



MKS PAMP GROUP

Daily Asia Wrap

12th June 2019

Range Asian Hours
(from Globex open)

| | GOLD | SILVER | PLATINUM | PALLADIUM |
|-------------|-------------|---------------|-----------------|------------------|
| OPEN | 1327.00/20 | 14.73/75 | 815/17 | 1394/97 |
| HIGH | 1335.50/70 | 14.82/84 | 819/21 | 1399/02 |
| LOW | 1326.00/20 | 14.72/74 | 814/16 | 1393/96 |
| LAST | 1335.50/70 | 14.82/84 | 819/21 | 1397/00 |

MARKETS/MACRO

The DJIA snapped a six-session run of wins on Tuesday to finish marginally lower as investors turned focus to the on-going trade spat between the U.S. and China. The DJIA eased -0.05% to finish at 26,048.51 points, declines to industrials (-0.90%) weighed upon the S&P 500 as the bourse slipped -0.03% to 2,885.72 points, while the Nasdaq Composite eased just -0.01% to 7,822.566 points. The U.S. producer price index inched +0.1% MoM higher during May, reflecting the easing of inflationary pressures amid a slowdown in global growth. Core PPI, which excludes food, energy and trade increased +0.4% MoM, with the gain largely a result of an increase in the volatile cost of services (+0.3%). On an annualised basis PPI increased +1.8% YoY (exp: +2.0%) from +2.2% previously, while core PPI printed +2.3% YoY from +2.2% previously. The greenback finished unchanged on Tuesday following a late session recovery, paring gains relative to the yen in New York, while the euro consolidate above 1.1300 against the buck. Treasury yields finished mixed on Tuesday, with the two-year adding 2.2bps to 1.922%, while the 10-year was unchanged. Markets across Europe firmed on Tuesday as investors turned focus to a potential interest rate cut out of the U.S. and put trade tensions to one side for the time being. The Stoxx Europe 600 ended +0.69% higher at 380.89 points, the German Dax gained +0.92% to 12,155.81 points, while in the U.K. the FTSE 100 added +0.31% to 7,398.45 points as U.K. unemployment held a 45-year low of 3.8%.



PRECIOUS

Price action across the precious complex remained constructive during Asian trade today following the previous session test toward USD \$1,320. Direction was largely driven by a softer greenback to see gold through USD \$1,330 during early Chinese trade, while the on-shore premium held firm toward USD \$12 relative to London gold. The dollar was able to claw back ground in the afternoon, however did little to stymie gains, with bullion holding above USD \$1,330, before accelerating through USD \$1,335 on further late session dollar declines moving into European hours. Tuesday's price action saw the key USD \$1,315 - \$1,320 support hold and we have seen interest move back into the market today following this downside test. While the dollar has played a role in the move higher, it feels as though participants are fearing missing out on further gains, pushing the metal above USD \$1,335. Targets once again extend through to the USD \$1,345 - \$1,348 resistance level, with a break through here likely to move toward the 2017-18 peaks above USD \$1,360. Supportive pricing initially sits around the USD \$1,330 pivot, with extension as far as the previous session low around USD \$1,320. All eyes today on the U.S. CPI print.

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