



## MKS PAMP GROUP

### Europe / US Market Update

31<sup>st</sup> May 2018

Range Europe / US Markets  
(from Globex open)

30-May-2018	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1298.35	1298.85	16.3300	16.3500	904.00	906.00	975.60	980.60
HIGH	1304.25	1304.75	16.5350	16.5550	909.90	911.90	979.50	984.50
LOW	1295.65	1296.15	16.3000	16.3200	902.50	904.50	975.60	980.60
CLOSE	1302.45	1302.95	16.5000	16.5200	908.10	910.10	979.50	984.50
EFP	4.10	4.30	0.0150	0.0350	0.00	1.00	-10.00	-5.00
LBMA Prices	AM	PM	16.370		AM	PM	AM	PM
	1298.60	1300.70			906.00	906.00	979.00	979.00
Active Contract	GCQ8 Comdty		SIN8 Comdty		PLN8 Comdty		PAM8 Comdty	

#### MACRO

- A softening of political tensions in Italy on Wednesday after the 5 Star Movement and the League commenced talks to again attempt to form a coalition government.
- There were conflicting reports out of Italy however, with Bloomberg reporting League leader Matteo Salvini had dismissed 5 Star's offer to revive coalition talks.
- A risk-on tone and rebounding oil prices propelled U.S. equities higher overnight. The DJIA jumped +1.26% to 24,667.78 points, the S&P 500 gained +1.27% to 2,724.01 points and the Nasdaq Composite added +0.89% to 7,62.454 points.
- U.S. economic growth slowed marginally relative to previous estimates during Q1, with GDP printing +2.2% annualised (exp: +2.3%) from +2.3% estimated previously.
- U.S. consumer spending increased +1.0% during Q1 (exp: +1.2%) from a +1.1% estimate previously, the slowest pace since Q2 2013.
- European stocks rebounded on Wednesday on the Italian news, seeing the Stoxx Europe 600 +0.27% higher, while the German Dax jumped +0.93% as CPI spiked +2.2% YoY (exp: +1.9%) from a +1.6% read previously.
- The greenback returned previous session gains overnight as the euro ripped higher and the yen held firm.
- Oil futures rallied on Wednesday following reports OPEC will keep production restrictions in place for the time being. WTI surged +1.8% to end at USD \$68.20 per barrel, while Brent crude spiked +2.7% to USD \$77.40 per barrel.



### **PRECIOUS**

- A general positive session for gold on Wednesday, consolidating above USD \$1,300, however holding a relatively tight range throughout.
- Chinese selling in Asia saw the session low of USD \$1,296.15 printed, while producer selling, notably in AUD denominated gold kept price action heavy.
- Dollar declines driven by a resurgent euro supported the metal in European trade, while the U.S. GDP miss underpinned further positive price action to have bullion test toward the top of the recent range (USD \$1,304.25 high) in New York.
- Silver held recent support toward USD \$16.30 and was able to move above the USD \$16.50 pivot point in New York.
- Platinum continues to build a base above USD \$900, while palladium once again saw supportive price action around USD \$975 and was able to close on the session high to book a +1% gain.

### **PRE-ASIA COMMENTS**

- Early session price action saw a sharp test of the New York high print, however offers toward USD \$1,305 restricted any further top-side moves.
- Bullion is likely to trade reactive to headlines and will need to consolidate above USD \$1,300 to instil confidence in the market for a test through the 200 DMA at USD \$1,308.

Ahead today;

China manufacturing / non-manufacturing PMI

U.K. house prices

France CPI

Eurozone CPI

Italian CPI

U.S. personal income / spending

U.S. initial jobless claims

Chicago PMI

Bloomberg U.S. consumer sentiment

U.S. pending home sales

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