



MKS PAMP
GROUP

Europe/US Market Update - 2nd August 2019



Europe/US Markets (from Globex open)

1-Aug-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1413.80	1414.30	16.2650	16.2850	864.50	867.50	1519.50	1522.50
HIGH	1446.10	1446.60	16.3850	16.4050	866.50	869.50	1523.00	1526.00
LOW	1400.60	1401.10	15.9225	15.9425	843.00	846.00	1413.50	1416.50
CLOSE	1443.10	1443.60	16.3175	16.3375	854.00	857.00	1432.00	1435.00
EFP	12.00	12.10	0.0100	0.0200	3.00	4.00	-7.00	3.00
LBMA Prices	AM	PM	16.005		AM	PM	AM	PM
	1406.40	1406.80			852.00	844.00	1514.00	1451.00
Active Contract	GCZ9 Comdty		SIU9 Comdty		PLV9 Comdty		PAU9 Comdty	

[Download Europe/US Table](#)

MACRO

- President Trump sent markets into a spin overnight after announcing a fresh 10% tariff on USD \$300 billion of Chinese goods from 1 September. The move comes as recent talks show no sign of breaking the stalemate.
- Stocks in the U.S. sold off sharply on the back of the Trump tweet to reverse early session gains.
- The DJIA finished the session down -1.05% to 26,583.42 points, the S&P 500 fell -0.90% to 2,593.56 points and the tech-laden Nasdaq Composite shed -0.79% to 8,111.121 points.
- Leading the declines were falls to financials (-2.32%) and energy stocks (-2.28%).
- The VIX gauge spiked 11% to 17.87, a near 2-month high for the gauge.
- The greenback finished down -0.26% after reversing early session gains, largely falling against the Japanese yen as the pair fell -1.39% to test toward 107.00.
- U.S. treasury yields turned sharply lower following the tariff headlines, seeing the 10-year a staggering 15bp lower to 1.895%.

- The U.S. ISM manufacturing PMI softened to the slowest pace in 3-years during July, falling to 51.2 (exp: 52.0) from 51.7 previously.
- Initial jobless claims in the U.S. climbed 8,000 to 215,000 during the week ended July 27, taking the four-week moving average 1,750 lower to 211,500.
- Construction spending in the U.S. fell -1.3% MoM (exp: +0.3%) during June to follow a -0.5% fall the month prior.
- Stocks in Europe finished generally higher overnight as positive earnings results underpinned gains. The Europe stoxx 600 finished +0.50% higher to 387.68 points, the German Dax tacked on +0.53% 12,253.15 points, while in London the FTSE 100 slipped just -0.03% to 7,584.87 points as the BOE unanimously voted to keep rates on hold, while lowering its growth forecast to 1.3% for 2019 from 1.5% previously.

PRECIOUS

- A volatile session across the precious complex overnight, as gold recouped previous session declines on the back of President Trump's fresh tariff threat.
- The yellow metal saw sustained weakness throughout Asian/European hours, easing toward USD \$1,400, however able to hold the key support level.
- The tariff headlines saw equities, the greenback and U.S. yields lower, while underpinning gains to gold.
- The yellow metal pushed toward USD \$1,420, before ripping through the figure and extending to a USD \$1,446 session high.
- Silver moved briefly underneath USD \$16 before turning bid with gold to mark a USD \$16.38 session high.
- Weakness remains evident across the white metals, with palladium notably collapsing underneath USD \$1,500 to finish the session down 5.8%.

PRE-ASIA COMMENTS

- Gold has traded lower in early Asian trade, falling toward the USD \$1,430 pivot level as fast money looks to take profit following the overnight strength.
- Supportive interest remains around USD \$1,430, with extension toward USD \$1,420. The key top-side target sits at USD \$1,450, while a break above this level is likely to see the metal extend higher.
- Ahead today:
 - U.S. payrolls
 - U.S. unemployment rate
 - U.S. wage data
 - U.S. trade balance
 - U.S. factory orders
 - U.S. durable goods orders
 - University of Michigan U.S. consumer sentiment

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.