



MKS PAMP
GROUP

Europe/US Market Update - 19th August 2019



Europe/US Markets (from Globex open)

16-Aug-2019	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1519.85	1520.35	17.220	17.240	835.60	837.60	1446.90	1451.90
HIGH	1522.00	1522.50	17.280	17.300	849.00	851.00	1452.00	1457.00
LOW	1503.75	1504.25	17.050	17.070	833.00	835.00	1443.00	1448.00
CLOSE	1513.15	1513.65	17.105	17.125	848.30	850.30	1451.00	1456.00
EFP	10.30	10.50	-0.0300	-0.0200	2.00	3.00	-13.00	-8.00
LBMA Prices	AM	PM	17.160		AM	PM	AM	PM
	1509.05	1515.25			834.00	833.00	1447.00	1458.00
Active Contract	GCZ9 Comdty		SIU9 Comdty		PLV9 Comdty		PAU9 Comdty	

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MACRO

- Friday marked a calmer day for financial markets, aided by some profit taking ahead of the weekend and a mild improvement in risk sentiment.
- US equities pushed higher with the Dow advancing +1.2% to 25,886.01, the S&P 500 climbed +1.44% to 2,888.68 and the Nasdaq Composite rallied +1.67% to 7,895.994.
- European equity indices also trading on a more positive footing the Euro Stoxx 600 rising +1.24% to 369.63, the FTSE100 up +0.71% to 7,117.15, the DAX improving +1.31% to 11,562.74 and the CAC40 adding +1.22% to 5,300.79.
- Yields had some reprieve after the collapse seen over the past few weeks. The US 10y rose +2.7 bps to 1.553%, the US 2y yield was slightly softer down -1.9 bps to 1.48% and the German 10y bund climbed +2.7 bps to -0.69%.
- Oil steadied the WTI up +0.9% to \$54.97/bbl and Brent closed in the green up +0.91% to \$58.76/bbl.

- The Euro Area trade surplus narrowed to EUR 20.6 billion in June 2019 from EUR 22.6 billion in the corresponding month of the previous year and easily beating market forecasts of a EUR 16.3 billion surplus.
- Building permits in the United States surged 8.4% from a month earlier to a seasonally adjusted annual rate of 1,336 thousand in July 2019, while markets were expecting a smaller rise of 3.1%. It is the strongest gain in building permits since June 2017, as authorisations for the volatile multi-family housing segment jumped 21.8% to 498,000 and single-family permits rose 1.8% to 838,000.
- US housing starts dropped 4.0 percent from a month earlier to a seasonally adjusted annual rate of 1,191 thousand units in July 2019, compared to market expectations of 1,257 thousand and following a revised 1.8 percent fall in June. A third consecutive monthly decline
- The University of Michigan's consumer sentiment for the US fell to 92.1 in August 2019 from 98.4 in the previous month and well below market consensus of 97.2, a preliminary estimate showed. That was the lowest reading since January, as monetary and trade policies have heightened consumer uncertainty about their future financial prospects.

PRECIOUS

- Some easing in trade tensions on Friday helped to cool safe-haven assets after a very strong run.
- Gold opened around \$1523.50 in Asia and spiked to the days highs (\$1527.80) around the time Tocom opened for trade. Once Shanghai opened for business however, the yellow metal began to slide lower, continuing throughout the remainder of Asia and much of the European day. This was in line with firmer equities and sliding rising yields.
- Investors continued to add to their long gold positions , with CFTC data showing its highest net long position for 20 years, predicated by dovish central banks around the world and the potential global growth fall-out from the China/US trade war.
- ETF inflows remain strong, with the SPDR Gold ETF now sitting at 843.41 tons (27.11 million oz) in trust or USD \$41 billion. The most since September 2016 and 40 tons more than holdings were at the start of July.

PRE-ASIA COMMENTS

- Gold so far this morning has eased further below \$1510.
- Silver has approached \$17.00 on the downside, yet has so far maintained the 17 handle.
- A quiet day of data ahead with the only real point of note being EuroZone CPI. Good luck.

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