



MKS PAMP
GROUP

Europe/US Market Update - 3rd February 2020



Europe/US Markets (from Globex open)

31-Jan-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1573.80	1574.30	17.8375	17.8575	978.50	980.50	2309.00	2349.00
HIGH	1589.50	1590.00	18.0900	18.1100	980.00	982.00	2309.50	2349.50
LOW	1573.00	1573.50	17.7850	17.8050	956.00	958.00	2285.00	2325.00
CLOSE	1589.20	1589.70	18.0450	18.0650	961.00	963.00	2289.00	2329.00
EFP	4.60	4.70	-0.0200	-0.0100	2.50	3.50	-100.00	-60.00
Active Contract	GC10 Comdty		SI10 Comdty		PL10 Comdty		PA10 Comdty	

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MACRO

- US equities were hammered Thursday as coronavirus fears escalate.
- The Dow lost 603.41 points to 28,256.03, the S&P 500 fell 58.14 points to 3,225.52, while the Nasdaq shed 148.00 points to 9,150.94.
- Energy (-3.18%) and tech (-2.72%) led a near broad decline in the markets.
- The VIX gauge rose 21.63% to 18.84.
- The US dollar index eased 0.50% to 97.36, the EUR traded up to 1.1096, while USD/JPY was down to 108.34.
- US treasury yields were sharply lower, the 2 year yield fell 9.8 bps to 1.313% while the 10 year yield slumped 8.2 bps to 1.507%.
- European shares were lower, the EuroSTOXX gave up 1.07%, the German DAX declined 1.33%, while the UK FTSE lost 1.30%.
- Oil prices were sharply lower, Brent dropped 4.8% while WTI sold off 3.2% to \$51.56.
- Base metals were mixed, with nickel (+1.8%) the standout.
- In US economic data, consumer spending rose 0.3% in December.

- The PCE core price index rose 0.2% in December.
- Personal income rose 0.2% in December.
- The employment cost index rose 0.7% in the 4th quarter of 2019.
- The Chicago PMI fell in 42.9 in January from 48.9 in December.
- The University of Michigan consumer sentiment index rose 99.8 in January.

PRECIOUS

- Firmer session for the precious as coronavirus fears fuel risk-off sentiment in the markets.
- Gold tested the \$1570 support during the first few hours of Asian trading.
- The metal firmed into the London open and they were happy to buy into the strength.
- Selling at \$1580 capped the market during the London AM session.
- Gold traded up to \$1588 in early NY hours as equities and the greenback slumped.
- A pullback toward \$1580 was short lived and the metal closed right on the \$1589 high.
- Silver traded to a close above the psychological \$18 level.
- PGMs were lower, with platinum and palladium closing at \$961 and \$2289 respectively.
- The Philadelphia gold and silver index firmed 0.40% to 103.94.
- SPDR Gold Trust holdings were down 0.03% to 903.21mt.

PRE-ASIA COMMENTS

- Gold flat in early Asian trading.
- Ahead today:
- US Markit Manufacturing PMI
- US ISM Manufacturing Index
- US Construction Spending
- US Motor Vehicle Sales
- EU Markit Manufacturing PMI

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