



MKS PAMP  
GROUP

## Europe/US Market Update - 30th August 2019



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

29-Aug-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1544.40	1544.90	18.4450	18.4650	910.50	913.50	1478.00	1481.00
<b>HIGH</b>	1550.50	1551.00	18.6550	18.6750	936.00	939.00	1492.00	1495.00
<b>LOW</b>	1519.90	1520.40	18.0500	18.0700	910.00	913.00	1473.50	1476.50
<b>CLOSE</b>	1527.60	1528.10	18.2425	18.2625	915.50	918.50	1476.00	1479.00
<b>EFP</b>	9.05	9.15	-0.0350	-0.0250	2.00	3.00	-13.00	-5.00
<b>LBMA Prices</b>	AM	PM	18.480		AM	PM	AM	PM
	1536.65	1540.20			916.00	923.00	1485.00	1483.00
<b>Active Contract</b>	GCZ9 Comdty		SIU9 Comdty		PLV9 Comdty		PAU9 Comdty	

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#### MACRO

- It was a less anxious day in financial markets Thursday, given a lack of developments on the trade front.
- US equities punched higher - Dow +326.15 pts (+1.25%) to 26,362.25, S&P500 +36.64 pts (+1.27%) to 2,924.58 and the Nasdaq Composite rallied +116.51 pts (+1.48%) to 7,973.395.
- European equities also enjoyed a rebound - Euro Stoxx 600 +1.04% to 376.74, FTSE100 +0.98% to 7,184.32, DAX +1.18% to 11,838.88 and CAC40 +1.51% to 5,449.97.
- Crude oil continued to advance with WTI gaining +1.65% to \$56.60/bbl and Brent +0.98% to \$61.08/bbl.
- In base metals - Copper (LME) +0.65% to \$5722/ton, Aluminium +0.36% to \$1731/ton and Iron ore -1.02% to \$81.30.
- The second revision to US Q2 GDP was in line with expectations, rising +2.0% vs +2.1% in the first estimate. Personal consumption was revised up to 4.7% vs 4.3% as spending on durable

goods rose 13%. The background to consumption remains very strong and is now supported by lower interest rates. Business investment data were largely unchanged, with equipment investment up +0.7%. Net trade dragged: exports fell -5.8% and imports rose +0.1%. Corporate profits were up. The data point to an economy that is becoming over-reliant on consumption for growth.

- The July goods trade deficit was marginally better than expected, but sizeable. A USD72bn deficit will only fire up President Trump in trade negotiations, but it is difficult to get the trade deficit down while spiking consumption with tax cuts and pressuring the Fed to lower rates.
- The Consumer Price Index in Germany decreased 0.20 percent in August of 2019 over the previous month.

## **PRECIOUS**

- Gold retreated overnight following the move higher in equities, yields and the dollar, in what was a textbook correction.
- In Asia, the yellow metal after initially dipping, ground its way slowly higher during Asia, pushing to the days high of \$1550.50 during the early European hours. Decent selling (Chinese bank/macro) above \$1550 capped any further advance.
- It pulled back to \$1535 over the proceeding hours, rallying back to \$1545 during NYK but then proceeded lower as length was trimmed.
- There was little in the way of buying on the dip with good macro and hedge fund selling seen on the way down to \$1520. The gold ended up closing at \$1527.50.
- Platinum continued on from Wednesday's impressive rally, punching decidedly through \$900 overnight and posting a high of \$936 and just above support at \$915. Platinum has rallied an impressive +5.9% in the previous 2 sessions from Wednesday's open of \$865.

## **PRE-ASIA COMMENTS**

- Gold has remained fairly flat so far today trading between \$1524-1529 so far.
- Volume has been moderate through Comex at time of writing - 33k lots GCZ9 after 4.5 hours of trade.
- On the data calendar today: German retail sales, UK housing prices, Euro Zone CPI and unemployment and US personal spending/income, University of Michigan sentiment, PCE deflator and MNI Chicago PMI.

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