



MKS PAMP
GROUP

Europe/US Market Update - 15th November 2019



Europe/US Markets (from Globex open)

14-Nov-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1465.60	1466.10	16.9950	17.0150	874.65	876.65	1717.60	1727.60
HIGH	1474.50	1475.00	17.1000	17.1200	884.15	886.15	1735.10	1745.10
LOW	1464.10	1464.60	16.8650	16.8850	868.95	870.95	1707.90	1717.90
CLOSE	1471.80	1472.30	17.0350	17.0550	880.65	882.65	1731.40	1741.40
EFP	0.30	0.80	(0.0400)	(0.0200)	0.85	2.85	(40.00)	(30.00)
Active Contract	GCZ9 Comdty		SIZ9 Comdty		PLFO Comdty		PAZ9 Comdty	

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MACRO

- The market mood was a little more sombre overnight after ongoing negative news flow surrounding a US/China trade deal cautioned investors.
- US equities despite the risk off tone managed to close narrowly mixed on the back of moderate flow: The DJIA inched lower -0.01% to 27,781.96, the S&P500 ticked up +0.08% to 3,096.63 and Nasdaq Composite slid marginally -0.04% to 8,479.02.
- Major European indices continued the previous days sell-off: FTSE100 plunged -0.8% to 7,292.76, the DAX retreated -0.38% to 13,180.23, the CAC40 slipped -0.1% to 5,901.08 and Euro Stoxx 600 gave up -0.36% to 404.41.
- AUDUSD sold off to fresh lows on the back of a woeful jobs report and the unwinding of risk, hitting a low just under 0.6770.
- JPY continues to appreciate against a host of currencies over the past few sessions as investors grow nervous about a trade deal being reached. USDJPY traded as low as 108.30 overnight and currently sits around 108.50.
- Producer prices in the US for final demand lifted 0.4% in October, outperforming expectations

and reversing months of negative trend. Excluding the food, energy and trade components – which tend to be volatile – the index lifted 0.1% m/m in October and 1.5% y/y.

- The number of people making initial jobless claims in the US lifted last week to 225,000 sa, which is the highest level since June. This data will now be watched closely to see if this trend continues.
- UK consumers showed more constraint in October than expected, with retail sales data for the month falling 0.1%. A similar trend occurred last year, with spending then popping back up in November, but as the data currently stand, it may fuel expectations that the BoE needs to ease.
- Germany dodged a technical recession by posting 0.1% GDP growth for Q3. The economy was supported by additional construction activity and spending by private households and the state. Exports lifted slightly but the trade outlook remains weak, as does the outlook for the automotive sector.

PRECIOUS

- Weak economic data out of China and Europe and uncertainty around US-China trade prompted some fresh safe-haven buying yesterday for gold. The yellow metal gaining for a second consecutive day.
- Gold shot as high as \$1474.50, however was crimped by Powell's ongoing hawkish testimony to congress.
- Further selling in gold ETF's was witnessed overnight which takes us to a 6th consecutive day of outflows - the longest stint in 6 months and has now totalled ~1.2 million oz.
- Palladium rallied yesterday in thin conditions closing not too far off the highs above \$1735.

PRE-ASIA COMMENTS

- Comments from White House economic adviser Kudlow hit the wires this morning saying: 'We are getting close to a trade deal with China', and that they are down to 'short strokes'.
- Gold and silver softer as a result, the former dropping back through \$1470 in early trade and silver hovering around \$17.00.
- On the data calendar today look out for:
 - Japanese - industrial production
 - Euro zone - CPI
 - US - Empire manufacturing, retail sales, industrial production and existing home sales.

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