



MKS PAMP GROUP
Europe / US Market Update
17th August 2017

Range Europe / US Markets
(from Globex open)

16 th August 2017	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1273.10	1273.60	16.6975	16.7275	964.50	967.50	891.90	897.90
HIGH	1283.70	1284.20	17.1175	17.1475	979.90	982.90	915.20	921.20
LOW	1268.10	1268.60	16.6475	16.6775	960.90	963.90	891.90	897.90
CLOSE	1282.33	1282.83	17.09	17.12	974.49	977.49	914.00	919.00
EFP	5.40	5.50	-0.0225	-0.0125	2.50	3.50	-5.00	1.00
LBMA Prices	AM 1270.15	PM 1272.75	16.68		AM 964.00	PM 963.00	AM 893.00	PM 896.00
Active Contract	GCZY Comdty		SIU7 Comdty		PLV7 Comdty		PAU7 Comdty	

MACRO

- US equities drifted higher overnight following the release of the FOMC minutes.
- The Dow Jones gained 25.88 points, the S&P500 climbed 3.50 points whilst the Nasdaq rose 12.10 points.
- There were gains in energy (+1.13%) whilst materials (-0.92%) was the worst performer.
- European equities were also higher. The Euro STOXX gained 0.7%, the German Dax rose 0.7% whilst the UK FTSE also rallied 0.7%.
- The VIX gauge fell 2.49% to 11.74.
- The dollar index lost 0.37% to 93.508. The EUR traded to a high of 1.1780 whilst the USDJPY touched a low of 109.90.
- Oil prices were lower. WTI fell 2% to \$46.81 whilst Brent lost 1.5% to \$50.34.
- Base metals surged overnight. Zinc was the best performer, up 5.5%.
- US treasury yields were lower. The 2 year yield fell 2 bps to 1.326% whilst 10 year yields lost 4 bps to 2.224%.
- The CRB index eased 0.5% to 175.36.
- Trump dissolved two business councils in response to defections prompted by his comments on the recent Virginia racial violence.
- The Fed minutes showed that FOMC members continue to expect inflation to edge higher to the 2% target over the medium term.
- US housing starts continue to trend sideways, with the unemployment rate easing to 4.4%.

PRECIOUS

- A strong night for the precious with gold trading as high as 1283.70.
- Asia opened to some light buying pushing gold up to 1274.
- China were on the offer on the SGE open as the yellow metal retreated down towards 1270
- SGE premium trading around \$5.
- London were quiet with gold trading sideways either side of 1270
- NY were initial sellers, but resting bids on comex supported the market and when the headline 'Trump strategy and policy council is said to be dibanding' gold rocketed higher.



- Gold had another leg higher following the FOMC minutes, supported by the falling greenback and ongoing concerns surrounding Trump's presidency.
- Silver had a stellar performance, surging nearly 50 cents higher, popping back through 17.00
- Palladium was also a strong performer, rallying back through the psychological 900 level up to a high of 915.
- The Philadelphia gold and silver index rose 2.90%.
- The SPDR gold trust holdings rose 0.56% to 795.44 metric tons.

PRE-ASIA COMMENTS

- Asian equities open higher following Wall Street's lead.
- Gold retains its bid following last night's rally.
- Ahead today:
 - Australian employment rate
 - ECB account of the monetary policy meeting
 - US initial jobless claims
 - US industrial production

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.