



## MKS PAMP GROUP

### Europe / US Market Update

1<sup>st</sup> June 2018

Range Europe / US Markets

31-May-2018	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1302.85	1303.35	16.5050	16.5250	909.00	911.00	988.70	993.70
HIGH	1306.55	1307.05	16.5700	16.5900	914.00	916.00	989.50	994.50
LOW	1297.85	1298.35	16.3950	16.4150	906.30	908.30	988.70	993.70
CLOSE	1299.25	1299.75	16.3950	16.4150	906.50	908.50	989.50	994.50
EFP	4.30	4.70	0.0150	0.0350	0.00	1.00	-10.00	-5.00
LBMA Prices	AM	PM	16.550		AM	PM	AM	PM
	1303.50	1305.35			912.00	907.00	989.00	986.00
Active Contract	GCQ8 Comdty		SIN8 Comdty		PLN8 Comdty		PAM8 Comdty	

#### MACRO

- The Trump administration has sparked a fresh trade war by slapping tariffs on steel and aluminium from Europe, Canada and Mexico. European and Canadian leaders reacted swiftly to the news.
- U.S. equity markets closed lower overnight following the tariff news. The DJIA ended trade -1.02% lower at 24,415.84 points, the S&P 500 sunk -0.69% to 2,705.27 points and the Nasdaq declined -0.27% to 7,442.117 points.
- Over the month of May the DJIA added +1%, the S&P 500 rose +2.2% and the Nasdaq Composite surged +5.3%.
- Initial jobless claims in the U.S. eased 13,000 to 221,000 during the week ended May 26. Continuing claims fell 16,000 to 1.726 million during the week ended May 19.
- U.S. personal spending increased +0.6% MoM during April, while incomes gained +0.3% MoM. PCE core held at +1.8% YoY.
- U.S. tariffs had European markets under pressure on Thursday, seeing the Stoxx Europe 600 -0.63% lower and the German Dax hammered -1.40%
- U.K. equities closed lower on contagion out of Europe, with the FTSE 100 declining -0.15%
- The DXY ended little changed on Thursday, seeing mixed traded against the yen.



### **PRECIOUS**

- Gold saw mixed price action on Thursday as an initial bid tone during Asian/European hours was extinguished in New York.
- Interest out of Asia tested an early session break above USD \$1,305 (previous session high), however initial Chinese offers weighed upon the price action.
- Late Asia/early London bids in conjunction with a softer USD/CNY underpinned a move to the session high of USD \$1,306.55 on a modest stop loss run
- Further attempts higher toward the 200 DMA at USD \$1,308 were met with solid supply - possibly month end selling pressure.
- Choppy trade in late New York sees spot gold disappointingly underneath USD \$1,300, however we continue to see interest around the figure to restrict any further declines.

### **PRE-ASIA COMMENTS**

- Early session price action sees gold oscillating either side of USD \$1,300 within a narrow range.
- Bullion is likely to trade reactive to headlines and USD flows, needing to consolidate above USD \$1,300 to instill confidence in the market for a test through the 200 DMA at USD \$1,308.
- The main event today is undoubtedly U.S. Nonfarm Payrolls

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