



MKS PAMP  
GROUP

## Daily Asia Wrap - 10th September 2019



Range Asian Hours  
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1499.40/60	18.00/02	947/49	1545/48
HIGH	1499.90/10	18.01/03	947/49	1550/53
LOW	1486.90/10	17.77/79	929/31	1539/32
LAST	1490.50/70	17.93/95	941/43	1550/53

### MARKETS/MACRO

Stocks in the U.S. finished trade mixed on Monday in a session that saw currency majors remain volatile and Boris Johnson's second attempt at triggering a general election fail. The DJIA ended the session +0.14% higher at 26,835.51 points, gains to energy (+1.86%) and financial stocks (+1.54%) couldn't offset broad based weakness as the S&P 500 inched just -0.01% lower to 2,978.43 points, while the Nasdaq Composite slipped -0.19% to finish at 8,087.438 points. Currency majors saw whippy trade as the greenback eased -0.12%. The pound ripped higher in London in what looked like a shirt squeeze on various comments from Boris Johnson, seeing GBP/USD +0.6% higher on the session, however +1% higher from the 1.2234 low. The euro ended trade +0.2% higher after paring early session declines that threatened a break underneath 1.10, while the greenback firmed against the yen (USD/JPY +0.39%) to consolidate a move above 107.00. Treasury yields firmed to see the two-year add 6bps to 1.594%, while the 10-year jumped 9bp to 1.64%. In trade related news, U.S. Treasury Secretary Steven Mnuchin said on Monday that he does not see the threat of a recession and that U.S. officials aim to "get a good deal"

with Beijing at planned talks in coming weeks. Markets in Europe finished trade mixed on Monday, with the Stoxx Europe 600 sliding -0.28% to 386.06 points, while the German Dax outperformed to add +0.28% to 12,226.10 points as export data printed firmer than expected. In London the FTSE 100 declined -0.64% to 7,235.81 points as a firmer pound outweighed positive industrial and manufacturing production prints.

#### **PRECIOUS**

Price action across the precious complex remained heavy during Asian trade today, with participants considering near-term direction following Monday's finish underneath key psychological levels for both gold and silver. The yellow metal failed to re-establish itself above USD \$1,500, rather extending declines to test toward the broad USD \$1,475 - \$1,485 supportive band. Chinese demand was relatively tepid as the on-shore premium eased underneath USD \$10 relative to London spot, dragging bullion underneath USD \$1,490 to see the session low of USD \$1,486.90 in early Shanghai. Afternoon pricing saw bargain hunters move in as Europe opened, however the metal continues to trade heavily underneath the USD \$1,500 pivot. Gold ETF's recorded outflows on Monday of approximately 200k ounces and we will be closely watching flows today with spot levels notably lower. Silver also failed to recapture the psychological big figure in Asia today, initially offered during Japanese hours as the greenback firmed markedly against the yen, while extending declines in early Shanghai hours. Again, the psychological big figure looms as a pivot for near-term price direction, while down-side targets extend as far as \$17.60 with a potential test toward USD \$17. Data today includes U.K. employment and U.S. small business optimism.

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