



MKS PAMP  
GROUP

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



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

17-Sep-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1944.30	1944.90	26.8375	26.8575	949.00	951.00	2382.50	2412.50
HIGH	1949.20	1949.80	27.0600	27.0800	954.50	956.50	2389.00	2419.00
LOW	1933.50	1934.10	26.2850	26.3050	925.50	927.50	2301.50	2331.50
CLOSE	1943.70	1944.30	26.9250	26.9450	934.50	936.50	2331.00	2361.00
EFP	4.00	8.00	0.1600	0.2400	-5.00	5.00	-4.00	26.00
Active Contract	GCZ0 Comdty		SIZ0 Comdty		PLV0 Comdty		PAZ0 Comdty	

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#### MACRO

- Equity markets failed to make progress on Thursday despite the very dovish guidance from central banks this week.
- The Dow retreated -0.47% to 27,901.98, the S&P 500 fell -0.84% to 3,357.01, while the Nasdaq plunged -1.27% to 10,910.28.
- In Europe, it was a similar scenario with major indices falling. The FTSE100 dipped -0.47% to 6,049.92, the DAX shrugged off -0.36% to 13,208.12, the CAC40 dropped -0.69% to 5,039.50 and the Euro Stoxx 600 eased -0.52% to 371.23.
- The US dollar reversed almost all of the previous days gains and some, the DXY down -0.26% to 92.92. The EUR/USD traded back through 1.18, while USD/JPY traded as low as 104.53.
- US treasury yields were fairly flat, the 2 year yield was unchanged at 0.135% while the 10 year yield fell 1 bps to 0.687%.
- Oil prices were higher, Brent rose 2.3% to \$43.28 while WTI added 2.1% to \$40.97.
- Base metals were lower, with sentiment taking a hit following the gloomy economic outlook post FOMC. Nickel and aluminium were the hardest hit and copper managed to just keep its

head above water.

- In US economic data, US initial jobless claims improved marginally to 860k, from an upwardly revised 893k (850k expected). Continuing claims fell to 12.628m vs 13.544m a week earlier.
- The Philly Fed Business outlook index eased to 15.0 (17.2 prior).
- Building Permits fell -0.9% MoM after rising +17.9% previously.
- In Europe, August CPI fell -0.4% MoM as expected (-0.4% prior), while YoY it was -0.2% (-0.2% prior).
- The Bank of England kept its rates on hold at 0.1% and asset purchases unchanged.

#### **PRECIOUS**

- Gold struggled to hold onto gains from the previous day as investors mulled over the Fed's next move and weak data failed to invigorate any safe-haven buying.
- During Asia the dollar began to sharply appreciate against a host of assets, which dragged gold off the opening levels around \$1960.
- EURUSD and GBPUSD broke through some key levels and triggered further dollar buying pressuring gold down to a low in Asia of \$1938.40.
- Throughout London the yellow metal continually ran into supply between \$1946-50 which capped the market.
- There was a brief dip to the days low in early NYK, although it recovered and traded a modest (\$1942-48) for the remainder of the session. This was despite a strong recovery in EURUSD and soft USDJPY.
- Silver pushed back below \$27 in Asia and was aggressively sold off to \$26.30 early in NYK on the back of some heavy stop loss selling. It quickly rebounded though with bargain hunters swooping in - the metal ultimately closing at \$27.05.
- Platinum was hammered from the onset, plunging from \$970 to trade as low as \$927.50 (-5.0%) and never really looked like bouncing back - closing at \$937.

#### **PRE-ASIA COMMENTS**

- Metals have been bid in early trade spurred on by a softer dollar.
- Flows however remain light, with small retail demand seen thus far.
- Ahead today:
  - UK and Canadian retail sales
  - German PPI
  - Italian industrial sales
  - US Current Account / Leading Index / University of Michigan sentiment

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