



MKS PAMP
GROUP

Europe/US Market Update - 1st August 2019



Europe/US Markets (from Globex open)

31-Jul-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1428.80	1429.30	16.4950	16.5150	875.80	877.80	1523.10	1533.10
HIGH	1433.20	1433.70	16.5100	16.5300	878.50	880.50	1535.60	1545.60
LOW	1410.20	1410.70	16.1800	16.2000	861.30	863.30	1511.80	1521.80
CLOSE	1412.40	1412.90	16.2400	16.2600	863.50	865.50	1513.50	1523.50
EFP	12.10	12.60	0.0150	0.0350	2.50	4.50	(7.00)	3.00
LBMA Prices	AM	PM	16.4750		AM	PM	AM	PM
	1430.55	1427.55			874.00	873.00	1529.00	1533.00
Active Contract	GC29 Comdty		SIU9 Comdty		PLV9 Comdty		PAU9 Comdty	

[Download Europe/US Table](#)

MACRO

- The US Fed cut rates by 25bps in what Powell said was a “mid-cycle adjustment”
- Powell’s comments suggested further easing was not guaranteed and were interpreted as hawkish by the markets.
- US equities were sold off on the FOMC commentary.
- The Dow lost 333.75 points to 26,864.27, the S&P 500 fell 32.80 points to 2,980.38, while the Nasdaq shed 98.19 points to 8,175.42.
- Consumer staples (-1.99%) and materials (-1.48%) led a broad decline in the markets.
- The VIX gauge rose 15.6% to 16.
- FOMC news sent the greenback higher, the US dollar index firmed 0.5% to 98.57.
- The EUR slid down to 1.1084 while USD/JPY traded as high as 108.89.
- US treasury yields were mixed, the 2 year yield added 2.6 bps to 1.846% while the 10 year yield eased 4.7 bps to 2.006%.

- European shares were mixed, the EuroSTOXX rose 0.17%, the German DAX gained 0.34%, while the UK FTSE shed 0.78%.
- Oil prices were lower, Brent sold off 0.1% to \$65.18 while WTI gave up 0.9% to \$57.92.
- Base metals were mostly lower, with zinc (-0.7%) leading the losses.
- In US economic data, 156k private sector jobs were created in July according to ADP.
- The employment cost index rose 0.6% in Q2 2019.

PRECIOUS

- Precious sell-off after FOMC announcement sends the greenback higher.
- Gold opened at \$1430 and reached the days high \$1433 in subdued Asian trading.
- The onshore SGE premium was around \$10-11 over the loco London price.
- The market was very quiet through London AM session as investors awaited FOMC.
- Sharp sell off on the FOMC announcement sees gold print the low of \$1410.
- The yellow metal closed sharply lower at \$1414.
- Silver shed almost 2% to finish up at \$16.23.
- The Philadelphia gold and silver index dropped 5%.

PRE-ASIA COMMENTS

- Gold lower in early Asian trading, sitting at \$1407 at time of writing.
- Ahead today:
- US Weekly Jobless Claims
- US Markit Manufacturing PMI
- US ISM Manufacturing Index
- US Construction Spending
- US Motor Vehicle Sales
- EU Markit Manufacturing PMI

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.