



MKS PAMP
GROUP

Europe/US Market Update - 4th March 2020



Europe/US Markets (from Globex open)

3-Mar-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1595.10	1595.60	16.7900	16.8100	870.50	872.50	2540.00	2570.00
HIGH	1649.20	1649.70	17.4700	17.4900	881.50	883.50	2560.00	2590.00
LOW	1593.60	1594.10	16.7550	16.7750	859.50	861.50	2468.00	2498.00
CLOSE	1644.90	1645.40	17.2625	17.2825	879.00	880.00	2507.00	2537.00
EFP	0.90	1.00	-0.0050	0.0050	-0.75	0.25	-110.00	-70.00
Active Contract	GC10 Comdty		SIK0 Comdty		PL10 Comdty		PAM0 Comdty	

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MACRO

- The US Federal Reserve cut interest rates by 50bps in an attempt to buffer the economy from effects of the coronavirus.
- The cut prompted heavy losses for equities in a volatile session.
- The Dow lost 785.91 points to 25,917., the S&P 500 fell 86.86 points to 3,003.37, while the Nasdaq shed 268.07 points to 8,684.09.
- Losses for tech (-3.79%) and financials (-3.73%) led a broad selloff in the markets.
- The VIX gauge rose 10.17% to 36.82.
- The US dollar index eased 0.22% to 97.4, the EUR traded as high as 1.1212, while USD/JPY was down to 106.96.
- US treasury yields were sharply lower, the 2 year yield dropped 16.2 bps to 0.683% while the 10 year yield tumbled 15.7 bps to 0.960%.
- European shares were higher, the EuroSTOXX added 1.37%, the German DAX rose 1.08%, while the UK FTSE gained 0.95%.
- Oil prices were lower, Brent sold off 2.3% to \$51.70 while WTI gave up 1.5% to \$47.04.

- Base metals were mostly lower, with zinc (-2.3%) leading the losses.
- Euro CPI fell to 1.2% y/y in February, while core CPI rose to 1.2%.

PRECIOUS

- Strong rally for the precious following the US rate cut.
- Gold was rangebound in Asia and unable to push through the \$1600 level.
- The market remained around \$1600 through the London AM session.
- Gold took off like a rocket after the Fed's announcement, surging to a high of \$1649.
- The metal retraced to \$1628 as some investors locked in profits in the afternoon.
- Gold rallied once again to close near the highs at \$1644.
- Silver climbed as high as \$17.75 after the cut, before coming off the highs to close at \$17.27.
- Platinum was the pick of the PGMS, finishing right near the highs at \$879.
- The Philadelphia gold and silver index rose 3.68% to 101.47.

PRE-ASIA COMMENTS

- Gold popped up to \$1652 after the open in Asia but has retraced toward opening levels.
- Ahead today:
- US ADP Employment
- US Markit Services PMI
- US ISM Non-manufacturing index
- EU Markit Services PMI
- EU Retail Sales

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