



# MKS PAMP GROUP

## Europe / US Market Update

### 8<sup>th</sup> June 2018

Range Europe / US Markets

8-Jun-18	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1297.05	1297.55	16.6650	16.6850	905.30	907.30	1014.70	1019.70
<b>HIGH</b>	1303.05	1303.55	16.9000	16.9200	909.00	911.00	1028.50	1033.50
<b>LOW</b>	1294.65	1295.15	16.6650	16.6850	898.00	900.00	1012.50	1017.50
<b>CLOSE</b>	1296.85	1297.35	16.7050	16.7250	900.00	902.00	1012.50	1017.50
<b>EFP</b>	4.10	4.50	0.0050	0.0250	-0.50	0.50	-10.00	-5.00
<b>LBMA Prices</b>	AM	PM	16.7450		AM	PM	AM	PM
	1298.30	1297.25			907.00	905.00	1017.00	1027.00
<b>Active Contract</b>	GCQ8 Comdty		SIN8 Comdty		PLN8 Comdty		PAU8 Comdty	

#### MACRO

- U.S equity indices were mixed on Thursday, as a sell-off in major technology shares put pressure on the benchmarks.
- The Dow Jones Industrial Average gained +95.02 points (+0.38%) to 25,241.41, the S&P500 sold off -1.98 points (-0.07%) to 2,770.37 and the NASDAQ Composite slumped -54.173 points (-0.70) to 7,635.07.
- The best performing sector on the day in the U.S was Energy (+1.6%), while the worst performing sector was Information Technology ( -1.1%).
- European equity benchmarks endured another heavy day as luxury shares declined and the euro strengthened amid bets that European Central Bank officials will discuss the end of the bond-buying program at the June meeting.
- The EuroFirst 300 retreated -2.89 points (-0.19%) to 1,509.18, the Euro Stoxx 600 declined -0.94 of a point (-0.24%) to 385.94, the DAX fell -19.02 (-0.15%) to 12,811.05, FTSE100 -7.97 points (-0.10%) to 7,704.40 and CAC40 relinquished -9.2 points (-0.17%) to 5,448.36.
- Crude prices rebounded after several days of declines as investors contemplated whether OPEC and Russia would reach an agreement about increasing production. July WTI crude rose +\$1.22 (+1.88%) to \$65.95 a barrel and August Brent crude rallied +\$1.94 (+2.57%) to \$77.30.
- Copper hit its highest level since January 2014 overnight (+1.55%), boosted by supply-side issues surrounding wage disputes and a potential strike at the worlds largest copper mine - Escondida in northern Chile. The rest of the base metals were mixed Aluminium -1.41%, Nickel -0.74% and Zinc -0.3%.



- U.S Treasuries rebounded, 2y yields down -2.8bps to 2.487% and 10y yields fell -5.1bps to 2.920%.
- EURUSD continued to march higher following the talk of discussing QE at the next ECB meeting, the pair breaking through 1.18 and hitting a high of 1.1840 (last 1.1799).
- U.S Initial jobless claims dipped -1k to 222k (225k expected) and continuing claims increased +21k to 1.741 million (1.735 million expected).
- EuroZone GDP slowed during Q1 according to Eurostat. GDP rose +0.4% MoM during the quarter, while YoY growth sat at +2.5%.
- German Industrial orders disappointed, tanking -2.5% MoM in April (+0.8% expected), following a downwardly revised -1.1% a month earlier. This was the 4th consecutive monthly decline and interestingly new orders for the Euro area are down -9.9%, while abroad they are up +5.4%.

## **PRECIOUS**

- It was a choppy albeit range-bound session for gold and the precious complex yesterday, the yellow metal once again trying to rally through \$1301-02 and hold above there, once again unsuccessfully.
- Super quiet Asian session Thursday, gold locked in a \$3 range, silver a few cents and the PGM's flat.
- Gold began to climb during the European hours, with the EURUSD punching through 1.18 and heading up to 1.1840. The metal broke through the previous days highs although ran into some heavy producer supply above \$1302.
- Gold quickly short lower during early NY erasing all the London gains and some hitting the day lows rather abruptly. Bids were present under \$1295 in support.
- The yellow metal remains robust, but is languishing somewhat, where other metals in the complex - notably silver and palladium - have been able to breach topside resistances, gold still struggles above \$1300.
- Silver had a solid run once again, topping out at \$16.90 intra-day despite swarms of Chinese sellers. It did tick lower later in NY as specs were happy to lock in profits, pushing us back down toward \$16.70.
- Palladium shot higher again in line with a higher silver and copper price (\$1028.50), but with some profit taking kicking in in thin conditions, ultimately ended the session lower.
- Platinum remains magnetised to \$900, with the first topside test sitting at \$913 (50 dma).

## **PRE-ASIA COMMENTS**

- We expect another slow session today in Asia, with gold opening for a fourth consecutive day within the recent tight \$1290-1305 range.
- Currently the gold is hovering around \$1296-1298 and flows have been non-existent so far.
- On the data calendar today:
  - Japanese GDP and Current Account
  - German Trade Balance, Industrial Production and Labour Costs
  - French Industrial Production
  - Canadian Employment data and Housing Starts
  - Swiss Trade Balance, CPI and PPI
  - U.S Wholesale Inventories

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