



## MKS PAMP GROUP

### Europe / US Market Update

18<sup>th</sup> August 2017

Range Europe / US Markets  
(from Globex open)

17 <sup>th</sup> August 2017	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1287.70	1288.20	17.1425	17.1725	975.00	978.00	924.15	929.15
<b>HIGH</b>	1290.20	1290.70	17.1675	17.1975	978.70	981.70	928.00	933.00
<b>LOW</b>	1281.30	1281.80	16.9975	17.0275	970.80	973.80	920.50	925.50
<b>CLOSE</b>	1288.06	1288.56	17.02	17.05	974.10	977.10	920.50	925.50
<b>EFP</b>	5.40	5.50	-0.0225	-0.0125	2.50	3.50	-2.00	3.00
<b>LBMA Prices</b>	AM 1285.90	PM 1285.15	17.02		AM 974.00	PM 975.00	AM 918.00	PM 927.00
<b>Active Contract</b>	GCZY Comdty		SIU7 Comdty		PLV7 Comdty		PAU7 Comdty	

#### MACRO

- US equities were hammered overnight on the back of political uncertainty in the US and the terrorist attack in Spain.
- The Dow Jones fell 274.14 points, the S&P500 dropped 38.10 points whilst the tech heavy Nasdaq lost 123.194 points.
- All 11 sectors finished lower led by tech (-1.98%), financials (-1.74) and industrials (-1.71%).
- European shares were lower. The Euro STOXX fell 0.6%, the German Dax eased 0.50% whilst the UK FTSE retracted 0.6%.
- The VIX gauge surged 32.28% to 15.53.
- The dollar index rallied 0.13% to 93.66. The EUR traded to a low of 1.1662 whilst the USDJPY traded up to 110.38 before retracing into the close.
- US treasury yields were lower. 2 year yields fell 3.3 bps to 1.298% whilst 10 year yields eased 4.9 bps to 2.184%.
- Oil prices were higher. WTI rose 0.3% to \$46.99 whilst Brent gained 0.9% to \$50.86.
- The CRB index rose 0.3% to 175.89.
- Base metals were broadly lower with zinc the hardest hit, down 2.2%
- Overnight, the ECB minutes of the July meeting acknowledged the strength of the EUR which was the reason for the EUR dumping down to 1.1662.
- The US August Philly Fed index was 18.9, little changed from July's 19.5.

#### PRECIOUS

- A relatively subdued session for the precious with gold consolidating in the 1280's.
- XAU pushed higher in early Asia after closing on the highs the previous session.
- China were also on the bid, despite the SGE languishing around \$3 over loco London.
- London were light sellers, pressuring the yellow metal down towards 1285.



**MKS PAMP**  
GROUP

- The US were on the bid, but when the market failed to break 1290 for the third time a wave of selling sold the market to the lows of the day 1281.80
- The tumbling US equities, and the terror attacks in Spain provided the market with a bid late in the session.
- Silver remained above the psychological 17 level with further gains looking likely.
- The Philadelphia Gold and Silver index fell 0.33%.
- The SPDR gold trust was unchanged at 795.44 metric tons.

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

- Gold pushed higher in early trade aided by the equity market weakness.
- Asia equities open heavily in the red following Wall Street's rout.
- Ahead today:
  - Canada CPI
  - US University of Michigan confidence
  - US Fed's Kaplan speaks in Dallas

*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.*