



MKS PAMP GROUP
Europe / US Market Update
21st January 2019

Range Europe / US Markets
(from Globex open)

| 18-Jan-19 | GOLD | | SILVER | | PLATINUM | | PALLADIUM | |
|-----------------|-------------|---------|-------------|---------|-------------|--------|-------------|---------|
| | Bid | Offer | Bid | Offer | Bid | Offer | Bid | Offer |
| OPEN | 1290.85 | 1291.25 | 15.5250 | 15.5450 | 811.30 | 814.30 | 1407.20 | 1427.20 |
| HIGH | 1291.85 | 1292.25 | 15.5700 | 15.5900 | 814.20 | 817.20 | 1413.40 | 1433.40 |
| LOW | 1280.50 | 1281.00 | 15.3300 | 15.3500 | 793.50 | 796.50 | 1354.60 | 1374.60 |
| CLOSE | 1281.75 | 1282.25 | 15.3300 | 15.3500 | 796.00 | 799.00 | 1375.00 | 1385.00 |
| EFP | -0.65 | -0.25 | 0.0150 | 0.0350 | 1.00 | 4.00 | -50.00 | -30.00 |
| LBMA Prices | AM | PM | 15.4700 | | AM | PM | AM | PM |
| | 1285.05 | 1284.20 | | | 810.00 | 801.00 | 1417.00 | 1375.00 |
| Active Contract | GCG9 Comdty | | SIH9 Comdty | | PLJ9 Comdty | | PAH9 Comdty | |

MACRO

- Reports that US Treasury Secretary Mnuchin proposed reducing tariffs on Chinese imports (to boost markets), coupled with reports that China is prepared to substantially boost US imports, helped buoy sentiment on Friday.
- The Dow Jones logged its fourth successive move higher, climbing +336.25 points (+1.38%) to 24,706.35 by Friday's closing bell.
- S&P500 advanced +34.75 points (+1.32%) and NASDAQ Composite gained +72.765 points (+1.03%) to 7,157.228.
- In Europe the Euro Stoxx 600 rallied +6.32 points (+1.8%) to 357.05, the EuroFirst 300 leapt +25.37 points (1.84%) to 1,404.87. FTSE100 +1.95%, DAX +2.63%, CAC40 +1.7%.
- WTI jumped +3.1% to \$53.81 a barrel and Brent extended +2.5% to \$62.53 a barrel.
- US 10y treasury yields rose +4bps to 2.784%, 2y yields jumped +5 bps to 2.614%.
- LME Copper rose +1.0% to \$6052/tonne, Aluminium was up +0.7% to \$1,870/tonne.
- US Industrial Production came in better than expected at +0.3% in December (+0.2% expected, +0.6% prior). A rise in manufacturing output of +1.1% was much improved.
- January preliminary Uni of Michigan Sentiment dipped to 90.7 (96.8 expected, 98.3 prior).
- UK retail sales Ex fuel fell -1.3% for December (-0.8% expected, +1.0% prior).

PRECIOUS

- Gold sank Friday, testing the bottom of the recent range as equities rallied and treasuries were sold off.
- The yellow metal opened above \$1290 Friday. Chinese were buyers again on the open although as we had seen the rest of the week, there was strong offers on Comex in the mid \$1290's zone (cash).
- Gold declined throughout Europe and traded as low as \$1284 before finding any real support.
- At the NY open gold continued to slide toward \$1283 and with the strong equities never really looked like recovering, closing out the week just off the daily (& weekly) lows.
- Silver found little to no support on Friday, trading down to \$15.35, after trading up at \$15.57 early in the European morning.
- Palladium which was very resilient and rose during Asia/Europe (~\$1410-1420), collapsed just after the US open on heavy profit taking, falling towards \$1375 offered in very thin conditions and with inter-bank spreads you could drive a bus through.



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PRE-ASIA COMMENTS

- Gold so far is holding \$1280 - in what is expected to be a muted day given the Martin Luther King holiday in the US.
- Asia (SGE) will likely have a bit of demand down here, so we expect at least a steady day for the precious metals prior to Europe getting in.
- Asian equities all stronger as I write: Nikkei +1.0%, Shanghai Composite +1.4%, Hang Seng +1.25%, ASX200 +0.25%.

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