



MKS PAMP GROUP
Europe / US Market Update
1st February 2018

Range Europe / US Markets
(from Globex open)

31-Jan-2018	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1343.50	1344.00	17.2700	17.3000	1001.50	1003.50	1058.00	1061.00
HIGH	1345.00	1345.50	17.3000	17.3300	1006.00	1009.00	1064.00	1067.00
LOW	1332.50	1333.00	17.2000	17.2500	995.00	999.00	1025.00	1028.00
CLOSE	1335.75	1336.25	17.2100	17.2400	995.00	999.00	1026.00	1030.00
EFP	3.05	3.15	-0.035	-0.025	3.25	4.25	-8	-3
LBMA Prices	AM	PM	17.2300		AM	PM	AM	PM
	1343.35	1345.05			1004.00	1003.00	1063.00	1051.00
Active Contract	GCJ8 Comdty		SIH8 Comdty		PLJ8 Comdty		PAH8 Comdty	

MACRO

- The FOMC announced it has left US interest rates unchanged in last night meeting.
- The statement released to the market shows that the Fed expects inflation to increase this year and stabilise around the 2% target in the medium term.
- US equities finished higher despite handing back much of the early gains following the FOMC announcement.
- The Dow added 72.50 points to 26,149.39, the S&P crept up 1.38 points to 2,823.81, while the Nasdaq rose 8.999 points to 7,411.480.
- There were wins for REITs (+2.08%) and utilities (+1.10%) while healthcare (-1.45%) led the laggards.
- The VIX gauge lost 3.58% to 14.26.
- The US dollar index fell 0.06% to 89.105, the EUR was as high as 1.2472 before pulling back to 1.2411, USD/JPY traded up to 109.38.
- US treasury yields were mixed, 2 year yields rose 2.03 bps to 2.1446% while 10 year yields eased 0.37 bps to 2.7162% despite being as high as 2.75% after the FOMC announcement.
- European shares were lower, the EuroSTOXX 600 gave up 0.17%, the German DAX inched lower 0.06%, while the UK FTSE declined 0.72%.
- Oil prices were higher, Brent rose 0.04% to \$69.05 while WTI added 0.37% to \$64.74.
- Base metals were broadly higher, with nickel (+1.87%) leading the charge.
- In US economic data, ADP employment data showed the private sector added 234k jobs in Jan following a 242k increase in Dec.
- The employment cost index rose 0.6% in Q4 2017 and 2.6% over the full year.
- The Chicago PMI fell 2.1 points to 65.7 in Jan from 67.8 in Dec.
- Pending home sales rose 0.5% in Dec following the 0.3% increase in Nov.

PRECIOUS

- More volatility for the precious as markets react to the FOMC statement.



- In Asia gold traded steadily higher to \$1344 after a slow-ish start.
- Some good buying action out of China with USD/CNY slipping.
- The market stabilised around \$1342-43 through the London AM session.
- Gold slid below \$1340 in early NY trading as the US 10yr yield reached 2.75%.
- Following the FOMC announcement, the yellow metal dropped to \$1334 before rebounding strongly to the days high of \$1346.
- The yellow metal closed out the session ahead at \$1344.
- Silver added 20c to finish at \$17.30.
- Palladium tumbled to \$1028, the metal has now lost 9% off the Jan high.
- The Philadelphia gold and silver index rose 1.27%.

PRE-ASIA COMMENTS

- Asian markets opened higher.
- Gold edging higher in early Asian trade.
- Ahead today:
US Weekly Jobless Claims
US Productivity
US Unit Labor Costs
US Markit Manufacturing PMI
US ISM Manufacturing Index
US Construction Spending
US Motor Vehicle Sales
EU Markit Manufacturing PMI
Germany Markit Manufacturing PMI

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.