



MKS PAMP  
GROUP

## Europe/US Market Update - 2nd March 2020



### Europe/US Markets (from Globex open)

28-Feb-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1632.90	1633.40	17.2225	17.2425	886.00	889.00	2801.50	2821.50
<b>HIGH</b>	1641.40	1641.90	17.4025	17.4225	893.50	896.50	2804.00	2824.00
<b>LOW</b>	1563.10	1563.60	16.3950	16.4150	848.50	851.50	2494.50	2514.50
<b>CLOSE</b>	1585.80	1586.30	16.6600	16.6800	866.00	869.00	2600.00	2620.00
<b>FFP</b>	1.00	1.10	0.0000	0.0200	0.00	2.00	-100.00	-70.00
<b>Active Contract</b>	GCJ0 Comdty		SIH0 Comdty		PLF0 Comdty		PAM0 Comdty	

### MACRO

- Markets factoring in a rate cut by the Fed this month.
- Global equities hammered on Friday with US yields hitting record lows.
- The Dow Jones closed down 1.4%, the S&P500 lost 0.8% whilst the Nasdaq managed to close flat.
- European shares were also sold heavily. The Euro STOXX fell 3.7%, the German Dax dropped 3.9% whilst the UK FTSE lost 3.2%.
- The VIX gauge rose 2.4% to 40.00.
- US treasury yields slumped to record lows. The 2 year yield fell 13.5 bps to 0.913% whilst the 10 year yield fell 9.9 bps to 1.149%.
- Oil prices were softer. WTI eased 2.2% to \$44.76 whilst Brent declined 2.6% to \$49.67.
- Base metals were mixed. Nickel fell 1% whilst zinc posted a gain of 0.5%.
- The CRB index fell 2.3% to 159.45.
- China's PMI was worse than expected at 35.7, a record low.
- US PCE and University of Michigan consumer data both improved.

### PRECIOUS

- Precious metals were heavily sold on Friday with all four metals suffering ugly losses.
- Asia trade was quiet to start with but large offers began to appear late in the afternoon pressuring gold down to the low 1620's.
- A bout of short covering in London pushed XAU back up towards 1640 but this proved to be the extent of the bounce.
- NY came in on the offer, and there was no bid to be seen with the yellow metal collapsing through 1600 down to a low of 1564.
- A slight bounce into the close saw the metal finish the session in the mid 1580's, but well and truly under the psychological 1600 level.
- Silver was also under the pump, sinking to a low of 16.41, before staging a dead cat bounce into the close.
- The PGM's weren't immune to the carnage with platinum trading down to recent lows whilst palladium dumped nearly \$300 testing 2500 support.
- The Philadelphia gold and silver index fell 2.25% to 159.45.

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

- Gold trades wildly on the Asia open swinging between 1580-1590 in the first hour of trade.
- Equities continue to free fall with US futures trading heavily in the red.
- Ahead today: UK consumer credit; Canada mfg PMI, US ISM employment

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