



MKS PAMP
GROUP

Daily Asia Wrap - 19th September 2019



Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1493.50/90	14.73/76	930/32	1587/93
HIGH	1494.80/20	14.77/80	931/33	1590/96
LOW	1490.60/00	14.62/65	923/25	1585/91
LAST	1494.10/50	14.67/70	928/30	1589/95

MARKETS/MACRO

The US Federal Reserve cut interest rates by 25bps on Wednesday, a move widely anticipated by the markets. The decision was not unanimous, with members George and Rosengren favouring no cut and Bullard supporting cut of 50bps. US equities closed narrowly mixed after initially dropping on the rates announcement then rallying after Fed Chair Powell's press conference. The Dow added 36.28 points, or 0.13%, to 27,147.08, the S&P 500 inched higher 1.03 points, or 0.03%, to 3,006.73, while the Nasdaq slipped 8.62 points, or 0.11%, to 8,177.39. There were wins for financials (+0.43%) and utilities (+0.47%) while energy (-0.42%) led the laggards. European equities were mixed, the EuroSTOXX edged higher 0.08 points, or 0.02%, to 390.48, the German DAX rose 17.01 points, or 0.14%, to 12,389.62, and the London FTSE 100 lost 6.35 points, or 0.09%, to 7,314.05. The US dollar index firmed 0.38% to 98.59 after the announcement, the EUR traded down to 1.1019 while USD/JPY was up 108.41. US bond yields pared early losses to finish mixed, the 2 year yield firmed 3.7 bps to 1.760% while the 10 year yield came off 0.2 bps to 1.798%. Oil prices were lower, Brent sold off 1.6% to \$63.67 while WTI lost 1.5% to \$58.24. Base metals were mostly lower, with zinc (-1.2%) leading the losses. In US economic data, housing starts rose 12% to an annual rate of 1.36 million in August, while building permits rose 8% to a seasonally adjusted annual pace of 1.42 million. In Asia today, as I write the Nikkei is at +1.01%, the Shanghai composite is flat, the Hang Seng is at -1.09%, and the ASX S&P 200 is at +0.43%. Tonight we have weekly jobless claims, the Philly Fed survey, current account deficit, existing

home sales, and leading economic indicators out of the US; and current account out of the Eurozone.

PRECIOUS

Gold opened just above \$1500 and remained very quiet through Asian hours and the London AM session as investors awaited the FOMC announcement. The onshore SGE premium was at \$10-11 over the loco London price. A steady rise through the first few hours of trading in NY saw the metal post the session high \$1511. There was a swift fall following the Fed's announcement, with gold dropping to \$25 to a low of \$1484. Buying interest at these levels supported the yellow metal to reach \$1494 by the session close. Silver opened right on the \$18 level and looked soft through Asian hours, reaching \$17.80 just after the London open. The market was back up toward \$18 ahead of the FOMC but dropped to \$17.50 once the announcement was made. PGMs were lower, with platinum and palladium finishing at \$929 and \$1565 respectively. The Philadelphia gold and silver index eased 1.92% to 91.23. Quiet trading in Asia today with gold remaining within the \$1490-95 range. The SGE premium remains around \$10-11 over loco London. The yellow metal is at \$1494.10 as I write. Silver has come off slightly, the grey metal is currently sitting at \$14.67. Have a good day ahead.

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.