



MKS PAMP GROUP

Europe / US Market Update

4th June 2018

Range Europe / US Markets

1-Jun-18	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1298.51	1299.01	16.4275	16.4575	906.94	909.94	988.88	991.88
HIGH	1300.67	1301.17	16.5068	16.5368	913.30	916.30	1006.13	1009.13
LOW	1289.50	1290.00	16.3410	16.3710	900.11	903.11	986.23	989.23
CLOSE	1293.00	1293.50	16.3835	16.4135	903.10	906.10	1001.63	1004.63
EFP	3.95	4.05	0.0000	0.0100	-0.50	0.50	-10.00	-5.00
LBMA Prices	AM	PM	16.420		AM	PM	AM	PM
	1299.15	1294.60			910.00	903.00	989.00	991.00
Active Contract	GCQ8 Comdty		SIN8 Comdty		PLN8 Comdty		PAU8 Comdty	

MACRO

- The May nonfarm payroll print outpaced expectations to increase 223k (exp: 190k), following a modestly downwardly revised 159k in April (prev: 164k).
- The U.S. unemployment rate declined to 3.8% from 3.9% to mark the lowest print since April 2000 and the participation rate eased to 62.7% from 62.8%.
- Average hourly earnings ticked up to +2.7% YoY from +2.6% previously and average hours worked per week held at 34.5.
- The U.S. ISM manufacturing PMI rebounded during May, increasing to 58.7 (exp: 58.2) from 57.3 the month prior. Of the 18 manufacturing industries, 16 reported growth, while new orders, production and employment components all improved.
- Equities in the U.S. jumped on Friday following the stronger than expected jobs data. The DJIA added +0.90% to 24,635.21 points, strength across technology (+1.97%) helped the S&P 500 to a +1.08% gain, while the Nasdaq Composite ripped +1.51% higher.
- The greenback firmed modestly on Friday to see the DXY index +0.2% higher, making notable gains against the euro and pushing back above 109.00 relative to the yen.
- U.S. treasury yields edged higher on Friday following the jobs print. The 10-year gained around 6bps to 2.90% and the two-year added 5bps to 2.472%.



- European markets posted gains on Friday following the easing of political tensions in Italy. The Stoxx Europe 600 jumped +1.01% to 386.91 points and the German Dax gained +0.95% to 12,724.27
- Oil futures settled lower on Friday on concerns over higher production levels from Saudi Arabia and Russia. WTI sunk -1.8% to USD \$65.81 per barrel to mark the lowest close since April 10, while Brent crude declined -1% to USD \$76.79 per barrel.

PRECIOUS

- Gold disappointed on Friday to consolidate underneath USD \$1,300 following the strong jobs print in the U.S.
- Interest out of Asia kept price action buoyant above USD \$1,300, however the metal slipped underneath the figure on dollar strength in Europe.
- The headline U.S. jobs print and fall to the unemployment rate further strengthened the case for an interest rate increase in June to weigh upon the yellow metal in New York.
- A sharp sweep lower saw the session low of USD \$1,289.50 printed, however underlying support was evident around USD \$1,292 and the metal held this level throughout the remainder of the session.
- Silver saw whippy price action in New York and failed to claim the USD \$16.50 pivot point.
- Palladium ripped +1.6% higher to close above USD \$1,000, while platinum traded resiliently to hold support at USD \$900.

PRE-ASIA COMMENTS

- Early session price action sees gold held within a narrow range, with support toward USD \$1,290 - \$1,292 evident
- Layered offers on the way to USD \$1,300 are expected to weigh upon any attempts higher and the metal will need to push back above this level to entice participants back onto the long side.
- Data today includes;
U.S. factory orders
U.S. durable goods orders / capital goods orders

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