



MKS PAMP GROUP

Daily Asia Wrap

22nd February 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1324.00/40	15.78/81	823/26	1473/78
HIGH	1326.40/80	15.81/84	825/28	1475/80
LOW	1324.00/40	15.78/81	823/26	1471/76
LAST	1325.40/80	15.79/82	825/28	1474/79

MARKETS/MACRO

US equities finished lower following some disappointing economic data releases. The Dow lost 103.81 points, or 0.40%, to 25,850.63, the S&P 500 fell 9.82 points, or 0.35%, to 2,774.88, while the Nasdaq shed 29.362 points, or 0.39%, to 7,459.707. There were wins for utilities (+0.75%) while energy (-1.55%) healthcare (-0.88%) and communications (-0.63%) dragged the markets lower. European equities were mostly lower with the ECB minutes for January striking a dovish tone, the EuroSTOXX fell 1.05 points, or 0.28%, to 370.41, the German DAX added 21.31 points, or 0.19%, to 11,423.28, and the London FTSE 100 lost 61.23 points, or 0.85%, to 7,167.39. In the currencies, the US dollar index firmed 0.10% to 96.61, the EUR was as low as 1.1324, traded up to 110.80. US treasury yields were higher, the 2 year yield rose 15 bps to 2.529% while the 10 year yield gained 23 bps to 2.688%. Oil prices were lower, Brent slipped 0.2% to \$67.05 while WTI sold off 0.8% to \$556.96. Base metals were mostly lower, though aluminium (+2.0%) was the lone bright spot. In US economic data, the Philadelphia Fed manufacturing index fell to a seasonally adjusted reading of -4.1 in February down from 17 in January, this is the first negative reading since May 2016. Durable goods orders increased by 1.2% in December following a 1.0% rise in November, core capital goods orders (ex-transportation) crept up 0.1%. The Conference Board's leading economic index fell 0.1% in January after remaining flat in December. Existing home sales fell 1.2% to a seasonally adjusted 4.94 million annual rate in January. Initial jobless claims fell 23k to 216k in the week ending 16 Feb, continuing claims fell 55k to 1.73 million. In Asia today, as I write the Nikkei is at -0.42, the Shanghai composite is at +0.19%, the Hang Seng is at -0.37%, and the ASX S&P 200 is at +0.40%. Tonight we have inflation data out of the Eurozone.

PRECIOUS

A softer session for the precious as gold gives up \$20. Gold hovered around \$1338-40 through Asian hours in quit trading after the previous sessions FOMC related sell-off. The SGE premium was firmer at \$9-10 which was not enough to prompt sufficient demand to hold the metal above \$1340, which would prove to be the session high. London were on the offer from the opening bell and gold was sold down to \$1332 during the AM session. The yellow metal softened throughout NY trading as US treasury yields showed strength, finally closing out the session just above the \$1324 low. Silver was unable to hold on above \$16 and dropped 20c in NY trading. Palladiums attempt to breach the \$1500 was rejected which sparked a sell off, the metal bottomed out at \$1466. The Philadelphia gold and silver index fell 1.41%.



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The SPDR Gold Trust holdings fell 0.63% to 789.51 metric tonnes. Very quiet in Asia today as gold remains within a tight range between \$1323-26.5. The onshore SGE premium remained steady at \$9-10 over loco London. The yellow metal is at \$1325.60 as I write. Silver has traded sideways, the grey metal is currently at \$15.82. Have a good day ahead.

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