



MKS PAMP GROUP
Europe / US Market Update
20th December 2018

Range Europe / US Markets
(from Globex open)

19-Dec-2018	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1249.55	1250.05	14.665	14.685	791.10	793.10	1248.80	1258.80
HIGH	1257.60	1258.10	14.810	14.830	797.00	799.00	1274.00	1284.00
LOW	1241.30	1241.80	14.550	14.570	784.00	786.00	1247.00	1257.00
CLOSE	1243.00	1243.50	14.590	14.620	786.00	788.00	1259.00	1269.00
EFP	3.50	3.70	0.0650	0.0750	-0.50	0.50	-80.00	-65.00
LBMA Prices	AM	PM	14.645		AM	PM	AM	PM
	1248.60	1255.00			791.00	791.00	1263.00	1253.00
Active Contract	GCG9 Comdty		SIH9 Comdty		PLF9 Comdty		PAH9 Comdty	

MACRO

- The Fed raised the benchmark interest rate by 0.25% and revised their forecast from 3 to 2 rate rises in 2019.
- US equities gave up early gains and plunged lower following the announcement.
- The Dow fell 351.98 points to 23,323.66, the S&P 500 lost 39.20 points to 2,506.96, while the Nasdaq shed 147.08 points to 6,636.83.
- Consumer discretionary (-2.23%) and tech (-1.94%) led a broad decline in the markets.
- The VIX gauge rose 0.6% to 25.74.
- The US dollar index firmed 0.03% to 97.027, the EUR traded down to 1.1366, while USD/JPY was as high as 112.59.
- US treasury yields were mixed, the 2 year yield rose 1.6 bps to 2.658% while the 10 year yield slipped 2.0 bps to 2.787%.
- European shares were higher, the EuroSTOXX added 0.31%, the German DAX rose 0.24%, while the UK FTSE gained 0.96%.
- Oil prices were higher, Brent firmed 0.5% to \$56.77 while WTI rose 3.6% to \$47.96.
- Base metal were broadly higher, with nickel (+1.1%) leading the gains.
- In US economic data, current account deficit widened to \$124.8bln in the 3rd quarter.
- Existing home sales rose to a seasonally adjusted annual rate of 5.32M in November.

PRECIOUS

- Gold gives up early gains in a volatile session for the precious complex.
- Gold tested \$1250 during Asian hours with the SGE premium at \$5-6.
- The market traded down to \$1246 during the London AM session.
- The yellow metal surged to a high of \$1257 in early NY trading as the greenback came under broad pressure.
- We saw the market drift lower to \$1252 over the next few hours.
- USD surged higher and gold was dumped to the session low \$1242 on the Fed's announcement.
- The metal finished right around the lows at \$1242.
- Silver peaked at \$14.81 before the sell-off.
- Palladium posted a fresh record high of \$1279.
- The Philadelphia gold and silver index dropped 5.67%.



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- SPDR Gold Trust holdings unchanged at 771.79mt.

PRE-ASIA COMMENTS

- Gold flat in early Asian trading.
- Ahead today:
 - US Weekly Jobless Claims
 - US Philly Fed Index
 - US Leading Economic Indicators
 - EU Current Account

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