



**MKS PAMP GROUP**  
**Europe / US Market Update**  
**13<sup>th</sup> September 2018**

Range Europe / US Markets  
(from Globex open)

12-Sep-18	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1198.57	1199.07	14.1413	14.1713	791.83	794.83	975.25	978.25
<b>HIGH</b>	1208.54	1209.04	14.2818	14.3118	801.62	804.62	982.35	985.35
<b>LOW</b>	1192.78	1193.28	14.0750	14.1050	783.40	786.40	970.69	973.69
<b>CLOSE</b>	1206.31	1206.81	14.2385	14.2685	799.23	802.23	976.07	979.07
<b>EFP</b>	5.20	5.30	0.0200	0.0300	-1.00	0.00	-17.00	-10.00
<b>LBMA Prices</b>	AM	PM	14.155		AM	PM	AM	PM
	1197.80	1195.60			789.00	788.00	973.00	979.00
<b>Active Contract</b>	GCZ8 Comdty		SIZ8 Comdty		PLV8 Comdty		PAZ8 Comdty	

**MACRO**

- U.S. PPI unexpectedly declined during August, the first time the measure has done so in 18-months. PPI final demand eased -0.1% MoM (exp: +0.2%) from a flat read previously. Core PPI meanwhile edged +0.1% higher.
- The Fed beige book reported the overall U.S. economy expanded at a “moderate pace” during August, however trade concerns and a lack of labour delayed some projects.
- Equities in the U.S. ended mostly higher overnight, however tech stocks were a laggard. The DJIA added +0.11% to 25,998.92 points, the S&P 500 inched +0.4% higher to 2,888.92 points, while the Nasdaq Composite declined -0.23% to 7,954.229 points.
- The greenback weakened overnight to see the DXY index down -0.32%. The euro continued to strengthen, while the Canadian dollar pushed higher on NAFTA progress.
- Treasury yields eased on Wednesday following strong auction demand. The two-year held relatively steady at 2.748% and the 10-year slipped 1.7bps to 2.963%.
- European equities posted solid gains on Wednesday, shrugging off a stronger common currency to follow U.S. counterparts higher. The Stoxx Europe 600 tacked on +0.47% to 377.08 points, the German Dax added +0.52% to 12,032.30 points and the French CAC jumped +0.91% to 5,332.13 points.
- In the U.K. the FTSE 100 benefited from a break in recent pound strength to jump +0.55% to 7,313.36 points.

**PRECIOUS**

- A positive session for gold on Wednesday, breaking and consolidating above the important USD \$1,200 level.
- Price action was largely concentrated to U.S. hours, with headlines surrounding U.S. – China trade negotiations weighing upon the greenback and sending bullion higher.
- We saw offers out of both Japan and China weigh upon pricing following the previous session gains, while the on-shore premium in Shanghai eased underneath USD \$5.
- Supportive price action throughout Asian and European trade was evident toward USD \$1,193 - \$1,194, however offers leading to USD \$1,200 saw rallies faded.
- The U.S. – China trade headlines saw USD/CNH sharply lower and bullion rip through USD \$1,200 to take out heavy offers around the figure.
- The yellow metal generally held onto gains into the close to end +0.6% higher.



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- Silver once again threatened a test through USD \$14 leading into the New York open on Wednesday, before finding interest on the back of dollar weakness to test the recent resistance around USD \$14.30.
- Platinum importantly reclaimed the USD \$800 handle, while palladium saw whippy price action to end generally flat on the session.

#### **PRE-ASIA COMMENTS**

- A constructive session for gold overnight, importantly holding above USD \$1,200 and possibly the first sign of a turn-around.
- We have seen modest profit taking in early Asian trade today, however price action is still broadly supportive.
- In order to test the build-up in short positioning gold will need to break through the recent band of resistance around USD \$1,210 - \$1,215.
- Ahead on the data calendar today:
  - Germany CPI
  - France CPI
  - BOE rates decision (no change expected)
  - U.S. CPI
  - U.S. Initial jobless claims
  - U.S. Bloomberg consumer confidence

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