate on hold at between 2.25% – 2.50% at their March FOMC meeting, while highlighting the impacts both a slowing Europe and trade negotiations with China are having on the economy. The Fed now expects a growth rate of 2.1% this year, down from the 2.3% forecast in December, while the outlook for 2020 is now for growth at just 1.9%. Further interest rate increases now look to be on hold for the remainder of 2019, with expectations of a single rate increase in 2020 and none in 2021. U.S. stocks ended generally lower on Wednesday, offered late in trade following the FOMC announcement as treasury yields pulled back to drag financial sharers lower. The DJIA slipped -0.55% to end at 25,745.67 points, while weakness across financials (-2.09%) weighed upon the S&P 500 to see the bourse off -0.29% to 2,824.23 points, while the Nasdaq inched +0.07% to 7,728.969 points. The greenback moved sharply lower post-FOMC against majors (DXY - 0.4%), with the euro breaking above 1.14 to add +0.5% and the yen firmed +0.6%. Treasury yields were sold following the FOMC on Wednesday, seeing the 2-year 8.8bps lower to 2.402% and the 10-year off 7.7bps to 2.537%.

PRECIOUS

The precious complex remained bid during Asian trade today following Wednesday's post-FOMC gains. While the dollar saw some respite from the late New York declines, precious metals continued to firm as participants considered the implications of the Fed's growth projections. Gold saw the USD \$1,310 pivot level remain intact, while seeing a generally orderly ascent throughout the session toward USD \$1,320. Chinese demand remained firm, however acted to underpin a general bid tone without overly buoying the metal higher. Given the result of the FOMC was generally priced into markets, we will be keeping a close eye on how ETF's react over the next few session and whether inflows can continue to be sustained. Broadly speaking, USD \$1,320 - \$1,325 will see resistance and consolidation above this level should pave the way for a move back toward the February USD \$1,346 print. Silver was able to consolidate above the USD \$15.50 pivot during Asia today and will look to consolidate through the 50 DMA at USD \$15.58. Platinum remains bid and looks likely to test the recent high prints around USD \$877, while palladium has consolidated through USD \$1,600. Data today includes U.K. retail sales, the BOE decision, U.S. initial jobless claims, the Philadelphia business outlook, Bloomberg U.S. consumer confidence and the U.S. leading index.



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