

## Europe/US Market Update - 18th December 2020



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

| 17-Dec-20              | GOLD        |         | SILVER      |         | PLATINUM    |         | PALLADIUM   |         |
|------------------------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|
|                        | Bid         | Offer   | Bid         | Offer   | Bid         | Offer   | Bid         | Offer   |
| <b>OPEN</b>            | 1869.30     | 1871.30 | 25.5125     | 25.5625 | 1049.50     | 1054.50 | 2355.50     | 2365.50 |
| <b>HIGH</b>            | 1896.30     | 1898.30 | 26.1000     | 26.1500 | 1060.50     | 1065.50 | 2361.50     | 2371.50 |
| <b>LOW</b>             | 1869.30     | 1871.30 | 25.5100     | 25.5600 | 1032.00     | 1037.00 | 2326.00     | 2336.00 |
| <b>CLOSE</b>           | 1884.10     | 1886.10 | 25.9800     | 26.0300 | 1041.50     | 1046.50 | 2329.50     | 2339.50 |
| <b>EFP</b>             | 4.50        | 5.50    | 0.1500      | 0.2000  | 4.50        | 9.50    | 0.00        | 10.00   |
| <b>Active Contract</b> | GCG1 Comdty |         | SIH1 Comdty |         | PLF1 Comdty |         | PAH1 Comdty |         |

### MACRO

- Markets were on the rise, supported by optimism about Brexit deal, a U.S. stimulus package and Covid-19 vaccine (Moderna expecting FDA approval)
- The Dow Jones Industrial Average climbed 148.83 points (+0.49%) to 30,303.37 points, the S&P 500 added 21.31 points (+0.58%) to 3,722.48 points, while Nasdaq gained 106.56 points (+0.84%) to 12,764.75 points.
- Materials (+1.18%) and Real Estate (+1.21%) led the gains, while Energy (-0.57%) and Communication Services (-0.31%) were the main laggards.
- The VIX gauge lost 2.53% to 21.93
- The U.S. dollar index (DXY) weakened to 89.79, EUR was at 1.2270, USD/JPY at 103.11
- U.S. treasury yields finished higher. The two-year yield lifted 1bp to 0.125%, the 10-year yield added 1bp to 0.931%.
- The EuroSTOXX added +0.30%, the German DAX gained +0.75%, while the UK FTSE declined 0.30%.
- Brent declined -0.1% to USD \$51.48 per barrel, whilst WTI added +0.1% to USD \$48.36.
- Base metals were overall higher, with Copper (+1.1%) taking the lead
- In the U.S. economic data; New jobless claims surged to 885,000
- Housing starts (SAAR) were up at 1.547 million and Building permits (SAAR) at 1.639 million for the month of November.
- Philadelphia Fed index fell to 11.1 in December

**PRECIOUS**

- Further gains across the precious complex on Thursday driven by dollar declines.
- Price action in Asia was constructive to see gold consolidate above USD \$1,860, however remained range-bound into European hours.
- Dollar declines accelerated in London to see gold extend above USD \$1,880, while early New York interest saw the session high of USD \$1,896 before mild profit taking tempered gains into the close.
- The yellow metal looks to consolidate recent gains above the broad USD \$1,850 - \$1,875 level for a further attempt through the USD \$1,900 resistance.
- Silver extended recent gains on Thursday, pivoting above USD \$25.50 in London and briefly trading with a USD \$26 handle in New York.
- A mixed session for platinum as the metal once again failed to consolidate above USD \$1,050, however remains well supported.

**PRE-ASIA COMMENTS**

- The precious complex remains buoyant in early Asian trade, exhibiting mild profit taking following recent gains.
- Ahead today:
- U.K. retail sales
- German IFO data
- U.S. current account balance
- U.S. leading index

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