



MKS PAMP GROUP

Europe / US Market Update

12th October 2018

Range Europe / US Markets
(from Globex open)

11-Oct-2018	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1193.25	1193.75	14.260	14.280	816.00	818.00	1069.80	1074.80
HIGH	1226.00	1226.50	14.610	14.630	843.00	845.00	1092.00	1097.00
LOW	1191.80	1192.30	14.260	14.280	816.00	818.00	1068.00	1073.00
CLOSE	1221.95	1222.45	14.555	14.575	840.30	842.30	1082.00	1087.00
EFP	3.40	3.60	0.0200	0.0300	2.50	3.50	-13.00	-6.00
LBMA Prices	AM	PM	14.400		AM	PM	AM	PM
	1201.10	1205.55			823.00	824.00	1074.00	1083.00
Active Contract	GCZ8 Comdty		SI28 Comdty		PLF9 Comdty		PAZ8 Comdty	

MACRO

- Global equities continue to slide with US CPI below expectations.
- The Dow tanked 545.91 points, the S&P fell 57.31 points whilst the tech heavy Nasdaq declined 92.99 points.
- European shares were also significantly weaker with the Euro STOXX 1.8% lower, the German DAX fell 1.5% whilst the UK FTSE 1.9% declined 1.9%.
- The VIX gauge surged 11.9% to 25.7.
- US treasury yields were mixed. The 2 year yield rose 2.21 bps to 2.848% whilst the 10 year yield fell 0.7 bps to 3.142%.
- The DXY index was softer, finishing the session at 95.04.
- Oil prices were weaker. WTI fell 1.6% to \$70.81 whilst Brent eased 1.8% to \$80.19.
- Base metals were mainly weaker, with aluminium the worst performer, down 1.3%
- The CRB index was lower, closing down 0.7% at 196.63.
- US CPI inflation came in below expectations at 0.1% m/m (mkt 0.2%), or 2.3% y/y (mkt 2.4%).

PRECIOUS

- Gold catapulted around \$30, with money flowing out of equities and into the precious complex.
- Some light supply in Asia saw XAU drift down to the lows of the day in the low 1190's, but the selling interest was limited.
- SGE premium was around \$6/7 putting topside precious on gold.
- London were buyers from the outset, pushing XAU back through the psychological 1200 level which is where NY opened.
- Once the CPI figure was released which was marginally lower than expectations, the market surged higher triggering stop after stop soaring to a high of 1226.
- Silver was dragged higher with gold touching a high of 14.61.
- The PGM's also benefitted from the yellow metals strength. Platinum gained \$25 whilst palladium tacked on about \$20.
- The Philadelphia gold and silver index rocketed 6.8% higher to 69.97.
- SPDR gold trust holdings were unchanged at 738.99 metric tons.



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PRE-ASIA COMMENTS

- Asian equities open slightly firmer despite the rout on Wall Street.
- Gold drifts lower in early trade with producer selling seen first thing after the stellar performance of the metals overnight.
- Ahead today:
 - China new Yuan loans
 - German CPI
 - US University of Michigan Sentiment
 - US import price index

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