



MKS PAMP GROUP

Europe / US Market Update

6th September 2018

Range Europe / US Markets
(from Globex open)

5-Sep-2018	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1192.35	1192.85	14.125	14.145	775.90	777.90	974.00	979.00
HIGH	1198.00	1198.50	14.220	14.240	785.00	787.00	984.00	989.00
LOW	1191.8	1192.30	14.090	14.110	770.00	772.00	969.00	974.00
CLOSE	1196.75	1197.25	14.175	14.195	785.00	787.00	973.20	978.20
EFP	5.50	5.70	0.0300	0.0400	-1.00	0.00	-17.00	-7.00
LBMA Prices	AM	PM	14.170		AM	PM	AM	PM
	1194.70	1196.70			774.00	774.00	982.00	988.00
Active Contract	GCZ8 Comdty		SI28 Comdty		PLV8 Comdty		PAZ8 Comdty	

MACRO

- U.S. mortgage applications eased modestly during the week ended August 31, slipping -0.1% to mark the seventh fall in 8 weeks following a -1.7% decline the week prior.
- The U.S. trade deficit widened to a five-month high during July, increasing +9.5% to USD \$50.1 million (exp: USD \$45.7 million) as imports hit a record high.
- Equities in the U.S. ended mixed on Wednesday, largely a result of weakness across the technology sector
- The DJIA inched +0.09% higher to 25,974.99 points, while the S&P 500 fell -0.28% to 2,888.60 points and the Nasdaq Composite collapsed -1.19% to 7,995.172 points.
- The greenback softened in New York on Wednesday (DXY -0.3%), notably falling against the British pound following news that Germany would be willing to accept a less detailed Brexit agreement with the U.K.
- U.S. treasury yields were mostly unchanged following the trade deficit release, seeing the 10-year around 2.90% and the two-year holding 2.65%.
- Markets in Europe exhibited weakness on Wednesday on the back of concerns over trade. The Stoxx Europe 600 was off -1.09% to 375.68 points, while the German Dax fell -1.39% to 12,040.46 points.
- In the U.K. the FTSE 100 declined -1.00% to 7,383.28 points as the pound jumped late in trade on Brexit headlines.

PRECIOUS

- A positive session for gold on Wednesday as bargain hunters and a softer dollar underpinned a bid tone.
- The metal saw support toward USD \$1,190 throughout the session, before extending and consolidating above USD \$1,195 in New York to end +0.4% higher.
- Vols were largely unchanged to see 1m sit just underneath 10.
- Silver tested a move toward USD \$14.10 in early European trade, however saw interest in New York to touch a USD \$14.22 high and end with a +0.3% gain.
- Platinum was well bid during U.S. hours to gain +0.8%, while palladium under-performed to end -1% lower.



PRE-ASIA COMMENTS

- Early session interest has underpinned a mild bid tone to bullion, while the Shanghai premium remains robust toward USD \$6.
- The yellow metal remains sensitive to dollar flows and will look toward reclaiming USD \$1,200 if it is to constructively move higher.
- Support extends broadly through USD \$1,190 - \$1,195 over the near-term.
- Ahead on the data calendar today:
 - German factory orders
 - U.S. ADP employment
 - U.S. initial jobless claims
 - U.S. Markit services / composite PMI
 - U.S. ISM non-manufacturing index
 - U.S. factory orders
 - U.S. durable goods orders

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