



## MKS PAMP GROUP

### Europe / US Market Update

15<sup>th</sup> June 2018

Range Europe / US Markets  
(from Globex open)

14 <sup>th</sup> June 2018	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1299.55	1300.05	16.9975	17.0175	900.25	902.25	1007.00	1012.00
<b>HIGH</b>	1309.05	1309.55	17.3075	17.3275	913.05	915.05	1013.50	1018.50
<b>LOW</b>	1299.25	1299.75	16.9975	17.0175	900.25	902.25	1001.50	1006.50
<b>CLOSE</b>	1302.40	1302.90	17.1775	17.1975	905.95	907.95	1007.20	1012.20
<b>EFP</b>	3.20	3.60	0.0125	0.0325	-0.25	0.75	-8.00	-4.00
<b>LBMA Prices</b>	AM 1305.30	PM 1302.75	17.125		AM 905.00	PM 909.00	AM 1016.00	PM 1010.00
<b>Active Contract</b>	GCQ8 Comdty		SIN8 Comdty		PLN8 Comdty		PAU8 Comdty	

#### MACRO

- The ECB announced asset purchases will be reduced from September, tapered at 15 billion euro over the final three months of the year to completion in December. This is dependant upon incoming data.
- Surprising the market, the ECB noted that interest rates are expected to stay unchanged at least through summer 2019.
- U.S. retail sales jumped +0.8% MoM during May (exp: +0.4%), outpacing expectations to book the biggest advance since November 2017. Core retail sales increased +0.5% MoM.
- Initial jobless claims in the U.S. eased 4,000 to 218,000 during the week ended June 9. The print saw the four-week moving average slip 1,250 to 224,250, while continuing claims fell 49,000 to 1.697 million during the week ended June 2, the lowest level since December 1973.
- U.S. equities ended generally higher on Thursday, buoyed by the stronger than expected retail sales print and strong performance within the tech sector. The DJIA (-0.10%) eased marginally to end at 25,175.31 points, the S&P 500 added +0.25% to 2,782.49 points and the Nasdaq Composite surged +0.85% to 7,761.042 points, setting an intra-session and record close.
- The greenback (DXY +0.22%) edged higher on Thursday following the ECB announcement, booking notable gains against the euro as the common currency collapsed -1.9% to mark the worst daily percentage decline since the Brexit vote.
- U.S. treasury yields declined after the ECB said they would keep rates unchanged for longer than expected. The 10-year shed just over 3bps to 2.935% and the two-year eased 0.4bps to 2.563%.
- Equities in Europe ripped higher on Thursday as the ECB outlined an end to QE and the euro plummeted. The Stoxx Europe 600 jumped +1.23% to 393.04 points, the German Dax surged +1.68% to 13,107.10 points and the French CAC 40 added +1.39% to 5,528.46 points.
- In the U.K. weakness to the pound buoyed stocks to see the FTSE 100 +0.81% higher to 7,765.79 points, the highest close in a month.



## PRECIOUS

- A generally positive session for gold on Thursday, printing a fresh cycle high of USD \$1,309.55 before softening into the close.
- Interest during Asian hours kept pricing robust around USD \$1,300, with bids underneath the figure soaking up early session profit taking to have the metal back above USD \$1,300 into London.
- European price action pushed the metal toward USD \$1,305 on the back of a stronger euro into the ECB announcement, while the initial reaction to the end of QE saw the session high printed.
- As further details emerged regarding the timing of future interest rate rises, the euro was sharply sold lower to weigh upon the metal in New York, importantly closing above USD \$1,300 for a modest session gain.
- Silver saw volatile pricing on Thursday, dragged down to a USD \$16.93 low in Asia before running sharply back through the figure during the afternoon Chinese session. A short squeeze kept the metal bid throughout European hours, ripping to a USD \$17.30 high in early New York.
- Platinum was able to hold USD \$900, however hasn't pulled too far away from the figure, while palladium test USD \$1,000 and held support.

## PRE-ASIA COMMENTS

- Layered offers through USD \$1,305 - \$1,310 continue to restrict further top-side gains, while a stronger greenback is also weighing upon pricing.
- Should gold consolidate above USD \$1,300 we should see enough interest for a move through USD \$1,310 - opening up further top-side gains.
- We will be keeping an eye on trade war headlines that may give bullion a modest geopolitical boost.
- Data today includes;
  - BOJ decision
  - Eurozone CPI
  - U.S. empire manufacturing
  - U.S. industrial production
  - University of Michigan consumer sentiment

*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.*