

Daily US/European Wrap

Gold's technical ceilings Keeping things contained



Source: MKS PAMP Group

GCZ1 Comdty (GOLD 100 OZ FUTR Dec21) GCZ1 technical Daily 31DEC2020-04AUG2021

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04-Aug-2021 16:25:53

- **US equities leaked lower after some mixed US data (record ISM services index growth, but ADP employment was a big miss) and perceivably hawkish comments by the Feds Richard Clarida.** He suggested interest rates could rise by 2023 with a possible taper announcement later this year and saw inflation risks to the upside. Its surprising to see the markets interpret it as hawkish (2023 is 2years away and a lot can happen between now and then), but it simply highlights the high bar set for liquidity/dovish comments.
- SPX (ES Futures) seems to be putting in a triple top at ~4420, while US yields (10yrs) fell to 1.13% before rising to nearly 1.2% providing the driving force, together with the reversal in the US\$, behind **Golds similar intraday reversal**. Gold prices revisited the key \$1830 handle (GCZ1, or ~\$1820 in cash) which is where the 50 & 200 DMA converge and is the level of several past failures (See chart). **Theres been a lot of chatter behind potential Gold catalysts (debt ceiling, Delta variant, lower real/nominal yields), yet it remains stuck. Technically, Gold feels like a beach ball under water if it can source a NEW catalyst (poor NFP print??). However, if none emerges, the most likely outcome is when everyone (bull) throws in the towel, that'll be the time it shows up & reprices higher...**
- **Platinum was the clear underperformer** today, falling through support levels around \$1040, spurred along by ZAR weakness toward 14.40 and highlighting the lack of physical support, once paper flows turn. Palladium remained contained and Silver put in similar reversal to Gold (a spring to \$26 after the ADP report, which was unwound even faster on Clarida comments & strong ISM).

METALS	GCZ1 Commodity	SIU1 Commodity	PLV1 Commodity	PAU1 Commodity	HGCU1 Commodity
Active contract	Gold - GCZ1 (\$/oz)	Silver - SIU1 (\$/oz)	Platinum - PLV1 (\$/oz)	Palladium - PAU1 (\$/oz)	HG Copper (\$/lbs)
Open	\$ 1,813.70	\$ 25.59	\$ 1,046.00	\$ 2,645.50	\$ 4.38
High	\$ 1,835.90	\$ 26.09	\$ 1,052.00	\$ 2,680.00	\$ 4.40
Low	\$ 1,808.30	\$ 25.38	\$ 1,016.60	\$ 2,644.00	\$ 4.32
Settlement	\$ 1,814.50	\$ 25.46	\$ 1,021.30	\$ 2,651.70	\$ 4.33
Price range	\$ 27.60	\$ 0.72	\$ 35.40	\$ 36.00	\$ 0.08
1day net change	\$ 0.70	\$ (0.14)	\$ (26.70)	\$ 4.20	\$ (5.75)
1day % change	0.0%	-0.6%	-2.6%	0.2%	-1.3%
5 day % change	0.6%	2.3%	-3.6%	1.0%	-3.4%

MACRO	SPX	DXY	EUR	10yr yields	WTI
Last Price	4402.66	92.28	1.18	1.17	67.95
1day % change	-0.5%	0.2%	-0.2%	0.0%	-3.7%
5 day % change	0.0%	0.0%	-0.1%	-4.9%	-6.1%

PRECIOUS FLOWS	ETF HOLDINGS & FLOWS (oz)			FUTURES HOLDINGS & FLOWS (# of contracts)		
	Lastest ETF Holdings	1day change	5day change	Aggregate Open Interest	1 day O.I change in active	Aggregate Futures Volume
Flows (oz)						
Gold	100,524,727	(28,857)	315,987	485,663	(1,405)	252,647
Silver	920,066,943	508,448	(136,037)	146,196	(265)	74,436
Platinum	3,901,634	631	(88,015)	61,085	(118)	15,998
Palladium	546,758	(284)	3,144	10,485	18	1,445

Source: Bloomberg, CME, MKS PAMP Group

Last Updated: 4:30PM ET

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