



MKS PAMP GROUP

Europe / US Market Update

2nd October 2018

Range Europe / US Markets
(from Globex open)

1-Oct-18	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1188.15	1188.65	14.5850	14.6150	811.30	814.30	1063.90	1068.90
HIGH	1191.75	1192.25	14.625	14.655	824.40	827.40	1069.60	1074.60
LOW	1184.45	1184.95	14.3550	14.3850	807.40	810.40	1046.00	1051.00
CLOSE	1189.55	1190.05	14.4750	14.5050	822.10	825.10	1057.50	1062.50
EFP	3.35	3.85	0.0100	0.0400	1.00	4.00	-14.00	-9.00
LBMA Prices	AM	PM	14.55		AM	PM	AM	PM
	1185.30	1189.35			813.00	817.00	1065.00	1053.00
Active Contract	GCZ8 Comdty		SIZ8 Comdty		PLF9 Comdty		PAZ8 Comdty	

MACRO

- US equities surged higher following the US, Canada and Mexico reaching a deal on NAFTA.
- The Dow rallied 192.90 points whilst the S&P500 climbed 10.61 points.
- European shares were mixed. The Euro STOXX rose 0.4%, the German Dax jumped 0.8% whilst the UK FTSE eased 0.2%.
- The VIX gauge lost 1% to 12.00
- US treasuries were mixed. The 2 year yield fell 0.2 bps to 2.821% whilst the 10 year yield rose 1.5 bps to 3.084%.
- Oil prices rocketed higher. WTI rallied 2.9% to \$75.67 whilst Brent advanced 2.4% to \$85.17.
- Base metals were mixed. Aluminium rose 1.1% whilst nickel posted a loss of 0.8%.
- The CRB index rose 1.3% to 197.79.
- The US September ISM eased to 59.8 (mkt 60.0) but is still at elevated levels.
- New orders slipped to 61.8 from 65.1 with production lifting to 63.9 from 63.3.
- The Europe Market manufacturing PMI fell 0.1 points in September to 53.2 whilst the UK PMI rose 0.3 points to 53.80.
- Canada's monthly GDP was firmer than expected, up 2.4% y/y (mkt 2.2%)

PRECIOUS

- A fairly quiet day for the precious, with palladium and silver coming under pressure which weighed on gold.
- Asia was lifeless with most of the market closed including China, HK and Australia.
- Without the usual demand from China, XAU drifted lower over the course of the session leading into Europe.
- Europe had little interest with gold oscillating around the 1186-88 area,
- NY were happy to buy the dip, squeezing gold back above 1190, but with the Dow opening 300 points higher due to the NAFTA agreement, the metal was unable to sustain its ascendancy.
- Silver reversed a large part of Friday's gains, dropping almost 30 cents from the highs.
- Palladium also succumbed to profit taking trading towards 1050 support.
- The Philadelphia gold and silver index fell 0.4%.
- The SPDR gold trust holdings fell 0.28% to 740.17 metric tons.



MKS PAMP
GROUP

PRE-ASIA COMMENTS

- Asia equities open flat despite Wall Street's firm session.
- Gold edges higher in early trade.
- Ahead today:
 - Australia's interest rate decision.
 - Euro zone PPI
 - Fed Chairman Powell speaks at NABE Conference in Boston

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.