



MKS PAMP
GROUP

Europe/US Market Update - 5th August 2019



Europe/US Markets (from Globex open)

2-Aug-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1434.20	1434.70	16.2100	16.2300	852.20	854.20	1432.80	1442.80
HIGH	1447.50	1448.00	16.3050	16.3250	853.40	855.40	1437.60	1447.60
LOW	1431.30	1431.80	16.0050	16.0250	841.30	843.30	1375.20	1385.20
CLOSE	1441.00	1441.50	16.2000	16.2200	844.30	846.30	1400.10	1410.10
EFP	11.70	12.20	0.0050	0.0250	2.00	4.00	(7.00)	3.00
LBMA Prices	AM	PM	16.1950		AM	PM	AM	PM
	1436.05	1441.75			845.00	841.00	1421.00	1389.00
Active Contract	GCZ9 Comdty		SIU9 Comdty		PLV9 Comdty		PAU9 Comdty	

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MACRO

- Markets remained cautious in the wake of President Trump's announcement of 10% tariffs on an additional USD \$300 billion of Chinese imports effective September 1st. The White House then further denied rumours that it would potentially delay the recent tariffs - which keeps investors worried about a global slowdown.
- Stock markets slid as a result - The Dow Jones closed down -0.37% to 26,485.01, the S&P500 relinquished -0.73% to 2,932.05 and the Nasdaq Composite was hit -1.32% to 8,004.073.
- European equities felt the full force of Trump's announcement Friday, with indices in the Bloc a sea of red. The Euro Stoxx 600 retreated -2.46% to 378.15, the DAX dropped -3.11% to 11,872.44, the FTSE100 plunged -2.34% to 7,407.06 and the CAC40 was hammered -3.57% to 5,359.00.
- The 10y US treasury yield sank -4.8 bps to 1.845% and the 2y yield gave up -2.2 bps to 1.712% due to the risk off environment.

- USDJPY continued to fall closing out the week at 106.58 after trading as high as 109.32 Thursday. EURUSD closed just above 1.11 and GBPUSD continued to hover between 1.2090-1.2170 and close at 1.2160.
- US non-farm payrolls came in at 164k (165k expected, 193k revised down prior).
- US unemployment rate was unchanged at 3.7% (3.6% expected).

PRECIOUS

- Markets continue to re-evaluate the Fed's rate cut expectations and search for safety amid rising trade tensions - with gold again moving towards the top of its recent range (\$1420-1450).
- In Asia on Friday the gold ticked lower toward \$1430 after opening around \$1445 throughout the Asia session. Some good bids however on Comex stayed the decline however and after London came in was bid back higher.
- A brief tick lower during the early NYK hours back toward \$1431, was enthusiastically paid by the macro crowd. The metal continued higher from there to close out the week slightly north of \$1440.
- Silver also closed Friday around \$0.12 lower at \$16.20.
- Palladium continued to unwind, down a further \$20 to close the week at \$1408.

PRE-ASIA COMMENTS

- Gold has surged higher this morning, breaking through \$1450 briefly so far on the back of a stronger dollar and falling USDJPY.
- USDCNH and USDCNY have both broken upwards through 7.00 this morning, the former moving from 6.9820 to a high of 7.1114 in the space of 25 minutes!
- USDJPY fallen through 106.00 and hit a low of 105.80.
- As I write the XAU has pushed again through \$1450 and looks supported.
- Ahead today:
 - Caixin China Composite and Services PMI
 - Markit Eurozone Composite and Services PMI
 - Markit US Composite and Services PMI
 - ISM US Non-Manufacturing Index

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