

Europe/US Market Update - 8th December 2020



Europe/US Markets (from Globex open)

7-Dec-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1839.60	1840.20	24.0750	24.0950	1043.00	1045.00	2365.00	2395.00
HIGH	1868.10	1868.70	24.7700	24.7900	1048.50	1050.50	2366.50	2396.50
LOW	1822.50	1823.10	23.5150	23.5350	1008.50	1010.50	2316.00	2346.00
CLOSE	1859.30	1859.90	24.5050	24.5250	1034.50	1036.50	2342.00	2372.00
EFP	2.00	6.00	0.1200	0.1800	2.00	10.00	-10.00	20.00
Active Contract	GCG1 Comdty		SIH1 Comdty		PLF1 Comdty		PAH1 Comdty	

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MACRO

- It was a mixed session in the US markets amid continuing negotiations over a new stimulus package.
- The Dow fell -148.47 points to 30,069.79, the S&P 500 declined -7.16 points to 3,691.96 while Nasdaq added +55.71 points to 12,519.95.
- Industries were mixed. Energy (-2.44%) led the laggards, while Communication Services (+0.61%) and Utilities (+0.55%) underpinned gains.
- The VIX gauge added +2.45% to 21.30.
- The US dollar index added to 90.87, while the EUR finished at 1.2111, USD/JPY at 104.04.
- US treasury yields declined, the 2 year yield lost -0.8bps to 0.141%, while the 10 year yield fell -3.2bps to 0.923%.
- The EuroSTOXX was down -0.30%, the German DAX declined -0.21%, while the UK FTSE added +0.08%
- Oil prices were on the slide. Brent lots- 0.7% to 48.67, while the WTI weakened -0.8% to \$45.66.
- Base metals were mixed. Aluminium (-1.3%) lead the losses, Zinc added +1.1%.
- In the US economic data; Consumer credit growth slowed down in October to \$7.288 billion, lower than an expected \$15.5 billion.
- German industrial production rose +3.2% m/m in October (-3.0% y/y), above expectations following an upwardly-revised 2.3% m/m gain in September.
- Euro area investor confidence for December was also better than expected, rising to -2.7 from -10. The improvement reflected vaccine news and guidance from the ECB that it will re-

calibrate its PEPP and TLTRO when it meets later this week.

- The expectations component of the survey rose to its highest level since April 2015.

PRECIOUS

- It was an exceptionally volatile day across the precious metals space, with gold and silver ultimately surging higher during the US session and platinum and palladium trading softer on the day.
- During Asia gold remained mostly subdued within an \$1833-41 range with mixed interest seen. There was some aggressive liquidation seen during the European morning, with gold falling from \$1841 and tumbling through the Asia low to a daily low of \$1823.10.
- In New York things quickly changed with strong buying demand for gold seen on the back of potential stimulus and still rising COVID cases.
- Gold rallied an impressive \$45 off of the lows to a peak of \$1868.10 and making quick work of the technical resistance at \$1848-50. It has since held in well between \$1860-65.
- Silver experienced a brutal sell-off in early London as weak longs were squeezed from \$24.05 down to the intra-day low of \$23.535.
- The white metal bounced back strongly in line with gold during the US session, charging from \$23.60 to \$24.77, stopping on a strong daily downward resistance line which goes back to July 2020.
- Platinum succumbed to some profit taking yesterday, following a week where some decent length has been put on. The metal opened at \$1060 and after a brief spike to the high in Asia came off toward \$1030 in Asia. It meandered to the low in Europe, before recovering marginally during the US.

PRE-ASIA COMMENTS

- Gold holding steady in early trade between \$1863-65.
- Silver is currently trading quietly and sits just above \$24.50.
- USD is currently flat vs. the majors, with the exception of GBPUSD which is 26 pips lower at 1.3352.
- Major economic releases as follows today:
- Australian NAB business confidence/conditions.
- Euro Zone employment
- Euro Zone ZEW survey
- Euro Zone GDP
- US non-farm productivity and labour costs

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