



MKS PAMP
GROUP

Europe/US Market Update - 22nd August 2019



Europe/US Markets (from Globex open)

21-Aug-2019	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1501.45	1501.95	17.025	17.045	842.70	844.70	1482.20	1487.20
HIGH	1507.10	1507.60	17.190	17.210	855.00	857.00	1494.00	1499.00
LOW	1496.60	1497.10	16.990	17.010	840.00	842.00	1465.00	1470.00
CLOSE	1501.65	1502.15	17.125	17.145	851.80	853.80	1472.70	1477.70
EFP	10.00	10.20	-0.0300	-0.0200	2.00	3.00	-13.00	-8.00
LBMA Prices	AM	PM	17.110		AM	PM	AM	PM
	1499.65	1503.25			844.00	853.00	1492.00	1491.00
Active Contract	GCZ9 Comdty		SIU9 Comdty		PLV9 Comdty		PAU9 Comdty	

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MACRO

- Markets traded with a risk-on tone ahead of the FOMC minutes, which ultimately came and went with little impact.
- US equities ended the day in positive territory due to some better than expected earnings reports. The Dow advanced +0.93% to 26,202.73, the S&P500 rallied +0.82% to 2,924.43 and the Nasdaq Composite tacked on +0.9% to 8,020.207.
- European equities strengthened in the lead up to the Fed minutes. The Euro Stoxx 600 climbed +1.21% to 375.80, the FTSE100 rose +1.14% to 1,478.69, the DAX advanced +1.3% to 11,802.85 and the CAC40 was +1.7% higher at 5,435.48.
- Crude oil prices started the session strongly amid supply tightness concerns, however reversed course after the weekly EIA reports showed signs of softening demand. WTI in the end closed down -0.25% at \$55.99/bbl, while Brent climbed +0.6% to \$60.38/bbl.
- FX markets remained broadly unchanged overnight with the dollar index inching up +0.12% to

98.29.

- Base metals were mixed, LME copper rose +03% to \$5,730/t, Aluminium crept lower by -0.1% to \$1779/t and iron ore dropped -6.3% to \$82.38.
- Most Fed officials viewed the July rate cut as a 'mid-cycle adjustment' in response to the evolution of the economic outlook.
- Fed guidance from here remains data dependant, with minutes noting policy needs to be guided by incoming information, and avoid any appearance of following a pre-set course.
- While a "couple" of participants favoured a deeper cut of half a percentage point to help lift inflation toward the Fed's target and thwart fallout from global trade tensions, a larger number - characterised in the minutes as "several" - favoured no change at all. So the board is definitely divided.
- US existing home sales matched estimates in July, rising +2.5% MoM to 5.42 million (5.4 million expected, 5.29 million prior).

PRECIOUS

- Gold traded slightly weaker on Wednesday (-\$5) on the back of improved risk sentiment, recovered, then pulled back a bit after the FOMC minutes where the board were united in signalling they were not on a preset path to more cuts.
- The yellow metal pushed lower throughout Asia and early Europe yesterday, eventually trading through \$1500. There was decent macro demand seen underneath there however and after a bit of work the metal pushed gradually higher into the release of the minutes.
- Silver again remained anchored around \$17.00-17.10. On the charts the metal has broken above the 200 dma (monthly), so is it time for a further extension here?
- Platinum closed the session higher pushing back through \$850, while palladium swooned after failing at the \$1495-1500 level again, retracing sharply to close out the day just above \$1470.
- The precious complex will likely consolidate now ahead of the Fed Governor Powell's address at Jackson Hole this Friday.

PRE-ASIA COMMENTS

- Muted start to the day in Asia, gold holding in just above \$1500 (\$1500-1503) and silver sitting just above \$17.10 (\$17.10-17.15).
- Platinum has given back some of its overnight gains, while palladium is currently flat around \$1470.
- On the data calendar today look out for - EuroZone & US Markit Services and composite PMI's, US jobless claims, US leading index and EuroZone consumer confidence.

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