



MKS PAMP
GROUP

Europe/US Market Update - 21st January 2020



Europe/US Markets (from Globex open)

20-Jan-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1561.60	1562.10	18.0875	18.1075	1030.00	1033.00	2507.50	2510.50
HIGH	1562.50	1563.00	18.1125	18.1325	1029.50	1032.50	2577.50	2580.50
LOW	1558.40	1558.90	18.0125	18.0325	1010.00	1013.00	2484.00	2487.00
CLOSE	1560.80	1561.30	18.0625	18.0825	1019.50	1022.50	2497.00	2500.00
EFP	-0.15	-0.05	-0.0050	0.0050	3.00	4.00	-25.00	-15.00
Active Contract	GCG0 Comdty		SIHO Comdty		PLF0 Comdty		PAH0 Comdty	

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MACRO

- It was a relatively subdued and shortened session yesterday, with US markets closed in observance of Martin Luther King day.
- European equities saw modest flows and small ranges with major indices generally declining. The FTSE100 fell -0.3% to 7,651.44, the CAC40 shed -0.36% to 6,078.54, the Euro Stoxx 600 slipped -0.14% to 423.98, while the German DAX ticked slightly higher +0.17% to close 13,548.94.
- US bond markets were closed for the entire day, while German 10y bund yields remained flat at -0.221%.
- Crude oil ticked higher as Libyan oil production ground to a halt at the weekend due to the ongoing civil war. Also, Iraqi security guards demanding permanent employment contracts blocked access to the Al Ahdab oil field further weakening regional supply. After WTI closed around \$58.80 last Friday we opened in Asia and spiked to a peak of \$59.73 before sliding back

the \$58.80 area by end of day.

- German PPI inflation printed in line with market expectations at 0.1% m/m (-0.2% y/y) in December, confirming a well-documented absence of pipeline inflation pressures. This should mean no surprises or deviations from current dovish guidance at this week's ECB meeting, which is likely to focus on the start of the monetary policy review.

PRECIOUS

- Precious metals ticked higher on Monday, driven primarily by demand in PGM's.
- Gold crept higher throughout the Asia morning and continued through \$1560 during the European hours, although some decent resting offers in COMEX kept things capped at \$1562.50 (cash). We closed around \$1560.
- Palladium hit a fresh all-time high Monday, reaching \$2577.50 in thin trading. The market remains tight amid strong demand and weakening supply, which has seen the metal rise by more than +88% over the past year. This year alone, prices are up +28%. The speed of these gains is seeing some investors question the sustainability of the rally. However, with this run rooted in positive fundamentals, the selloffs are likely to be muted and short-lived when they occur.
- Platinum edged up toward \$1030 throughout London, but some decent offers in a thin market capped any further advance. Late in the day, there was some spec selling seen in thin conditions which drove the prices down as low as \$1013, before recovering \$10 into the close.

PRE-ASIA COMMENTS

- Metals have been quiet so far ahead of the China open, gold so far trading a \$1.50 range (\$1560.20-\$1561.70).
- PGM's flows have been light, same with silver thus far.
- Chinese New Year holidays commences this coming Friday (24th Jan) and the SGE will remain closed for one week. We suspect there will not be the same run of demand like previous years into this holiday, but still remain slightly bullish for the week ahead.
- On the data calendar today look out for: BoJ policy meeting, UK employment data, German and Eurozone ZEW survey and Canadian Manufacturing sales.

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