



MKS PAMP
GROUP

Europe/US Market Update - 26th August 2019



Europe/US Markets (from Globex open)

23-Aug-2019	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1494.70	1495.20	16.985	17.015	857.10	860.10	1480.90	1485.90
HIGH	1529.80	1530.30	17.480	17.510	867.60	870.60	1491.30	1496.30
LOW	1494.70	1495.20	16.985	17.015	848.50	851.50	1454.00	1459.00
CLOSE	1527.20	1527.70	17.415	17.445	855.90	858.90	1457.90	1462.90
EFP	9.60	9.80	-0.0400	-0.0100	1.50	3.50	-12.00	-5.00
LBMA Prices	AM	PM	17.05		AM	PM	AM	PM
	1495.50	1503.80			860.00	851.00	1482.00	1460.00
Active Contract	GCZ9 Comdty		SIU9 Comdty		PLV9 Comdty		PAU9 Comdty	

MACRO

- Tensions between the U.S. and China increased at the weekend G7 summit in France, as the U.S. announced they would increase tariffs in retaliation to China's recent increase in duties on American goods. China announced an increase in duties of 5% and 10% on USD \$75 billion in U.S. imports on Friday.
- Fed Chairman Jerome Powell spoke at Jackson Hole on Friday, noting further weakness across the global economy and supporting the market's view of further rate cuts.
- There was further unrest in Hong Kong on the weekend as police pointed guns and deployed a water cannon against protesters.
- Stocks in the U.S. closed sharply lower on Friday on the back of trade tensions.
- The DJIA sunk -2.37% to 25,628.90 points, the S&P 500 collapsed -2.59% to 2,847.11 points and the Nasdaq Composite tanked -3.00% to 7,7581.766 points.
- Weakness was led by heavy falls across energy (-3.37%) and technology stocks (-3.31%) as all components of the S&P 500 finished in the red.
- European stocks traded heavily on Friday on trade headlines. The Stoxx Europe 600 fell -0.78%

to 371.36 points and the German Dax declined -1.15% to 11,611.51 points.

- In London the FTSE 100 pared gains late in trade to finish -0.47% lower at 7,094.98 points.
- The greenback declined against majors on the back of the escalation in trade tensions between the U.S. and China, in addition to Powell's comments.
- The DXY index finished down -0.6%, notably lower against the Japanese yen as the pair moved underneath 106.00.
- U.S. treasury yields fell sharply, sending the 10-year briefly below the two-year yield. Trade tensions drove the price action to see the two-year finish off 7.8bps lower at 1.528%, while the 10-year dumped 9bps to touch a 1.523% low and mark the weakest level since August 2016.

PRECIOUS

- Gold ripped higher on Friday as trade tensions between the U.S. and China escalated further.
- Supportive interest kept price action buoyant during Asian trade toward USD \$1,494, while participants kept their powder dry heading into the Jackson Hole speech by Fed Chair Jerome Powell.
- Chinese tariff headlines and Powell's comments took gold back through USD \$1,500, while Trump's tweets regarding U.S. companies looking for alternatives to China sent the metal higher once again.
- The yellow metal ran into offers around USD \$1,530, however was able to close around the high print.
- Silver held USD \$17 during Asian hours and was generally well supported leading into U.S. hours.
- The grey metal ripped higher in New York to test the recent high at USD \$17.50 and was able to finish the session just underneath the figure.

PRE-ASIA COMMENTS

- Weekend trade developments has seen the precious complex open firmly higher.
- Gold swiftly took out the recent high around USD \$1,535 and extended above USD \$1,550 briefly. Key support now sits through USD \$1,530 - \$1,535 over the near term.
- Silver opened above USD \$17.50 and saw interest take the metal to a USD \$17.77 high in early Chinese pricing.
- On the data calendar today we see: German IFO survey results, Chicago national activity index, U.S. durable goods orders and the Dallas fed manufacturing print.

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