



MKS PAMP GROUP

Europe / US Market Update

24th January 2019

Range Europe / US Markets
(from Globex open)

23-Jan-2019	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1284.45	1284.95	15.385	15.405	791.95	793.95	1341.20	1351.20
HIGH	1286.10	1286.60	15.420	15.440	795.00	797.00	1355.00	1365.00
LOW	1278.70	1279.20	15.270	15.290	789.00	791.00	1335.00	1345.00
CLOSE	1283.65	1284.15	15.350	15.370	794.75	796.75	1352.00	1362.00
EFP	-0.90	-0.70	0.0050	0.0150	1.25	2.25	-50.00	-35.00
LBMA Prices	AM	PM	15.385		AM	PM	AM	PM
	1284.90	1279.80			791.00	790.00	1347.00	1348.00
Active Contract	GCG9 Comdty		SIH9 Comdty		PLJ9 Comdty		PAH9 Comdty	

MACRO

- US equities closed firmer Wednesday on the back of some positive corporate earnings reports.
- The Dow rallied +171.14 pts (+0.7%) to 24,575.62, the S&P500 advanced +5.8 pts (+0.22%) to 2,638.70 and Nasdaq Composite inched up +5.412 pts (+0.8%) to 7,025.77.
- European equities ticked lower, Euro Stoxx 600 off -0.20 of a pt (-0.06%) to 354.89. Regionally the FTSE100 declined -0.85%, the DAX slid -0.17% and CAC40 eased -0.15%.
- GBPUSD advanced strongly from 1.2940 to close 1.3070, on the back of investor optimism that Brexit will be delayed in the event of a 'no-deal'. This is the highest the pair have traded since November.
- WTI crude eased -0.70% to \$52.64/bbl and Brent decreased -0.59% to \$61.14/bbl as concerns of faltering growth remained prevalent. IEA Director Faith Birol said a sharp slow down in the world economy led by China would weigh heavily on consumption.
- US 10y yield remained fairly flat around 2.74% as did the 2y yield around 2.58%.
- Base metals were higher - LME Copper +0.3% to \$5951/t, Aluminium +1.4% to \$1909/t.
- BoJ left its key short term interest rate unchanged at -0.1%, while revising down inflation forecasts for 2019 to average 1.1% (1.6% prior), reflecting a decline in crude prices and wavering global outlook.

PRECIOUS

- Gold inched slightly higher throughout Asia/Europe yesterday, only to be sold off in NY as risk appetite for equities increased. In the end the metal closed only marginally lower.
- The ongoing trade war, Brexit and slow global growth narrative are supportive for gold at these levels, as is Chinese seasonal demand. That being said, Comex non-commercial and ETF holdings remain extended, so we expect a bit of tug of war in the short-term between \$1270-1300.
- Silver tracked gold yesterday, grinding through \$15.40 into Europe, before diving \$0.10 in early NY and recovering about half those losses into the close.
- Platinum and palladium after a few heavy sessions this week managed to stabilise yesterday and push a little higher late in the day.



PRE-ASIA COMMENTS

- Not expecting a great deal of action in Asia today, gold still within the recent range and only a few dollars from where we were yesterday.
- China just opened, small demand around but enough to push the yellow metal above \$1284.
- Market focus today will be on ECB rate decision and press conference.
- Other releases include: Markit Eurozone & US Manufacturing, Services and Composite PMI's and US jobless claims.

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