



MKS PAMP GROUP

Daily Asia Wrap

29th March 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1290.20/60	14.99/02	839/42	1350/56
HIGH	1292.40/90	15.04/07	845/48	1364/70
LOW	1288.50/90	14.99/02	838/41	1350/56
LAST	1289.90/30	15.00/03	844/47	1360/66

MARKETS/MACRO

US equities were higher Thursday as US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin arrived in Beijing to resume trade talks with China. The Dow added 91.87 points, or 0.36%, to 25,717.46, the S&P 500 rose 10.07 points, or 0.36%, to 2,815.44, while the Nasdaq gained 25.79 points, or 0.34%, to 7,669.17. Wins for materials (+0.95%) and financials (+0.83%) led a near broad advance in the markets. European equities were mixed, the EuroSTOXX lost 0.44 points, or 0.12%, to 376.84, the German DAX edged higher 9.12 points, or 0.08%, to 11,428.16, and the London FTSE 100 added 40.14 points, or 0.56%, to 7,234.33. In the currencies, continued Brexit uncertainty prompted fresh demand for the greenback which saw the US dollar index firm 0.27% to 97.21, the EUR traded down to 1.1213, while USD/JPY traded as high as 110.91. US treasury yields were higher, the 2 year yield firmed 3.4 bps to 2.224% while the 10 year yield gained 2.6 bps to 2.381%. Oil prices were higher, Brent put on 0.4% to \$67.90 while WTI rose 0.4% to \$59.42. Base metals were mostly lower, with nickel (-1.4%) taking the biggest hit. In US economic data, GDP expanded at a 2.2% annual rate in the fourth quarter of 2018, the figure came in lower than the original 2.6% estimate. Pending home sales fell 1% in February following a 4.3% increase in January. Initial jobless claims fell 5k to 211k in the week ending March 23, continuing claims rose by 13k to 1.76 million. In Asia today, as I write the Nikkei is at +0.87, the Shanghai composite is at +2.36%, the Hang Seng is at +0.70%, and the ASX S&P 200 is at +0.38%. Tonight we have personal income, consumer spending, core inflation, Chicago PMI, new home sales, and consumer sentiment index out of the US.

PRECIOUS

Disappointing session for the precious as gold closes below \$1300 and palladium sees a massive sell off. Gold traded a \$5 range through Asian hours with the onshore SGE premium around \$11-12, and printed the session high \$1312 late in the PM. The market turned offered as London came in with the continued uncertainty around a Brexit deal saw investors dump GBP and EUR for the greenback. The NY market opened at \$1303 and, after a brief pop up to \$1305, was promptly dumped through the \$1300 support level to touch \$1291. The rebound attempt was unconvincing and short lived and the yellow metal was sold to the days low \$1288 around lunch time. The market consolidated through the PM before ending the day at \$1290. Silver tested the \$15 level during NY after a sharp sell-off, the grey metal held on to close at \$15.01. Investors continued to dump palladium on global recession fears, the metal lost 7% over



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the session and closed well below \$1400. The Philadelphia gold and silver index fell 2.56% to 76.50. The SPDR Gold Trust holdings were unchanged at 784.26 metric tonnes. In Asia today, gold traded up to a high of \$1292.40 but has come off since China came in. The SGE premium is still at \$11-12 over loco London. The yellow metal is at \$1289.90 as I write. Silver is trading a very tight range around the \$15 level, the grey metal is currently sitting at \$15.01. Palladium has found some tentative support today and is sitting near the highs at \$1360. Have a good day ahead.

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