



## MKS PAMP GROUP Europe / US Market Update

11<sup>th</sup> June 2019

Range Europe / US Markets  
(from Globex open)

10-Jun-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1328.15	1328.65	14.790	14.810	805.10	807.10	1351.10	1357.10
HIGH	1329.75	1330.25	14.800	14.820	808.00	810.00	1383.00	1389.00
LOW	1325.00	1325.50	14.650	14.670	797.00	799.00	1348.00	1354.00
CLOSE	1328.05	1328.55	14.690	14.710	806.50	808.50	1382.00	1388.00
EFP	3.90	4.10	-0.020	-0.010	-1.50	-0.50	-12.00	-2.00
LBMA Prices	AM	PM	14.745		AM	PM	AM	PM
	1328.60	1328.60			799.00	803.00	1352.00	1357.00
Active Contract	GCQ9 Comdty		SIN9 Comdty		PLN9 Comdty		PAU9 Comdty	

### MACRO

- Risk markets continued to trade with a generally bid tone on Monday following Washington's decision to abandon tariffs on Mexico and Trump's statements that he expects to meet with President Xi at the G20 summit in Japan (June 28-29) in order to work out a deal and refrain from imposing more tariffs.
- US equities climbed, the Dow advancing +78.74 points (+0.3%) to 26,062.68, the S&P rallied +13.39 points (+0.47%) to 2,886.73 and the Nasdaq Composite increased +81.067 points (+1.05%) to 7,823.168.
- European stocks were also higher despite soft industrial production prints from the UK and Italy - Euro Stoxx 600 +0.21%, FTSE100 +0.59%, DAX +0.77% and CAC40 +0.34%.
- Bond yields edged higher across the curve following last week's swoon, with US 10y paper rising +7bps intra-day to 2.15%, while the bund yield rose 4bps to -0.22%.
- G10 Forex remained confined to recent ranges, EURUSD trading 1.1290-1.1324, USDJPY a touch softer on the day but generally holding the 108.40-108.60 range.
- Despite opening higher, easing trade concerns did little to support crude prices - WTI closed down -2.5% at \$53.42 bbl, while Brent declined -1.5% to \$63.32 bbl.
- Chinese trade balance soared to USD surplus of \$41.66 billion in May (\$23.42 billion prior) easily beating a consensus of USD \$20.5 billion. This highest reading since December was attributed to an unexpected rise in exports, while imports fell the most in 3 years.
- US Jolts survey reported that job openings dropped to 7.449 million in April (7.474 million prior, 7.496 million expected).
- Italian industrial production in April fell -0.7% MoM (0.0% expected, -1.6% downwardly revised prior). UK industrial production retreated -2.7% (-0.1% expected, +0.7% prior).



## PRECIOUS

- With the bond rally losing momentum, equities well supported and global trade tensions easing over the weekend, precious metals gave back some of the gains achieved last week.
- With the news of Trump 'indefinitely suspending' tariffs on Mexico at the weekend, gold futures opened lower Monday and continued trading \$5 lower to \$1335, before further pressure was mounted from Chinese traders pushing spot sub-\$1330.
- Some physical and spec profit taking was seen between \$1325-1330, which curbed the intra-day decline.
- Silver fell \$0.20+ during Asia, falling back through \$15.00 and eventually \$14.80 late in the Asia session.
- Most of the decline was seen during Asia, with traded volumes leveling out throughout Europe/NYK and gold holding a \$1325-1330 range and silver \$14.67-14.78.
- After a slow start in Asia and Europe, palladium surged throughout NYK from \$1354 to \$1388 in very illiquid conditions.

## PRE-ASIA COMMENTS

- Spot gold so far this morning has been quiet, hovering between \$1328-\$1329.50.
- Flows are light
- Modest two-way interest seen from Chinese traders on the SGE open.
- Data today: UK employment, US PPI, US NFIB small business optimism.

*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.*