



MKS PAMP
GROUP

Europe/US Market Update - 8th November 2019



Europe/US Markets (from Globex open)

7-Nov-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1491.70	1492.20	17.6225	17.6425	931.00	934.00	1799.50	1802.50
HIGH	1492.20	1492.70	17.6350	17.6550	934.50	937.50	1813.50	1816.50
LOW	1460.70	1461.20	16.9600	16.9800	904.00	907.00	1789.00	1792.00
CLOSE	1465.90	1466.40	17.0700	17.0900	911.50	914.50	1803.00	1806.00
EFP	0.80	0.90	-0.0300	-0.0200	2.75	3.75	-32.00	-24.00
Active Contract	GCZ9 Comdty		SIZ9 Comdty		PLF0 Comdty		PAZ9 Comdty	

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MACRO

- Financial markets rallied overnight on reports from China that they have reached an agreement with the US and on phasing out trade tariffs, although this is still yet to be confirmed by the Whitehouse.
- The yield on the 10y note was up +12 bps as result to 1.92%.
- Equities in the US had another strong session: The DJIA closed up +0.66% (+182.24 pts) at 27,674.80, the S&P500 rallied +0.27% (+8.4 pts) to 3,085.18 and the Nasdaq Composite accelerated +0.28% (+23.88 pts) to 8,434.52.
- Equities pushed higher in Europe also: The DAX advanced +0.83% to 13,289.46, the FTSE100 crept up +0.13% to 7,406.41 and the CAC40 closed up +0.41% at 5,890.99.
- WTI crude rallied +1.6% to \$57.20/bbl.
- Unemployment data in the US eased with both initial jobless claims and continued jobless claims falling. Initial jobless came in 4k below expectations, while continued claims were greater than expected but down from the previous week's data, which had been revised up. The strong employment data supports Fed signals of a pause in the easing cycle.

- The Bank of England voted in favour of holding the cash rate at 0.75%. Seven members voted for no change, but Jonathan Haskell and Michael Saunders voted in favour of a rate cut, indicating we may see future cuts.
- The US and China agreed to progressively cut back the tariffs recently imposed by both sides. Phase One of the trade deal is expected to see the US remove the tariffs scheduled for 15 December. China is reported to be considering allowing US chicken and eggs back into its market. Poultry products from the US have been banned since the avian influenza outbreak in January 2015. China needs to import more protein to fill the shortage in its domestic pork production caused by African swine fever.

PRECIOUS

- Safe-haven buying dried up overnight amid the risk-on tone for markets.
- \$1480 support broke down for gold in NY, following optimistic signs about the US-China trade deal.
- A host of accounts were seen on the offer - Macro's, ETF's, retail and models all were in reducing length following the break of \$1480.
- Silver fell briefly below \$17.00 in line with gold, while platinum also plunged some \$25 yet managed to hold onto the 9** handle.
- Palladium once again proved to be the stalwart of the complex actually inching higher on the day and defying trend.
- The Peoples Bank of China kept holdings of gold in reserves unchanged at 62.64moz in October, following 10 straight months of inflows, which boosted its stockpile by more than 100t. Other central banks have also been slowing on their gold purchases which will have a negative impact on pricing.

PRE-ASIA COMMENTS

- Sluggish trade so far in Asia with gold failing to push back through \$1470 pre-China.
- We expect some buying from Chinese investors today, but it will be interesting to see whether this effects the spot price at all.
- On the data front today look out for Chinese trade data, French Industrial production, Canadian housing starts and employment data and US wholesale inventories and University of Michigan sentiment.

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