



MKS PAMP  
GROUP

## Europe/US Market Update - 10th October 2019



### Europe/US Markets (from Globex open)

9-Oct-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1506.10	1506.60	17.7600	17.7800	893.00	895.00	1672.50	1682.50
HIGH	1510.90	1511.40	17.9450	17.9650	895.70	897.70	1688.30	1698.30
LOW	1499.80	1500.30	17.6700	17.6900	881.60	883.60	1651.70	1661.70
CLOSE	1507.70	1508.20	17.7400	17.7600	892.30	894.30	1676.80	1686.80
EFP	5.30	5.80	0.0350	0.0550	4.00	6.00	(31.00)	(21.00)
Active Contract	GCZ9 Comdty		SIZ9 Comdty		PLFO Comdty		PAZ9 Comdty	

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#### MACRO

- Markets were generally upbeat overnight as they looked towards the release of the FOMC minutes, the resumption of US China trade talks and news that Brexit discussions were continuing.
- US equity indices posted decent gains - the S&P 500 +26.34 pts (+0.91%) to 2,919.40, DJIA +181.97 pts (+0.70%) to 26,346.01 and Nasdaq Composite +79.96 pts (+1.02%) to 7,903.74.
- In Europe the Euro Stoxx 600 gained +0.42% to 380.30, the DAX rose +1.04% to 12,094.26, the FTSE100 climbed +0.33% to 7,166.50 and the CAC40 tacked on +0.78% to 5,499.14.
- WTI crude pushed higher throughout the NY session although closed out the day only slightly higher (+0.3%) at \$52.65.
- The dollar index (DXY) closed fairly flat on the day at 99.13.
- Minutes from the September 18th FOMC meeting were particularly stale as weak ISM's released subsequently introduced more downside risk to the domestic outlook and Chair Powell explicitly indicated a restart to balance sheet expansion at the October meeting in comments yesterday. As such little reaction from the market upon release.

- Brexit negotiations are continuing but the EU chief negotiator Michele Barnier has said “we are not really in a position where we can find an agreement”. Northern Ireland remains the sticking point, although Brussels has conceded it is prepared to accept a time limited backstop for this region but this may not be supported by the DUP. UK Prime Minister Boris Johnson and Irish PM Leo Varadkar will meet later this week to try to come to some sort of compromise.

## PRECIOUS

- Metals remained range-bound overnight in fairly uneventful trade.
- Gold held closely to \$1505 for most of the day, dipping off briefly and testing toward \$1500 throughout the European afternoon but climbing back through \$1505 and eventually closing on that level. Mixed flows from macros kept things very stable.
- Silver ticked up into the mid \$17.90's during early London, although decent spec profit taking on the approach of \$18.00 capped the advance.
- Plat and palladium both closed modestly higher on the day on very light volumes.

## PRE-ASIA COMMENTS

- Gold took off this morning in Asia, opening at \$1506, when the following trade headlines were released:
- \*\*US AND CHINA MAKE NO PROGRESS ON KEY TRADE ISSUES IN TWO DAYS OF DEPUTY LEVEL TALKS - SCMP, CITING SOURCES
- \*\* CHINESE DELEGATION IS PLANNING TO LEAVE WASHINGTON ON THURSDAY AFTER JUST ONE DAY OF PRINCIPAL LEVEL TALKS - SCMP
- \*\* CHINESE DELEGATION REFUSES TO TALK ABOUT FORCED TECHNOLOGY TRANSFERS, A CORE US GRIEVANCE IN THE NEGOTIATIONS - SCMP
- \*\* US, CHINA MAKE NO PROGRESS IN DEPUTY LEVEL TRADE TALKS.
- Gold rose sharply about 20 minutes into the session to a peak of \$1516.80.
- Since then we eased back below \$1510 and are currently trading at \$1512.
- Silver climbed with gold into the high \$17.80's, while the PGM's have kept quiet so far.
- Ahead on the data calendar today look out for the following: French, UK and Italian Industrial production, UK trade balance, US CPI and US Jobless claims.

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