



# MKS PAMP GROUP

## Europe / US Market Update

### 2<sup>nd</sup> August 2018

Range Europe / US Markets  
(from Globex open)

1-Aug-18	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1224.02	1224.52	15.5230	15.5530	838.58	841.58	934.80	937.80
<b>HIGH</b>	1224.90	1225.40	15.5395	15.5695	839.27	842.27	935.65	938.65
<b>LOW</b>	1215.88	1216.38	15.3870	15.4170	814.54	817.54	913.87	916.87
<b>CLOSE</b>	1216.53	1217.03	15.3885	15.4185	816.73	819.73	918.18	921.18
<b>EFP</b>	8.55	8.65	0.0100	0.0200	1.50	2.50	-8.00	-5.00
<b>LBMA Prices</b>	AM 1222.75	PM 1219.00	15.475		AM 830.00	PM 825.00	AM 929.00	PM 927.00
<b>Active Contract</b>	GCZ8 Comdty		SIU8 Comdty		PLV8 Comdty		PAU8 Comdty	

#### MACRO

- The US FOMC left interest rates unchanged but signaled another rate increase in the near term.
- US equities were mostly lower on further concern around US-China trade relations.
- The Dow lost 81.37 points to 25,333.82, the S&P fell 2.93 points to 2,813.36, while the Nasdaq added 35.498 points to 7,707.286.
- There was a rally in tech stocks (+0.97%) while energy (-1.33%) and industrials (-1.28%) led the laggards.
- The VIX gauge rose 2.49% to 13.15.
- The US dollar index added 0.12% to 94.668, the EUR traded down to 1.1657, while USD/JPY peaked at 112.12 before dropping to 111.42.
- US treasury yields were higher, the 2 year yield firmed 0.82 bps to 2.6776% while the 10 year yield climbed 4.66 bps to 3.0064%.
- European shares were lower, the EuroSTOXX fell 0.45%, the German DAX lost 0.53%, while the UK FTSE shed 1.24%.
- Oil prices were lower, Brent sold off 2.45% to \$72.39 while WTI fell 1.60% to \$67.66.
- Base metals were broadly lower, with nickel (-3.14%) leading the losses.
- In US economic data, the private sector added 219k in July according to ADP.
- The ISM manufacturing index fell to 58.1% in July from 60.2% in June.
- Construction spending fell 1.1% in June following a 1.3% rise in May.

#### PRECIOUS

- The precious complex edged lower overnight weighed upon by the firm greenback.
- Gold opened in Asia around the highs of the day at 1224.
- News that the US is planning to impose 25% tariffs rather than 10% for \$200b in goods imported from China sent the USDCNH soaring weighing on the yellow metal.
- Gold lost \$4 down to a low of 1220 before finding a bid.



- London were happy to buy into the weakness pushing XAU back above 1224 but once the better than expected ADP figures were released the market turned lower edging back down towards 1220.
- PGM's were hammered overnight, with platinum trading as low as 818, some \$20 lower than high print of the day.
- The Philadelphia gold and silver index eased 1.43%
- The SPDR gold trust holdings fell 0.4% to 796.96 metric tons

#### **PRE-ASIA COMMENTS**

- Asian markets opened lower on Wall St's lead.
- Gold firmer in early Asian trading.
- Ahead today:

US Weekly Jobless Claims

US Factory Orders

EU PPI

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