



MKS PAMP GROUP

Daily Asia Wrap

31st January 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1320.20/70	16.08/11	815/18	1357/62
HIGH	1320.40/90	16.08/11	815/18	1360/65
LOW	1317.80/30	15.98/01	811/14	1357/62
LAST	1319.60/10	16.02/05	814/17	1359/64

MARKETS/MACRO

The Fed kept rates constant and stated that the FOMC “will be patient as it determines what future adjustments to the target range for the federal funds rate mat be appropriate”, with Fed Chair Jerome Powell commenting that the case for hiking rates has weakened. US equities pushed higher on the dovish commentary, the Dow rose 434.90 points, or 1.77%, the S&P 500 added 41.05 points, or 1.55%, to 2,681.05, while the Nasdaq gained 154.79 points, or 2.20%, to 7,183.08. Tech (+3.03%), consumer discretionary (+2.16%), and industrials (+1.55%) led a broad advance in the markets. European equities were mostly higher, the EuroSTOXX advanced 1.28 points, or 0.36%, to 358.51, the German DAX fell 37.17 points, or 0.33%, to 11,181.66, and the London FTSE 100 tacked on 107.70 points, or 1.58%, to 6,941.63. In the currencies, dovish commentary from the Fed weighed on the greenback as the US dollar index lost 0.51% to 95.32, the EUR traded up to 1.1493, and USD/JPY was as low as 108.90. US treasury yields were lower, the 2 year yield dropped 5.2 bps to 2.524% while the 10 year yield slipped 2.5 bps to 2.694%. Oil prices were higher, Brent firmed 0.1% to \$61.75 while WTI rose 1.3% to \$54.25. Base metals were broadly higher, with nickel (+1.9%) leading the gains. In US economic data, ADP reported that the private sector added 213k jobs in January, following a downwardly revised 263k increase in December. The National Association of Realtors pending home sales index fell 2.2% to 99 in December. In Asia today, as I write the Nikkei is at +0.90, the Shanghai composite is at +1.08%, the Hang Seng is at +1.12%, and the ASX S&P 200 is at +0.13%. Tonight we have weekly jobless claims, employment cost index, Chicago PMI, and new home sales out of the US; with GDP growth rate and unemployment rate out of the Eurozone.

PRECIOUS

Firm session for the precious on the back of dovish commentary from the FOMC. Gold traded at \$1310-11 through the first few hours of Asian trading before picking up on the SGE open. The onshore SGE premium was around \$9-10 over loco London and there was enough demand to see gold reach \$1315. The metal eased slightly through the London AM session and traded to the days low of \$1309 in early NY trading as investors waited for the FOMC announcement. The yellow metal surged to an 8 month high \$1322 on the dovish FOMC statement as the greenback came under broad pressure. Th market settled around \$1318-19 through the remaining trading hours in NY and finished up ahead at \$1319. Silver traded above the psychological \$16 level for the first time since July last year, the grey metal closed right



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near the highs at \$16.06. Palladium printed a fresh all time high of \$1361 while platinum was unable to manage a move higher. The Philadelphia gold and silver index rose 1.37%. SPDR Gold Trust holdings were unchanged at 823.87 metric tonnes. In Asia today, gold is consolidating between \$1318 and \$1320, supported by the easing US dollar. The SGE premium has come off slightly to \$8 over loco London. The yellow metal is at \$1319.60 as I write. Silver has been testing the \$16 level throughout the day, the grey metal is currently sitting at \$16.02. PGMs are flat. Have a good day ahead.

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