

Europe/US Market Update - 13th May 2021



Europe/US Markets (from Globex open)

12-May-21	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1834.60	1835.20	27.4750	27.5050	1238.50	1241.50	2951.00	2966.00
HIGH	1843.50	1844.10	27.6750	27.7050	1247.00	1250.00	2954.00	2969.00
LOW	1813.30	1813.90	26.9450	26.9750	1212.50	1215.50	2847.00	2862.00
CLOSE	1815.40	1816.00	27.0050	27.0350	1214.00	1217.00	2850.50	2865.50
EFP	-0.30	0.30	0.065	0.095	-0.40	2.40	-9.00	6.00
Active Contract	GCM1 Comdty		SIN1 Comdty		PLN1 Comdty		PAM1 Comdty	

MACRO

- Strong U.S. inflation data had investors heading for the exits overnight as equities plummeted.
- The Dow dropped 681.50 points to 33,587.66, the S&P 500 was down 89.06 points to 4,063.04, Nasdaq fell 357.75 points to 13,031.68
- Consumer Discretionary (-3.28%) and Information Technology (-2.86%) led sectors lower.
- The VIX gauge spiked 26.33% to 27.59
- The greenback gained +0.67% on the back of the U.S. CPI print. The Euro declined back through 1.21, while USD/JPY gained +1% to move back above 109.00.
- Treasury yields spiked, with notably the 10-year gaining 7.4bps to 1.693%.
- The EuroSTOXX strengthened 0.30%, the German DAX gained 0.20%, whilst the UK FTSE was up 0.82%.
- Base metals were weaker, with Zinc down 1.3% and Aluminium easing 1.6%
- Oil prices were higher. Brent rose 0.6% to \$69.04 per barrel, WTI added 0.7% to \$65.80 per barrel
- U.S. CPI surged +0.8% MoM during April and +4.2% YoY. Core CPI meanwhile increased +0.9% MoM to mark the largest increase since 1981.

PRECIOUS

- The precious complex reversed sharply following the U.S. inflation data as both the greenback and yields spiked.
- Gold initially tested the resistance band through USD \$1,840 - \$1,845 into the CPI print, however collapsed to a session low of USD \$1,814 late in trade.
- Key down-side supports around USD \$1,800 - \$1,795 are now in play
- Silver traded offered in New York to briefly test underneath USD \$27, however was able to hold the figure into the close.

- Platinum declined underneath the USD \$1,220 support level, while palladium reversed USD \$100 to test around USD \$2,850.

PRE-ASIA COMMENTS

- Gold sees a mild bid in early Asian trade to pivot back above the USD \$1,820 level.
- The DXY index has opened softer to support the precious complex.
- Ahead today;
- U.S. PPI
- Langer U.S. consumer comfort

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MKS PAMP GROUP B.V. | World Trade Center - B Tower, 867 Strawinskylaan, Amsterdam, 1077XX
Netherlands

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