



MKS PAMP GROUP

Europe / US Market Update

29th June 2018

Range Europe / US Markets

29-Jun-18	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1251.60	1252.10	16.0650	16.0950	853.00	856.00	952.90	957.90
HIGH	1253.90	1254.40	16.0900	16.1200	855.10	858.10	953.80	958.80
LOW	1245.70	1246.20	15.8750	15.9050	842.30	845.30	932.40	937.40
CLOSE	1247.80	1248.30	15.9600	15.9900	847.40	850.40	942.80	847.80
EFP	1.20	1.70	-0.0250	0.0050	-1.00	2.00	-10.00	-5.00
LBMA Prices	AM	PM	16.11		AM	PM	AM	PM
	1250.50	1251.55			852.00	852.00	951.00	945.00
Active Contract	GCQ8 Comdty		SIN8 Comdty		PLN8 Comdty		PAU8 Comdty	

MACRO

- Sentiment was generally better overnight despite the data pulse disappointing slightly.
- U.S equities rose the most in nearly 3 weeks, as technology stocks rebounded from losses sparked by America's unclear strategy towards global trade - particularly with China.
- The DJIA rallied +98.46 points (+0.41%) to 24,216.05, the S&P500 advanced +16.68 points (+0.62%) to 2,716.31 and the tech heavy NASDAQ composite leapt +58.598 points (+0.79%) to 7,503.683.
- European equity indices languished, extending a poor run this week as investors continue to embrace caution over trade-related uncertainty.
- The EuroStoxx 600 dipped -3.10 points (-0.82%) to 376.87 and the EuroFirst 300 gave up -11.27 points (-0.76%) to 1,475.23. Regionally the DAX slumped -1.39% to 12,177.23, the CAC40 fell -0.97% to 5,275.64 and the FTSE100 held in better, but still closed down -0.08% to 7,615.63.
- Crude prices continued higher as investors weighed the impact of an OPEC supply increase deal vs. a number of supply disruptions elsewhere - Venezuela / Canada / Iran / Libya. Aug18 WTI rose +\$0.98 (+1.4%) to \$73.45 and Aug18 Brent lifted +\$0.16 (+0.21%) to \$77.78 tightening the gap between the two further.
- The U.S 10y yield increased +1.09bps to 2.836% and the US 2y yield rose +0.81bps to 2.512%.
- Cable and the Euro continue to push towards YTD lows with Sterling honing in on the 1.30 handle.
- U.S GDP rose an annualised +2.0% versus a previous estimate of a +2.2% pace. The economy expanding at a slower pace than previously estimated reflecting downward revisions to spending on services and inventory investment. U.S Initial jobless claims rose +9k to 227k last week from 218k the week before, beating consensus of 220k.



PRECIOUS

- The precious sector remained unloved by investors yesterday, with gold falling below \$1250 for the first time since December 2017.
- Gold sinking dragged the rest of the complex lower, with platinum in particular sagging to a 3 year low and silver trading below \$16.00 its lowest since last December.
- With action in USDCNY and USDCNH muted comparable to previous sessions yesterday, the yellow metal remained more stable throughout the China session consolidating around \$1252-54.
- The premium on the SGE remained flat from the previous day between \$4-\$5 over the loco London price.
- Gold dipped off during the early European day as continued quarter end selling persisted, although held around \$1248 for the time being.
- There was a second wave of selling seen during the NY hours which swept the metal to the daily lows, although the lower than expected GDP helped par losses into the afternoon.
- Support for gold sits around \$1240-43, while resistance should sit at \$1265-67 in the short term.
- It is difficult to pick a bottom given the recent price action, although given we have fallen some ~4% within the past few weeks and with quarter end hedging almost out of the way, we see topside opportunity into early July.

PRE-ASIA COMMENTS

- USDCNH and USDCNY will again set the tone for the day, with signs of strength thus far in USDCNH, which should be positive for USDCNY.
- Gold has traded slightly higher in the pre-SGE hours, with some fast money types in locking in profits and pushing us a dollar or so higher.
- As I write the USDCNY has just fixed and shot higher once again (+1.5 big figures in 5 minutes!) and metals are under pressure, from Chinese sellers.
- We expect the selling to persist into the month end.
- Ahead today on the data calendar: * German retail sales / employment * French CPI / PPI * UK GDP * Euro Zone CPI * Canadian GDP * U.S Personal Income and Spending / Chicago PMI / University of Michigan Sentiment.
- Over the weekend we have: * China Manufacturing and Non-Manufacturing PMI.

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