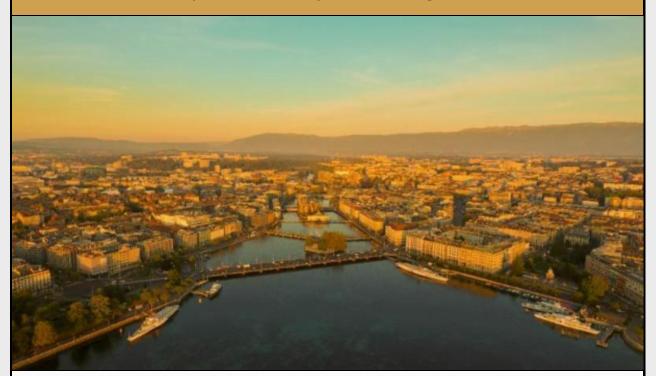


## **Europe/US Market Update - 6th August 2020**



Europe/US Markets (from Globex open)

| 5-Aug-20       | GOLD        |         | SILVER      |         | PLATINUM    |        | PALLADIUM   |         |
|----------------|-------------|---------|-------------|---------|-------------|--------|-------------|---------|
|                | Bid         | Offer   | Bid         | Offer   | Bid         | Offer  | Bid         | Offer   |
| OPEN           | 2021.60     | 2022.20 | 26.0475     | 26.0675 | 942.50      | 944.50 | 2134.50     | 2164.50 |
| HIGH           | 2055.30     | 2055.90 | 27.1350     | 27.1550 | 980.50      | 982.50 | 2197.50     | 2227.50 |
| LOW            | 2021.50     | 2022.10 | 26.0350     | 26.0550 | 942.00      | 944.00 | 2134.00     | 2164.00 |
| CLOSE          | 2041.60     | 2042.20 | 27.0375     | 27.0575 | 974.00      | 976.00 | 2192.50     | 2222.50 |
| EFP            | 11.00       | 15.00   | 0.0700      | 0.1500  | 16.00       | 26.00  | 25.00       | 55.00   |
| ctive Contract | GCZ0 Comdty |         | SIU0 Comdty |         | PLV0 Comdty |        | PAU0 Comdty |         |

## **MACRO**

- A firm day for US equities despite labour data disappointing.
- The Dow Jones rallied 373 points, the S&P500 gained 21 points whilst the Nasdaq climbed 57 points.
- European shares were also higher. The Euro STOXX rose 0.4%, the German Dax rallied 0.5% whilst the UK FTSE advanced 1.1%.
- The VIX gauged lost 3.2% to 23.
- The DXY was lower on the day, closing the session at 92.80.
- US treasury yields were firmer. The 2 year yield rose 0.8 bps to 0.117% whilst the 10 year yield gained 3.3 bps to 0.548%.
- Oil prices were higher on the day. WTI rose 1.4% to \$42.20 whilst Brent jumped 1.8% to \$45.20.
- Base metals were mixed. Aluminium was the worst performer, down 0.2% whilst zinc rose 3%.
- The CRB index rose 0.5% to 148.70.
- US July ADP job gained 167k which was much lower than the expected +1.2m.

Euro area composite final PMI for July held steady at 54.9

## **PRECIOUS**

- Another volatile day for the precious with gold trading to new highs.
- Asia trade opened to buying interesting squeezing XAU up to 2031 prior to SGE open.
- The Chinese were sellers from the opening bell, pressuring gold back under 2020.
- The PM session was reasonably lethargic considering the recent price action of gold trading sideways between 2015-2020.
- London had good demand with short covering and stop loss buying seeing the yellow metal regain the 2030 handle.
- NY were also on the bid on the back of the soft ADP figure.
- Silver had another wild session, trading up to new recent highs north of 27.00
- Platinum is finally gaining upside momentum, pushing up towards the psychological 1000 level
- The Philadelphia gold and silver index rose 1.12% to 161.14

## **PRE-ASIA COMMENTS**

- Gold trades quietly in early trade
- Asian equities open higher following Wall Street's lead.
- Ahead today: BOE inflation report; RBI interest rate decision; US continuing jobless claims

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