



MKS PAMP GROUP
Asia Market Update
26th February 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1327.30/50	15.90/92	853/55	1543/48
HIGH	1330.10/30	15.93/95	859/61	1558/63
LOW	1326.90/10	15.89/91	853/55	1543/48
LAST	1329.10/30	15.91/93	859/61	1558/63

MARKETS/MACRO

The weekend announcement by President Trump of a delay to additional Chinese tariffs saw risk in favour on Monday, underpinning gains to equity markets across the globe. The DJIA ended the session +0.23% higher to 26,091.95 points, gains across technology (+0.50%) and materials (+0.66%) supported the S&P 500 +0.12% higher to 2,796.11 points, while the Nasdaq Composite posted a +0.36% gain to 7,554.461 points. On the data front, wholesale inventories in the U.S. popped +1.1% MoM during December to mark the largest gain since October 2013, while the Chicago Fed national activity index sunk to -0.43 (exp: +0.10) from a downwardly revised 0.05 previously. The greenback eased marginally on Monday (DXY -0.1%) as majors firmed on the back of upbeat trade news, while the pound firmed following headlines that the U.K. Labour party would support a second Brexit referendum (GBP/USD +0.32%). European stock markets pushed higher on Monday following the weekend trade news out of the U.S. The Stoxx Europe 600 tacked on +0.26% to 372.18 points, the German Dax added +0.42% to 11,505.39, while in London a firmer pound weighed upon the market to see the FTSE 100 lag to a +0.07% gain.

PRECIOUS

Price action across the precious complex remained buoyant during Asian trade today amid a softer greenback, however gold struggled around the USD \$1,330 pivot once again. Supportive interest toward USD \$1,327 remained evident to restrict any early session declines, while Chinese demand continued to push spot higher as the on-shore premium edged to around USD \$11. USD/CNH eased toward 6.68 in early trade, however the buck was able to strengthen throughout the session against the yuan, while remaining under pressure relative to majors to see bullion briefly above USD \$1,330 leading into the Chinese lunch break. A further break above USD \$1,330 on the Chinese re-open was met with broad based selling as the dollar reasserted its dominance leading into European hours, seeing the Shanghai on-shore premium underneath USD \$10. Expect supportive interest to remain broadly around USD \$1,320 - \$1,325, while USD \$1,330 remains the key pivot for further gains. The white metals were again the standout performers during Asian trade today, with platinum attempting a break through USD \$860, while palladium continued higher unabated, testing USD \$1,560 to post a 1% gain on the session. The metals, most notably platinum, are benefiting from uncertainty in South Africa over potential union strike action. Data today includes U.S. housing starts, U.S. building permits, U.S. house prices, the Richmond Fed manufacturing index and U.S. Conference Board consumer confidence.



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