



MKS PAMP GROUP
Europe / US Market Update
6th September 2017

Range Europe / US Markets
(from Globex open)

5-Sep-2017	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1336.00	1336.50	17.8700	17.9000	1006.50	1009.50	978.50	981.50
HIGH	1344.25	1344.75	17.9900	18.0200	1011.00	1014.00	989.50	992.50
LOW	1326.00	1326.50	17.7800	17.8100	998.00	1001.00	958.50	961.50
CLOSE	1338.80	1339.30	17.8600	17.8900	1004.00	1007.00	958.50	961.50
EEP	5.00	5.10	0.0650	0.0750	2.50	3.50	-6.00	-2.00
LBMA Prices	AM	PM	17.8800		AM	PM	AM	PM
	1331.15	1320.40			1000.00	1006.00	974.00	984.00
Active Contract	<u>GCZ7 Comdty</u>		<u>SIZ7 Comdty</u>		<u>PLV7 Comdty</u>		<u>PAZ7 Comdty</u>	

MACRO

- US equities were under pressure upon the return from the Labor Day Holiday, with broad based declines pushing the major bourse's lower.
- The DJIA ended the session -1.07% down at 21,753.31 points, with Goldman Sachs alone contributing 55 points to the 234 point decline while heavy trade to financials (-2.20%) and materials (-1.42%) saw the S&P 500 -0.76% lower at 2,457.85 points.
- The VIX gauge surged 20.73% to 12.23.
- The dollar index fell 0.36% to 92.298. The EURUSD traded up to 1.1941 whilst the USDJPY traded down to 108.51.
- Base metals were lower with zinc the worst performer, down 3.3%.
- Oil prices were higher. WTI jumped 2.3% to \$48.53 whilst Brent rose 1.8% to \$53.12.
- The CRB index gained 0.8% to 182.34. - US treasury yields were lower. The 2 year yield fell 3.2 bps to 1.29% whilst the 10 year yield dropped 7.3 bps to 2.061%
- US Factory Orders slumped -3.3% (exp: -3.3%) during July, the largest fall in nearly three years. Orders excluding transportation ticked 0.5% higher to follow a +0.1% gain previously, while non-defence capital goods (ex-air) added +1.0% from +0.4% previously.
- Durable goods orders collapsed -6.8% (exp: -2.9%), unchanged from previous estimates.
- The Democratic People's Republic of Korea's Ambassador to the United Nations has addressed a UN sponsored conference on disarmament, noting that "The recent self-defence measures by my country, DPRK, are a gift package addressed to none other than the US,"
- US President Donald Trump announced (on twitter) that he is allowing both South Korea and Japan to increase the limits imposed on weapons, notably the payloads of South Korean missiles. "I am allowing Japan & South Korea to buy a substantially increased amount of highly sophisticated military equipment from the United States." Mr Trump tweeted.
- UN Secretary-General Antonio Guterres has called for a political solution to the escalating war of words between the US and North Korea, noting that "Confrontational rhetoric may lead to unintended consequences."



PRECIOUS

- Gold posted new recent highs with ongoing tension between the US and NK providing support.
- Asia opened to some light selling, but when it was announced that S. Korea has detected that the North were transporting missiles, gold popped higher.
- The Chinese were also buyers, with the SGE premium sitting around \$6.
- The yellow metal traded as high as 1338.50 just after SGE open, but the demand was short lived and the market began to drift back lower.
- London were heavy sellers pressuring XAU as low as 1326.50.
- NY were happy to buy the dip, and with the soft equities bargain hunters started hitting offers propelling gold nearly \$20 higher up to a peak of 1344.25.
- Silver tried breaking the psychological 18 level but was unable to do so and closed at 17.86/89.
- Palladium was heavily sold closing on the lows at 961.50 - some \$40 lower than the high reached the previous day.
- The Philadelphia gold and silver index rose 2.06%.
- The SPDR gold trust holdings rose a further 1.07%.

PRE-ASIA COMMENTS

- Gold edges higher in early trade
- Asian equities open lower following Wall Street's heavy session
- Ahead today:
 - Japan Labor Cash Earnings
 - Australia GDP
 - Australia RBA Heath Speech
 - Malaysia Trade Balance
 - Germany Factory Orders
 - Malaysia Foreign Reserves
 - Sweden IP
 - US MBA Mortgage Applications
 - Brazil Inflation
 - Canada International Merchandise Trade
 - US Trade Balance
 - US PMI
 - Canada BoC US
 - ISM Non-Mfg 3
 - US Federal Reserve Beige Book

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