



MKS PAMP
GROUP

Europe/US Market Update - 7th November 2019



Europe/US Markets (from Globex open)

6-Nov-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1485.90	1486.40	17.5450	17.5650	925.50	928.50	1772.50	1775.50
HIGH	1494.30	1494.80	17.6525	17.6725	933.00	936.00	1804.00	1807.00
LOW	1483.00	1483.50	17.3875	17.4075	922.50	925.50	1770.50	1773.50
CLOSE	1491.40	1491.90	17.6000	17.6200	929.00	932.00	1792.00	1795.00
EFP	1.95	2.05	-0.0125	-0.0025	3.25	4.25	-30.00	-20.00
Active Contract	GCZ9 Comdty		SIZ9 Comdty		PLF0 Comdty		PAZ9 Comdty	

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MACRO

- It was a quiet day across financial markets Wednesday, characterised by low volumes and limited ranges.
- US equities were narrowly mixed on the day - The Dow Jones Industrial Average flat at 27,492.56, the S&P500 crept up +0.07% to 3,076.78 and the Nasdaq Composite eased -0.29% to 8,410.629.
- European equities inched higher - the FTSE100 rising +0.12% to 7,396.65, the DAX added +0.24% to 13,179.89, the CAC40 advanced +0.34% to 5,866.74 and the Euro Stoxx 600 climbed +0.21% to 405.07.
- The US 10y bond yield ticked -5bps lower overnight to 1.81%, possibly reflecting concern over the phase one trade deal signing delay, or the weak US productivity report
- US non-farm productivity fell -0.3% in Q3, after rising by 2.5% the quarter before. The print came in well below market expectations of a 0.9% increase for the quarter and was the first time non-farm productivity has fallen since late 2015. Meanwhile, unit labour costs beat market expectations and rose by +3.6% in Q3 as a result of a substantial increase in the hours worked

among the self-employed.

- The euro area final composite PMI rose to 50.6 (from 50.2 in September) aided by modest rises in both the manufacturing and services PMIs. The data implies that on aggregate the euro area economy is flirting with, but might technically avoid, a contraction. The +1.3% m/m rise in German factory orders for September was welcome but doesn't suggest a recovery is on the cards just yet.
- Euro area retail sales rose 0.1% m/m in September, a touch better than expected. August's figures were revised up to 0.6% m/m (from 0.3% prior). The annual rate of increase in September rose to 3.1% y/y (from a revised 2.7% in August) and was the strongest annual growth rate in 24 months. The data imply that private consumption in Europe is holding up despite the severity of the manufacturing downturn.
- Phase one of the US/China trade deal was supposed to be signed next week at the APEC summit in Chile, except the summit has been cancelled, and as yet Washington and Beijing can't agree on an alternative "neutral" location for the get together. At one point Iowa was touted, but now Trump has pointed out they don't come more "neutral" than Switzerland and he'll be in Europe early next month.

PRECIOUS

- Gold recovered some of Tuesday's lost ground overnight, kicking off following comments from the IMF warning that Europe needs to prepare emergency plans for an economic slump.
- More upward steam was gathered as concern began to circulate regarding the China/US trade deal and the fact that the signing of the 'Phase One' agreement might be delayed.
- Gold after trading as low as \$1483.50 throughout the European afternoon rebounded back through \$1490 on light to moderate flows, hitting a peak of \$1494.30, and closing in NYK above \$1490.
- Silver tracked gold's movements, briefly dipping below \$17.50, but recovering well on the back of Chinese and private bank bids.
- Platinum consolidated within a \$10 range, while palladium recovered strongly, briefly trading above \$1800, then settling around \$1790.

PRE-ASIA COMMENTS

- Slow session so far for metals this morning, gold trading sideways between \$1490-91.
- On the data front today - German Industrial Production, Italian Retail Sales, BoE policy decision and US initial jobless claims.

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