



MKS PAMP
GROUP

Europe/US Market Update - 21st October 2019



Europe/US Markets (from Globex open)

18-Oct-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1492.30	1492.80	17.5400	17.5600	886.50	889.50	1762.50	1765.50
HIGH	1493.50	1494.00	17.6000	17.6200	893.50	896.50	1768.00	1771.00
LOW	1485.00	1485.50	17.4075	17.4275	883.00	886.00	1743.00	1746.00
CLOSE	1489.80	1490.30	17.5350	17.5550	889.50	892.50	1754.00	1757.00
EFP	3.45	3.55	0.0075	0.0175	3.50	4.50	-38.00	-31.00
Active Contract	GCZ9 Comdty		SI29 Comdty		PLF0 Comdty		PAZ9 Comdty	

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MACRO

- Financial markets ended a busy week uninspired, following the Chinese GDP data and ahead of the British parliaments final dash to Brexit, with the 19th October cut-off looming.
- In the end Johnson's Brexit deal didn't go up for a vote on Saturday as the Parliament instead passed MP Oliver Letwin's amendment forcing Johnson to formally request an extension to the deadline. A defiant Johnson grudgingly sent the request for an extension to Brussels, as required by law, but followed up with another letter suggesting that an extension would be a mistake, and vowed to push on with his plans to leave the EU on 31 October.
- Parliament's decision quelled excitement around the potential end to the Brexit saga, leaving Johnson and his government to devise a new way forward, while EU officials mull over the extension request.
- GBP remained firm on Friday ahead of Saturday's UK parliament sitting. GBPUSD hit a high of 1.2984 right on the weekly close, but has since opened lower in Asia around 1.2927.
- Equities in the US closed out the week on softer footing. The Dow retreated -255.68 pts (-0.95%) to 26,770.20, the S&P 500 fell -11.75 pts (-0.39%) to 2,986.20 and the Nasdaq

Composite retraced -67.31 pts (-0.83%) to 8,089.54.

- European equities followed suit and pushed lower. The Euro Stoxx 600 fell -0.32%, the FTSE100 lost -0.44%, the CAC40 declined -0.65% and DAX fared a little better down -0.17%.
- Crude oil prices suffered following news that China's economic growth remained weak. WTI sold off -0.55% to \$53.73/bbl and Brent gave up -0.85% to \$59.36/bbl.
- The yield on the US 10y Treasury was modestly higher at 1.75%, whilst Bund yields pushed higher rising +2.6bps to -0.386%.

PRECIOUS

- Precious metals were mixed on Friday, remaining within recent ranges on modest volumes - compared with what has been seen for the rest of the week.
- Gold after opening in Asia at \$1492 on Friday drifted in a narrow \$3 range through to the early European morning. There was some speculative length cut ahead of the weekend's UK parliament sitting and gold made its way to the days low of \$1485.50.
- The metal recovered into the US mng session on some light demand, ultimately closing slightly lower on the day at \$1490.
- Silver tracked gold throughout the day and closed unchanged at \$17.55.
- Palladium after a week of persistent fresh highs, consolidated on Friday closing modestly lower around \$1755. Physical tightness remains a feature for this market and with that unlikely to abate in the near term, could represent further upside for the metal.

PRE-ASIA COMMENTS

- Gold has remained flat here this morning oscillating around \$1490 on moderate volumes.
- Silver is flat and the PGM's are slowly pushing higher thus far.
- Only thing on the data calendar ahead today is German PPI.

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