



MKS PAMP GROUP

Europe / US Market Update

19th September 2018

Range Europe / US Markets
(from Globex open)

| 18-Sep-2018 | GOLD | | SILVER | | PLATINUM | | PALLADIUM | |
|-----------------|-------------|---------|-------------|--------|-------------|--------|-------------|---------|
| | Bid | Offer | Bid | Offer | Bid | Offer | Bid | Offer |
| OPEN | 1197.85 | 1198.35 | 14.120 | 14.140 | 798.30 | 800.30 | 989.90 | 994.90 |
| HIGH | 1203.10 | 1203.60 | 14.220 | 14.240 | 817.50 | 819.50 | 1011.00 | 1016.00 |
| LOW | 1195.90 | 1196.40 | 14.070 | 14.090 | 797.00 | 799.00 | 985.00 | 990.00 |
| CLOSE | 1197.95 | 1198.45 | 14.150 | 14.170 | 811.50 | 813.50 | 1011.00 | 1016.00 |
| EFP | 4.50 | 4.70 | 0.0200 | 0.0300 | -0.50 | 0.50 | -15.00 | -9.00 |
| LBMA Prices | AM | PM | 14.210 | | AM | PM | AM | PM |
| | 1199.40 | 1200.20 | | | 801.00 | 814.00 | 991.00 | 999.00 |
| Active Contract | GCZ8 Comdty | | SIZ8 Comdty | | PLV8 Comdty | | PAZ8 Comdty | |

MACRO

- China retaliated to the US decision with 5-10% tariffs on \$60bln of US imports.
- US equities were higher as investors shrug off trade war concerns.
- The Dow added 184.84 points to 26,246.96, the S&P 500 rose 15.51 points to 2,904.31, while the Nasdaq gained 60.315 points to 7,956.107.
- There were wins for consumer discretionary (+1.27%) and industrials (+0.89%). While REITs (-0.59%) led the laggards.
- The VIX gauge fell 0.89% to 12.8.;
- The US dollar was all but unchanged at 94.62 after a choppy session.
- The EUR traded down 1.1657 despite trading above 1.17 during the day, while USD/JPY was as high as 112.37.
- US treasury yields were higher, the 2 year yield was firmed 2.5 bps to 2.80% while the 10 year yield added 5.7 bps to 3.06%.
- European shares were mostly higher, the EuroSTOXX put on 0.11%, the German DAX rose 0.51%, while the UK FTSE edged lower 0.03%.
- Oil prices were higher, Brent advanced 1.5% to \$78.82 while WTI tacked on 1.6% to \$69.72.
- Base metals were broadly higher, with copper (+2.4%) leading the gains.
- In US economic data, the home builder's sentiment index was unchanged at 67 in September.

PRECIOUS

- Gold opened at \$1201 in Asia and was immediately sold on the tariff headlines out of the US.
- Th SGE premium was around \$5 and we did see some demand out of China.
- The market reached \$1196 but traded back to \$1200 as USD/CNH came off the mornings high.
- The session low of \$1195 was printed just after the London open.
- The metal was bought steadily through the AM session after China vowed to retaliate against the US tariffs.
- NY came in at the high of \$1203, there was an early dip below \$1200 before a bounce back to the high.



- The yellow metal gapped lower to \$1197 which, after a period of consolidation, is where it ended the session.
- Silver finished slightly lower at \$14.12.
- Huge session for the PGMS, platinum rose 1.5% while palladium surged 2.6% to a 3 month high.
- The Philadelphia gold and silver index rose 0.70%.
- SPDR Gold Trust holdings down 0.04% to 742.23mt.

PRE-ASIA COMMENTS

- Gold flat in early Asian trading.
- Asian markets open higher on Wall St's lead.
- Ahead today:
 - US Housing Starts
 - US Building Permits
 - US Current Account Deficit
 - EU Current Account

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