



MKS PAMP
GROUP

Europe/US Market Update - 27th May 2020



Europe/US Markets (from Globex open)

26-May-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1734.50	1735.50	17.4175	17.4375	844.50	846.50	2034.50	2064.50
HIGH	1734.70	1735.70	17.4400	17.4600	845.50	847.50	2035.00	2065.00
LOW	1709.20	1710.20	17.0550	17.0750	829.00	831.00	1939.50	1969.50
CLOSE	1709.80	1710.80	17.0600	17.0800	830.50	832.50	1968.50	1998.50
EFP	-8.00	-4.00	0.4200	0.4700	35.00	40.00	-5.00	45.00
Active Contract	GCMO Comdty		SINO Comdty		PLNO Comdty		PAMO Comdty	

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MACRO

- U.S. equities finished higher following the long weekend, seeing the S&P 500 briefly above 3,000 points before tempering gains into the close as it was reported that the U.S. was considering sanctions against Chinese officials over Hong Kong.
- Sentiment was buoyed by optimism that the worst of the economic damage had passed and fresh vaccine headlines.
- The DJIA ended the session +2.17% higher at 24,995.11 points, the S&P 500 gained +1.23% to 2,991.77 points and the Nasdaq Composite inched +0.17% to 9,340.223 points.
- The greenback continued its recent decline to finish -0.75% lower (lowest level since mid-March), outpaced by the Euro (EUR/USD +0.80%) as the pair tested toward 1.10 on ECB bund buying headlines.
- U.S. treasury yields pushed higher on the positive risk tone, seeing the two-year add 1bp to 0.171%, while the 10-year gained 4bps to 0.695%.
- Stocks in Europe finished higher as the Stoxx Europe 600 gained +1.08% to 348.92 points, the German Dax added +1.00% to 11,504.65 points, while in London the FTSE 100 firmed +1.24%

to 6,067.76 points.

- The Chicago Fed Nat activity index for April sunk to -16.74 (exp: -3.50) from -4.19 prev
- The Dallas Fed manufacturing index improved to -49.2 during May (exp: -61.0) from a record low of -73.7 in April.
- Consumer confidence in the U.S. ticked higher to 86.6 (exp: 87.0) from a downwardly revised 85.7 previously.

PRECIOUS

- The risk-on tone pressured gold lower on Tuesday, seeing the yellow metal underneath support through USD \$1,720.
- Trade during Asian hours saw bullion move higher, extending toward USD \$1,735 on the back of Chinese interest as the on-shore discount tightened.
- It was generally one-way traffic from the European open however, as gold turned offered to test USD \$1,720, while further declines in New York saw a USD \$1,710.20 low printed.
- Price action could be characterised by month-end flows as June rolls into August, pushing the June EFP to a USD -\$8 discount
- Silver failed to make headway above USD \$17.50 in Asia and moved sharply lower in New York to print a USD \$17.07 low.
- The grey metal continues to see support broadly through USD \$17.00 - \$16.94 (200 DMA)
- Platinum tracked lower throughout the session, rejected by USD \$850 to settle around the session low of USD \$831
- Palladium declined sharply in London back through USD \$2,000

PRE-ASIA COMMENTS

- Price action remains buoyant in early trade toward USD \$1,710, holding the support level, while silver has moved back toward USD \$17.20.
- Data releases today include;
- U.S. MBA mortgage applications
- Richmond Fed manufacturing index

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