



## MKS PAMP GROUP

### Asia Market Update

31<sup>st</sup> May 2019

Range Europe / US Markets  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
<b>OPEN</b>	1287.90/30	14.51/54	794/96	1369/72
<b>HIGH</b>	1293.20/60	14.54/57	796/98	1369/72
<b>LOW</b>	1287.80/20	14.48/51	788/90	1362/65
<b>LAST</b>	1292.80/20	14.51/54	792/94	1364/67

#### MARKETS/MACRO

US equities arrested the recent slide, with the three major bourses closing modestly higher despite dipping into negative territory late in the session. The Dow added 43.47 points, or 0.17%, to 25,169.88, the S&P 500 rose 5.84 points, or 0.21%, to 2,788.86, while the Nasdaq gained 20.41 points, or 0.27%, to 7,567.72. There were wins for REITs (+0.65%) and tech (+0.60%) while energy (-1.18%) led the laggards. European equities were higher, the EuroSTOXX advanced 1.56 points, or 0.42%, to 372.07, the German DAX put on 64.27 points, or 0.54%, to 11,902.08, and the London FTSE 100 rose 32.86 points, or 0.46%, to 7,218.16. Quiet session for currencies with the US dollar index remaining flat at 98.16, the EUR steady at 1.1132 and USDJPY trading down to 109.35. US treasury yields were lower, the 2 year yield eased 4.4 bps to 2.065% while the 10 year yield shed 5.1 bps to 2.215%. Oil prices were hammered as the EIA reported that US crude stockpiles fell nearly 300k barrels last week, far less than the 900k barrel drop forecast by analysts. Brent sold off 4.7% to \$66.52 while WTI dumped 4.7% to \$56.50. Base metals were mixed, with nickel (+1.0%) the best performer. In US economic data, first quarter GDP was negatively revised to a 3.1% annual rate from the 3.2% estimate. Core PCE was revised down to 1.0% from 1.3%, the slowest rate in 3 years. An advanced look at trade showed that the US trade deficit in goods rose to a seasonally adjusted \$72.1 billion in April, from \$71.9 billion in March. The pending home sales index fell a seasonally adjusted 1.5% in April, following a 3.8% rise in March. Initial jobless claims rose 3k to 215k in the week ending May 25, continuing claims fell 2.6k to 1.66 million. In Asia today, as I write the Nikkei is at -0.85%, the Shanghai composite is at +0.087%, the Hang Seng is at -0.22%, and the ASX S&P 200 is at +0.028%. Tonight we have personal income, consumer spending, core inflation, Chicago PMI, and consumer sentiment out of the US.

#### PRECIOUS

Strong session for the precious as gold breaks out of the recent range. Gold opened at \$1279 and drifted slowly lower through Asian hours with the SGE premium still around \$12. The market bottomed out at \$1275 not long after the opening bell in London. NY were early on the bid as negative revisions to GDP and core PCE inflation saw investors pile into gold. The yellow metal posted a 2 week high of \$1288 before lunch before consolidating around \$1285-88 through the afternoon hours. Gold closed out the session back at the \$1288 high. Silver traded as low as \$14.33 during Asian hours before rallying to finish higher at \$14.51. In the PGMs, palladium closed \$20 higher while platinum was flat. The Philadelphia gold and silver index rose 1.58% to 67.45. SPDR gold trust holdings were unchanged at 740.86 metric tonnes. In Asia today, gold is trading above \$1290 for the first time since May 16 as USD/JPY is sold off. The onshore SGE premium has eased to \$9-10 over loco London. The yellow metal is sitting at \$1292.80 as I write. Silver is trading sideways, the grey metal is currently at \$14.51. Have a god day ahead.



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