

Europe/US Market Update - 15th April 2021



Europe/US Markets (from 9am CET)

14-Apr-21	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1747.20	1747.80	25.4750	25.5050	1178.00	1181.00	2683.00	2698.00
HIGH	1748.50	1749.10	25.5150	25.5450	1186.00	1189.00	2686.00	2701.00
LOW	1732.60	1733.20	25.1900	25.2200	1170.00	1173.00	2666.50	2681.50
CLOSE	1736.10	1736.70	25.4000	25.4300	1174.00	1177.00	2669.50	2684.50
EFP	-0.20	0.40	0.030	0.060	-2.00	1.00	-9.00	6.00
Active Contract	GCM1 Comdty		SIK1 Comdty		PLN1 Comdty		PAM1 Comdty	

MACRO

- Financial markets were contained to narrow ranges ahead of upcoming US data on consumption and output.
- The Dow crept up 0.16% to 33,760.89, the S&P 500 dialled back -0.41% to 4,124.84, and the Nasdaq gave back yesterdays gains down -0.99% to 13,857.84.
- The US dollar index retreated -0.2% to 91.64, with the EUR grinding cautiously to a high of 1.1987, AUD bouncing strongly (+1.0%) through 0.77 and USD/JPY oscillating either side of 109.00.
- US treasury yields were lower, the 2 year yield was flat at 0.161%, the 10 year yield ticked up +1.9 bps to 1.632% and the 30y gained +1.8 bps to 2.311%.
- European equities were varied, the EuroSTOXX 600 accelerating +0.19%, the UK FTSE100 climbing +0.71%, the CAC40 advancing +0.40%, while the DAX closed in negative territory -0.17%.
- Oil prices surged to one month highs as falling inventories and forecasts of demand growth boosted sentiment. Brent rose +3.5% to \$66.37 while WTI rallied +3.7% to \$62.75.
- Chair Powell's speech to the Economics Club of Washington stressed the patient nature of monetary policy and the clear determination to get inflation above 2.0%. The course of monetary policy is data dependent and Powell stressed that it is highly unlikely the Fed would raise rates before 2022 (most Fed officials expect rates to be on hold until 2024).

PRECIOUS

- Gold continues to struggle to hold onto upward momentum, testing towards \$1750 in Asia and NY again overnight, but failing to break through.
- The yellow metal opened at \$1745 in Asia yesterday and saw a decent surge of \$5 following the Shanghai open, but decent offers on COMEX at \$1749-50 (cash) capped the advance.

- Profit taking and early European selling was seen into the London open taking us back to \$1741, before testing toward \$1750 again later in the afternoon.
- We sold through the Asia lows in early NY and the gold continued through to a low of \$1733.20. The metal then traded quietly between \$1734-38 for the final few hours of trade.
- The higher than expected CPI data was the catalyst gold needed to rally and it shot up sharply \$20 to the days high just short of \$1749, ending the day around \$1745.50.
- Holdings of gold in ETF's continue to wind back, with net sales YTD
- Silver was more reserved on the day, kicking around a \$0.30 range with little in the way of flows.
- Platinum kicked well off the \$1150-60 support zone, while palladium could not maintain its momentum above \$2700, edging lower all session, yet still looks set to test higher in the near term to me.

PRE-ASIA COMMENTS

- Precious all pushed higher this morning, yet with the exception of palladium, have all fallen back off for now.
- Ahead today:
- US Retail Sales
- US Industrial Production
- US Initial Jobless Claims
- US Philly Fed Business Outlook
- US Capacity Utilisation
- GER CPI
- FRE CPI
- CAN Existing Home Sales

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