



MKS PAMP GROUP

Asia Market Update

9th April 2019

Range Asian Hours
(from Globex open)

	GOLD	SILVER	PLATINUM	PALLADIUM
OPEN	1297.40/80	15.23/25	908/10	1383/87
HIGH	1300.00/40	15.26/28	908/10	1385/89
LOW	1296.40/80	15.21/23	896/98	1368/72
LAST	1299.60/00	15.25/27	901/03	1377/81

MARKETS/MACRO

It was a lackluster day for global markets Monday with few new catalysts to drive direction and most participants happy to wait for key data later in the week - US CPI & Fed Minutes Wednesday, ECB on Thursday, key bank earnings reports scheduled Friday. We saw the dollar take quite a step back against all of its G10 peers, while the commodity currencies were generally better bid on the back of firmer oil prices. Separately, the Euro broke through its weekly high of 1.1255, helping to spark a bit of demand from model accounts and USDJPY fell from the Asian session yesterday and eventually closed -0.2% lower around 111.50. US equities were a mixed bag, the Dow Jones falling -83.97 points (-0.32%) to 26,341.02, while the S&P500 edged higher +3.03 points (+0.1%) to 2,895.77 and the NASDAQ Composite advanced +15.191 points (+0.19%) to 7,953.883. Across the Atlantic, European shares were marginally lower as some light liquidation was seen leading into the ECB later this week. The Euro Stoxx 600 dipped -0.19% to 387.51, the DAX lost -0.39% to 11,963.40 and CAC40 fell -0.08% to 5,471.78. Crude prices rose as investors become increasingly concerned about potential disruptions in Libya. Fighting between the rebel group, led by Khalifa Haftar, and the internationally recognised government forces escalated, with the bombing of Tripoli airport. For the moment, the conflict is well away from oil fields and export terminals. However, recent clashes elsewhere in the country have seen exports fall. In June last year, Haftar briefly controlled two export terminals, which resulted in exports dropping by 800k b/d for a short period. Concerns about further disruptions to Iranian trade also rose after US President Trump said he would designate Iran's Revolutionary Guard as a terrorist group. This comes as the administration is deciding whether to extend waivers on US sanctions on Iranian crude for certain buyers.

Progress from cross party talks on Brexit remains very slow and Prime Minister May is set to visit both President Macron and Chancellor Merkel on Thursday to argue her case for a short extension until 30 June. The EU's position centres on a one-year flexible extension, which the UK could terminate at any stage. Despite the proximity of the 12 April deadline, GBP remains very steady with the market focused on the EU's emergency summit on 10 April.

PRECIOUS

The precious complex closed marginally higher yesterday amid little data as the general USD weakness supported overall. Gold opened on the lows of the day in Asia around \$1291.50 and it appeared the gamma sellers we had seen over the previous few sessions had now turned and were looking to buy the dip. This supported the metal, along with moderate Chinese bank demand at the open of SGE pushing spot gold up toward \$1296-97. The metal held there comfortably throughout the London/Europe session and traded within a narrow band. A second push came throughout the NY hours, with gold breaking



through \$1300 and hitting a peak of \$1303.40, before some producer and fast money offers curbed the rise. We held above \$1300 for about an hour but eventually slid back below that level and held around \$1297-98 for the remaining few hours. Gold seems to be supported for now on dips towards \$1285-90, but we are looking for ETF buying to pick up momentum to confirm a more bullish outlook. Silver had a strong night pushing to just shy of \$15.30 and settling around \$15.25 after opening at \$15.10. For palladium It was just another day at the office with a ~\$30 range, amidst whippy and trendless price action. It still has not been able to hold onto a 1400 handle however. Platinum continues to work its way higher and sits just above \$900 at time of writing.

For metals today it was a fairly slow affair, gold edging its way lower over the first few hours of trade, but springing back just before Shanghai opened. We pushed up toward \$1300 and continued to push up against that level for the majority of the day, yet so far has failed to break it. Silver so far has held fairly flat for the day around \$15.25, while the PGM's have seen a little capitulation, platinum undergoing a little profit taking and palladium falling a little in sympathy. Elsewhere, equities are mixed and the USD is a little softer on the day down around 0.05%-0.15% vs the majors. All the best and wish you a good day ahead.

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