



MKS PAMP GROUP

Daily Asia Wrap

7th June 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1335.40/80	14.88/91	804/06	1350/53
HIGH	1335.40/80	14.88/91	805/07	1353/56
LOW	1332.10/50	14.86/89	802/04	1349/52
LAST	1332.10/50	14.87/90	803/05	1350/53

MARKETS/MACRO

US equities rose for the fourth straight day as the Dow heads for it's best week of the year. The Dow 181.09 points, or 0.71%, to 25,720.66, the S&P 500 rose 17.34 points, or 0.61%, to 2,843.49, while the Nasdaq gained 40.08 points, or 0.53%, to 7,615.55. Energy (+1.73%), materials (+1.13%) and tech (+1.09%) led a broad advance in the markets. European equities were mixed, the EuroSTOXX slipped 0.07 points, or 0.02%, to 374.01, the German DAX lost 27.67 points, or 0.23%, to 11,953.14, and the London FTSE 100 rose 39.63 points, or 0.55%, to 7,259.85. In the currencies, the EUR traded up to 1.13 after the ECB extended the forward guidance on how long rates will stay at current levels to mid-2020, although ECB President Draghi did say there was considerable headroom for more quantitative easing if required. The US dollar index eased 0.31% to 96.99 while USD/JPY traded as high as 108.52. US treasury yields were higher, the 2 year yield firmed 5.8 bps to 2.119% while the 10 year yield advanced 12 bps to 2.119%. Oil prices rallied, Brent tacked on 2.7% to \$62.29 while WTI gained 2.8% to \$53.16. Base metals were mostly higher, with zinc (+1.7%) leading the gains. In US economic data, the country's trade deficit narrowed 2.1% to \$50.8 billion in April, imports and exports each fell by 2.2% during the month. Productivity rose at a downwardly revised 3.4% annual rate over the first quarter of 2019, unit labour costs were negatively revised to a 1.6% fall. Initial jobless claims were unchanged at 218k over the week ending June 1, continuing claims rose 20k to 1.68 million. In Asia today, as I write the Nikkei is at +0.59%, the Shanghai composite and the Hang Seng are closed, and the ASX S&P 200 is at +0.70%. Tonight we have nonfarm payrolls, unemployment rate, average hourly earnings, wholesale inventories, and consumer credit out of the US.

PRECIOUS

Gold opened at \$1330 in Asia and dropped to the session low \$1327 before finding some support. The SGE premium was up around \$10 and we saw enough buying to take the market to \$1333. The metal consolidated around \$1336 during the London AM session. Bullion traded sideways through early NY hours before printing the session high of \$1339 just after lunch as the EUR peaked at 1.13. The yellow



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metal came off during the afternoon before finishing the day at \$1335. Silver was once again testing the \$15 level and once again saw rejection, the grey metal closed higher at \$14.88. In the PGMs, palladium traded steadily higher close at \$1351 while platinum ended up flat. The Philadelphia gold and silver index firmed 0.96% to 74.41. Very quiet in Asia today, gold has softened somewhat with China out for holidays. The yellow metal is at \$1332.10 as I write. Silver hasn't moved much, the grey metal is currently sitting at \$14.87. Have a good day ahead.

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