



MKS PAMP  
GROUP

## Europe/US Market Update - 19th September 2019



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

18-Sep-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1502.60	1503.10	17.9375	17.9575	939.80	941.80	1584.30	1594.30
HIGH	1511.30	1511.80	17.9925	18.0125	942.50	944.50	1600.10	1610.10
LOW	1483.50	1484.00	17.5025	17.5225	919.60	921.60	1564.20	1574.20
CLOSE	1493.00	1493.50	17.7175	17.7375	929.40	931.40	1581.60	1591.60
EFP	7.20	7.70	0.0575	0.0775	0.50	2.50	(11.00)	(1.00)
LBMA Prices	AM	PM	17.8500		AM	PM	AM	PM
	1502.20	1503.50			938.00	939.00	1597.00	1594.00
Active Contract	GCZ9 Comdty		SI29 Comdty		PLV9 Comdty		PAZ9 Comdty	

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### MACRO

- As widely expected the FOMC cut interest rates by 25bps overnight to between 1.75 - 2.00%
- Members George and Rosengren voted for no change, while Bullard wanted for a 50bp cut.
- The policy statement changed little from previous meetings, however the committee raised growth expectations to +2.2% for 2019 (2.1% in June), while inflation expectations were unchanged for 2019.
- Stocks in the U.S. finished mixed overnight follow the lack of future direction from the Fed, initially sold on the FOMC announcement, before recovering into the close.
- The DJIA ended the session +0.13% higher at 27,147.08 points, the S&P 500 gained +0.03% to 3,006.73 points, while the Nasdaq Composite eased -0.11% to 8,177.391 points.
- Financials (+0.44%) and utilities (+0.47%) led gains.
- The VIX gauge eased -3.39% to 13.95
- The greenback firmed post-FOMC to finish +0.35% higher on the session. The Euro declined -

- 0.38% to test a move underneath 1.10, while the yen softened -0.3%.
- Treasury yields in the U.S. ripped higher post- FOMC, seeing 2-years 3bps higher to 1.758% (pre-FOMC 1.67%), while 10-years finished flat, however added 6bps from the pre-FOMC low.
- European stocks were mixed into FOMC decision. The Stoxx Europe 600 added just +0.02% to 389.41 points, the German Dax gained +0.14% to 12,389.62 points, while in London the FTSE 100 eased -0.09% to 7,314.05 points.

## **PRECIOUS**

- Gold turned sharply lower post-FOMC to test the recent supportive band around USD \$1,480 - \$1,485.
- It was a generally quiet session leading into the Fed decision, as bullion held USD \$1,500 and saw a mild bid tone in early U.S. hours.
- The yellow metal saw a USD \$1,511.80 high printed minutes prior to the rates decision, before being sharply toward USD \$1,500 initially, with further extension to a USD \$1,483.50 low before supportive interest restricted further declines.
- The metal finished around USD \$1,493 and holds within the recent range.
- Silver failed to break back above USD \$18 post the Chinese open on Wednesday and was sold sharply lower after the Fed rates decision.
- The grey metal held support toward USD \$17.50 and saw a mild bid into the close to finish around USD \$17.73.
- Much like gold, silver remains held within its recent range of USD \$17.40 - \$18.00 and struggles for direction.
- Platinum traded with an offered tone throughout the session and saw further weakness around the FOMC announcement, while palladium moved sharply lower in early New York trade, however recovered somewhat into the close.

## **PRE-ASIA COMMENTS**

- Gold has held relatively unchanged in early Asian flows.
- The metal will look to support broadly around USD \$1,475 - \$1,485, while USD \$1,500 remains a price action pivot.
- Data today includes;
- U.K. retail sales
- BOE rates decision
- U.S. initial jobless claims
- Philadelphia business outlook
- Bloomberg U.S. consumer confidence

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