

Europe/US Market Update - 3rd June 2021



Europe/US Markets (from Globex open)

| 2-Jun-21 | GOLD | | SILVER | | PLATINUM | | PALLADIUM | |
|-----------------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|
| | Bid | Offer | Bid | Offer | Bid | Offer | Bid | Offer |
| OPEN | 1897.30 | 1897.90 | 27.7350 | 27.7650 | 1186.50 | 1189.50 | 2850.50 | 2865.50 |
| HIGH | 1908.80 | 1909.40 | 28.1700 | 28.2000 | 1194.00 | 1197.00 | 2863.00 | 2878.00 |
| LOW | 1894.40 | 1895.00 | 27.6800 | 27.7100 | 1178.00 | 1181.00 | 2828.50 | 2843.50 |
| CLOSE | 1908.00 | 1908.60 | 28.1500 | 28.1800 | 1193.00 | 1196.00 | 2852.00 | 2867.00 |
| EFP | 2.20 | 2.60 | 12.700 | 13.200 | -0.30 | 0.30 | 1.00 | 7.00 |
| Active Contract | GCQ1 Comdty | | SIN1 Comdty | | PLN1 Comdty | | PAU1 Comdty | |

MACRO

- A reasonably quiet night for equities, with all major index's posting marginal gains.
- The Dow rose 25.07 points to 34,600.38, the S&P 500 strengthened 6.08 points to 4,208.12 whilst the Nasdaq added 19.85 points to 13,756.33.
- Energy (+1.74%) and Real Estate (+1.41%) led the gains, whilst Materials (-0.94%) declined.
- The VIX gauge was down 2.35% to 17.48.
- The US dollar index finished the session at 89.90. The EUR settled at 1.2212, whilst the USD/JPY is trading at 109.59.
- US treasury yields were softer. The 2 year yield was down 0.2bps at 0.145% whilst the the 10 year yield lost 1.9bps at 1.588%.
- European shares were firmer. The EuroSTOXX was up 0.28%, the German DAX gained 0.23% whilst the UK FTSE rose 0.39%.
- Base metals were mixed. Zinc (+0.6%) and Nickel (+0.6%) led the gains, whilst Copper (-1.0%) and Aluminium (-1.0%) were softer on the day.
- Oil prices were higher. Brent gained 1.0% to \$71.30 per barrel whilst WTI was up 1.2% to \$68.78 per barrel.
- The CRB index rose 0.4% to settle the session at 209.30.
- US weekly mortgage applications fell 4% in the week to May 28, the second week in a row that applications have fallen.
- German retail sales for April were lower than expected, declining 5.5% month on month.
- UK mortgage approvals for May were firmer than expectations, rising by 89,600.
- A cyber attack on international beef giant JBS forced the company to close all of their meat processing plants.

PRECIOUS

- A mixed day for the precious, but the metals managed to hold well closing the day on or near the highs.

- Asia saw some light demand in early trade squeezing XAU up to 1902, following the ugly sell off the previous session.
- The market drifted lower for the rest of the Asian day, and saw some heavy liquidation when the SGE premium turn from a \$6 premium to a \$14 discount,
- The yellow metal oscillated between 1895-1900 for the ensuing hours leading into the NY open.
- Once NY came in, bargain hunters, short covering and a softening USD saw the metal regain the 1900 handle and didn't look back closing the day at 1908.
- Silver mirrored gold for the most part, managing to trade back above the 28 handle up to a high of 28.17 which is where the metal closed.
- The PGM's also managed to find a bid with platinum trying to recoup the 1200 level once again and palladium pushing back above the 2850 level.
- The Philadelphia gold and silver index posted a modest gain of 0.04% to close at 165.70.

PRE-ASIA COMMENTS

- Gold holding onto its overnight gains in early trade sitting around 1908.
- Asian equities open higher following Wall Street's lead.
- Ahead today: US initial jobless claims; US ISM non manufacturing PMI

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