



MKS PAMP  
GROUP

## Europe/US Market Update - 14th November 2019



### Europe/US Markets (from Globex open)

13-Nov-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1461.80	1462.30	16.9575	16.9775	875.00	877.00	1715.00	1721.00
HIGH	1466.70	1467.20	17.0200	17.0400	877.00	879.00	1730.50	1736.50
LOW	1457.90	1458.40	16.8450	16.8650	867.00	869.00	1702.00	1708.00
CLOSE	1466.40	1466.90	16.9900	17.0100	874.50	876.50	1708.00	1714.00
EFP	0.50	0.60	-0.0035	0.0065	1.75	2.75	-38.00	-30.00
Active Contract	GCZ9 Comdty		SIZ9 Comdty		PLF0 Comdty		PAZ9 Comdty	

### [Download Europe/US Table](#)

#### MACRO

- In the aftermath of Trump's more robust trade comments, risk sentiment was more cautious yesterday as markets brace for more disappointment or further delays on a China/US deal.
- U.S. equities continued to tread water overnight, the major indices closing narrowly mixed: The DJIA climbed +0.33% to 27,783.59, S&P500 inched up +0.07% to 3,094.04 and the Nasdaq Composite dipped -0.05% to 8,482.10.
- European bourses retreated modestly after advancing for the past few sessions: FTSE -0.19%, DAX -0.4% and Euro Stoxx 600 -0.26%.
- Crude oil prices rallied after news that non-OPEC supply cuts were in the offing: WTI up +0.9% to \$57.30/bbl.
- US 10y rallied to 1.87%.
- Powell's congressional address re-iterated that current policy is appropriate, but policy is not on a pre-set course and significant risks still remain.
- US headline CPI rose +0.4% MoM and +1.8% YoY. Core CPI remained unchanged - consistent with Powell's comments.

- Euro area industrial production rose just +0.1% MoM. Weakness was seen in intermediate goods production (-0.9% MoM), which suggests that the pipeline for demand remains soft.
- UK CPI was slightly weaker than expected at -0.2% MoM and +1.5% YoY, while core remained steady at +1.7% YoY.

## PRECIOUS

- The cooling optimism on a US-China trade talks helped to support the precious metals complex yesterday.
- Gold inched higher on the back of some safe-haven buying and renewed spec flows, with \$1450 being rejected on Tuesday.
- Gold is certainly not out of the firing line yet however, with significant open long positioning remaining a concern, particularly if we break down more significantly through \$1450.
- Physical demand is a touch higher, with pockets of interest seen from Indian and Chinese clients at these lower levels, although it would not be sufficient to curb any deeper price correction at this stage.
- ETF holdings are very slowly inching lower - the SPDR Gold trust holdings currently sitting at 896.77 t (28.829 mio toz) vs the start of November's 914.67 t (29.404 mio toz)
- Palladium clawed its way back through \$1700 after dwindling below that level throughout the Asian morning and early afternoon. Supply remains an issue on the physical side, yet we are seeing fewer specs trying to chase this metal at present which has hampered its incline.

## PRE-ASIA COMMENTS

- Slow start for the metals in Asia this morning, gold gently recouping some of the loss seen over the last few hours of the NY session.
- Volumes very limited however, with China still yet to open.
- Aussie employment data just missed mark substantially at -19,000 in October vs. +15,000 estimate. Unemployment rate 5.3% vs 5.2% estimate. AUD collapsed 40 pips as a result towards 0.6800, XAU/AUD spiked ~\$10 to \$2150.
- Ahead on the data calendar -
- Chinese - fixed assets, industrial production, retail sales
- Eurozone / German - GDP
- French - CPI
- UK - retail sales
- US - PPI, jobless claims and new house price index

---

*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.*