



MKS PAMP GROUP

Asia Market Update

27th May 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1284.60/80	14.56/58	805/07	1328/33
HIGH	1287.60/80	14.62/64	806/08	1332/37
LOW	1283.90/10	14.56/58	802/04	1325/30
LAST	1286.40/60	14.60/62	803/05	1328/33

MARKETS/MACRO

Stocks in the U.S. firmed on Friday following comments from Donald Trump noting the ongoing trade war with China could be over sooner than expected and that the U.S. could ease up on its ban against Huawei. The DJIA ended the session +0.37% higher at 25,585.69 points, however it wasn't enough to see the bourse move into positive territory for the week as the DJIA declined -0.7% for a fifth straight weekly decline and the longest such streak since 2011. A firm session across financials (+0.77%) helped the S&P 500 to a gain of +0.14% to 2,826.06 points to temper the weekly decline to -1.2%, while the Nasdaq Composite added +0.11% to 7,637 points, a weekly fall of -2.3%. On the data front, durable goods orders in the U.S. sunk -2.1% MoM during April (exp: -2.0%) to follow a negatively revised +1.7% gain in March (prev: +2.6%). Excluding transportation, durable goods orders were flat on the month, while the closely watched capital goods orders (nondefense ex-air) declined -0.9% MoM (exp: -0.3%) from a negatively revised +0.3% (prev: +1.4%). The Greenback softened on Friday amid a firming pound following the announcement that U.K. Prime Minister Theresa May would step down on June 7. The DXY index finished -0.25% lower to mark a -0.4% weekly fall as the pound jumped +0.68%, while the euro pushed back above 1.1200 to finish +0.22% higher and the yen firmed (USD/JPY -0.29%). Stocks in Europe finished higher on Friday as investor fears over a protracted trade war between the U.S. and China moderated somewhat. The Stoxx Europe 600 added +0.56% to finish at 375.89 points, the German Dax firmed +0.49% to 12,011.04 points and in London the FTSE 100 recovered from previous session weakness to end +0.66% higher at 7,277.73 points.

PRECIOUS

The precious complex opened to a mild bid tone during Asian trade today, benefiting from a softer greenback in early pricing as investors considered trade developments between the U.S. and China, in addition to headlines out of Japan as President Trump visits the country. Interest however didn't take long to dissipate, and the metal eased leading into the Chinese open to print a session low of USD \$1,283.90. The Shanghai open saw weakness across USD/China to underpin a recovery to bullion, driving the metal back through USD \$1,285 as the on-shore premium held above USD \$14 relative to spot. Afternoon flows were light, however importantly gold consolidated above USD \$1,285 as we head toward a quiet session with both the U.K. and the U.S. on leave. While there remains uncertainty surrounding on-going trade negotiations and the impacts upon global growth, bullion should see interest continue to underpin price action over the near-term. Supportive interest toward USD \$1,280 with potential extension toward USD \$1,270 will be the key to down-side price direction, while a break back through the 100 DMA at USD \$1,296.50 and psychological USD \$1,300 should entice participants back into the market. Silver remains buoyant above the USD \$14.50 pivot, while the white metals have tracked sideways.



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