



## MKS PAMP GROUP

### Europe / US Market Update

20<sup>th</sup> June 2019

Range Europe / US Markets  
(from Globex open)

19-Jun-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1345.75	1346.25	14.9900	15.0100	802.10	804.10	1487.00	1493.00
HIGH	1356.00	1356.50	15.1000	15.1200	810.00	812.00	1499.00	1505.00
LOW	1341.25	1341.75	14.9200	14.9400	797.00	799.00	1484.00	1490.00
CLOSE	1352.45	1352.95	15.1000	15.1200	809.20	811.20	1498.00	1504.00
EFP	3.30	3.50	-0.0250	-0.0150	-1.50	-0.50	-12.00	-2.00
LBMA Prices	AM	PM	14.945		AM	PM	AM	PM
	1342.40	1344.05			800.00	803.00	1495.00	1505.00
Active Contract	GCQ9 Comdty		SIN9 Comdty		PLN9 Comdty		PAU9 Comdty	

#### MACRO

- Financial markets remained quiet in the lead up to the FOMC statement, before reacting positively to the increased prospects of cuts in the Fed's cash rate this year.
- The Fed left the funds rate unchanged as widely expected, yet significantly changed the language around future policy, taking out the reference to patient on borrowing costs and signalling that cuts would likely be delivered in coming months if the growth outlook were to deteriorate.
- There was also a shift in the Fed's 'dot plot' - with 8 dots now lower for the year end when compared with the last reading - meaning more Fed officials are swinging more dovish.
- US equities closed modestly higher on the day - Dow was up +0.15% to 26,504.00, S&P500 crept up +0.3% to 2,926.46 and the Nasdaq gained +0.42% to 7,987.324.
- European equities were mixed: FTSE100 down -0.53%, DAX -0.19%, CAC40 +0.16% and Euro Stoxx 600 flat.
- US 10y yields continue to hone in on the 2% level, falling about -3bps yesterday to 2.02%.
- UK CPI inched lower to 2.0% YoY in May, down from a 4-month high of 2.1% and in line with expectations.

#### PRECIOUS

- A robust day for gold yesterday, with the metal hitting fresh cycle highs in the aftermath of the FOMC release.



- Very lethargic price action in the lead up to that with gold tracking a \$1342-46 range on moderate volumes.
- Once the results of the FOMC came through gold leapt \$10 in a straight line to \$1355, then proceeded to do a bit of work around that level. With an hour to go in the day there was another leg higher, taking us to a \$1362 high and managing to close on a \$60 handle.
- Macro demand was responsible for the final push above \$1360, with some moderate retail offers on the way up.
- Silver followed gold and rallied back through \$15.00, while palladium pushed through the psychological \$1500 and platinum was up \$10, but still beneath \$815-20 resistance.

#### **PRE-ASIA COMMENTS**

- Crazy market thus far this morning for gold - capitalising on the Fed dovishness and continuing higher in explosive fashion.
- It was all buying initially and we pushed up towards \$1870-73 by the time China opened for business. We broke through the \$1374-78 resistance and we surged unabated to \$1394 on heavy hedge fund, model and spec demand - with huge volume going through COMEX (110,000+ lots GCQ9 as I write, average around this time of day ~20,000-25,000 lots).
- US 10y yields broken through 2% this morning to trade as low as 1.972%.

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