



MKS PAMP
GROUP

Europe/US Market Update - 27th August 2019



Europe/US Markets (from Globex open)

26-Aug-2019	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1543.45	1543.95	17.655	17.675	860.20	862.20	1468.30	1473.30
HIGH	1543.75	1544.25	17.750	17.770	864.00	866.00	1479.00	1484.00
LOW	1525.00	1525.50	17.510	17.530	853.00	855.00	1462.00	1467.00
CLOSE	1528.25	1528.75	17.650	17.670	855.00	857.00	1479.00	1484.00
EFP	9.50	9.70	-0.0300	-0.0200	2.00	3.00	-13.00	-8.00
LBMA Prices	AM	PM	17.050		AM	PM	AM	PM
	1495.50	1503.80			860.00	851.00	1482.00	1460.00
Active Contract	GCZ9 Comdty		SIU9 Comdty		PLV9 Comdty		PAU9 Comdty	

MACRO

- Another severe case of whiplash for markets in the past 24 hours amid mixed messages on the US/China trade front.
- In what looked like an effort to allay market concerns post the circa 2-3% move lower in US equities on Friday, Trump alleged that his Chinese counterparts had called his administration over the weekend, expressing interest to resume trade discussions – a statement that was later dispelled by the Chinese who said they were not aware of any U.S-China phone calls.
- Then in an effort to present cool heads, both Trump and Chinese Vice Premier Liu did opt for a more restrained tone at a press conference on the sidelines of the G-7, helping to arrest the slide in risk assets.
- After opening higher and enduring very choppy conditions the major US indices closed the day in the green: S&P500 +1.1% to 2,878.38, DOW +1.05% to 25,898.83 and Nasdaq Composite +1.32% to 7,853.73.
- European equities were generally positive: Euro Stoxx 600 -0.02% to 371.28, DAX +0.4% to 11,658.04, CAC40 +0.45% to 5,351.02, while the UK FTSE100 was closed.

- US Yields opened lower in Asia, were closed throughout Europe, and opened in NY back around par and held: US 10y closing flat at 1.536% (although traded as low as 1.441% in Asia).
- WTI crude dipped -0.45% to \$53.92/bbl and Brent slid -0.79% to \$58.87/bbl.
- USDJPY rebounded from an Asia low of 104.46 yesterday to close at 106.10 as risk recovered.
- Germany's IFO expectations survey in August dropped from 92.1 to 91.3, versus expectations of a much milder fall. The data reinforces broadening expectations that the German economy may already be in recession, as it suggests the economic contraction worsened in Q3.
- US durable goods orders ex transport undershot expectations (and the previous read was revised lower). Core capital goods ex aircraft fell for the first time since March, which all else equal isn't a promising sign for business investment. Meanwhile the Dallas Fed manufacturing index rebounded into positive territory for the first time in four months.

PRECIOUS

- Gold had an incredibly strong open on Monday in Asia following the weekends developments of the US/China trade war.
- Gold gapped from Friday's close some \$10+ and continued to a high of \$1554.80 during the early hours as fast money bids and stop loss orders being triggered en-mass sharply pushed us higher.
- With London out Macro players were seen on the offer throughout much of the Asia day.
- Early European time the Trump "China called me" headlines hit the wires and the metal swooned \$14 rather sharply. From there we traded wither side of \$1530 throughout the NY session, closing at \$1527.
- Silver had a very robust session, following gold higher on the open to \$17.74 and easing into the Asia close. It too dipped following the Trump trade headlines but unlike gold recovered the losses to again trade above \$17.70 and hit a new peak of \$17.75. In the end it closed at \$17.66 (+1.4% since Friday close).
- Platinum traded in a fairly narrow \$13 range closing the day softer at \$856 (\$860 open), while palladium after being smashed on Friday recovered from \$1460 to \$1480 by session close.

PRE-ASIA COMMENTS

- Quiet session here in Asia in terms of price action so far.
- Gold has traded a \$4 range so far (\$1526.00-\$1529.90) on much lighter volumes than yesterday. Investors likely waiting to see where the next trade headline sends us.
- On the data calendar today: German GDP, French Consumer sentiment and manufacturing confidence and US house price index, Richmond Fed manufacturing index and consumer confidence to look out for.

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