



MKS PAMP
GROUP

Europe/US Market Update - 14th February 2020



Europe/US Markets (from Globex open)

13-Feb-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1573.70	1574.20	17.6350	17.6550	965.00	968.00	2393.00	2396.00
HIGH	1578.30	1578.80	17.7375	17.7575	975.50	978.50	2444.50	2447.50
LOW	1571.90	1572.40	17.6050	17.6250	963.00	966.00	2377.50	2380.50
CLOSE	1575.80	1576.30	17.6450	17.6650	972.00	975.00	2431.00	2434.00
EFP	2.90	3.00	-0.0300	-0.0200	2.00	3.00	-90.00	-70.00
Active Contract	GC10 Comdty		SI10 Comdty		PL10 Comdty		PA10 Comdty	

[Download Europe/US Table](#)

MACRO

- Markets faltered on news of a spike in COVID-19 cases, with the rise resulting from a change of diagnosis methods, revealing more new cases and more deaths attributed to the disease.
- US equities closed lower as a result but were partially offset by boosted inflationary data: The Dow slid -0.43% to 29,423.31, S&P500 retreated -0.16% to 3,373.94 and NASDAQ Composite fell -0.14% to 9,711.97.
- European stocks were weaker with evidence of a firming in EU data required to help stabilise the EUR and raise confidence in the EU commission's modest growth forecast that GDP will rise by +1.2% this year. The FTSE slumped -1.09% to 7,452.03, the CAC40 declined -0.19% to 6,093.14, the DAX inched down -0.03% to 13,745.43 and the Euro Stoxx 600 remained fairly flat, down -0.02% to 431.08.
- GBP surged on the news that the current Chancellor in Exchequer in the UK, Sajid Javid, had unexpectedly resigned. Some loosening of the purse strings are expected by the newly appointed chancellor, Rishi Sunak. GBPUSD ran from 1.2950 area in Asia to a peak of 1.3070.
- EURUSD continues to slide on the back of the ongoing poor data from the region.

- US Core inflation lifted by +0.2% m/m in January, while the headline index was up +0.1% m/m. On an annual basis, core inflation lifted +2.3% y/y, while overall inflation lifted +2.5%. The data shows the US economy is improving and support the argument for the Fed to hold interest rates at current levels.

PRECIOUS

- Gold was in demand on the back of the higher reported cases and deaths in China due to the coronavirus.
- The updated coronavirus data was released in early Asian trade yesterday, prompting the metal to push from \$1566 to \$1572 quite rapidly. Throughout Europe and the US safe-haven demand was evident as the metal was bought aggressively on dips toward \$1570-74.
- Gold ETF holdings continue to grow with the SPDR fund - the largest gold etf - now sitting at 922.23 tons (~29.65 million oz) under management. At the start of the year there was only 895.3 tons (~28.78 million oz)
- Silver followed a similar trajectory, despite selling from China, the metal steadily worked its way higher throughout the day. Dipping slightly at the NYK open, but quickly getting paid into.
- Palladium again had a volatile session, although surprisingly managed to close the session higher. Good hedge fund and model buying throughout NYK, pushed Pd through \$2400 - after faltering a few times earlier in the day - on its way to a peak of \$2,444.50.

PRE-ASIA COMMENTS

- Gold has been rather subdued in early trade this morning, inching ~\$1 or so higher on light volumes. China to open in a little under an hour.
- Ahead today on the data front:
- German GDP
- Euro Zone GDP
- US retail sales, industrial production and university of Michigan sentiment.

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.