



MKS PAMP GROUP
Europe / US Market Update
28th February 2018

Range Europe / US Markets
(from Globex open)

Ranges: Europe/US Markets:

27-Feb-18	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1333.68	1334.18	16.6590	16.6890	1000.15	1003.15	1061.65	1064.65
HIGH	1336.80	1337.30	16.7015	16.7315	1003.07	1006.07	1064.76	1067.76
LOW	1313.55	1314.05	16.3380	16.3680	981.04	984.04	1036.54	1039.54
CLOSE	1318.07	1318.57	16.4110	16.4410	982.41	985.41	1037.61	1040.61
EFP	1.20	1.30	0.0150	0.0250	1.50	2.50	-10.00	-5.00
LBMA Prices	AM	PM			AM	PM	AM	PM
	1332.75	1325.75	16.610		996.00	994.00	1061.00	1062.00
Active Contract	GCJ8 Comdty		SIK8 Comdty		PLJ8 Comdty		PAH8 Comdty	

MACRO:

- US equities were hammered overnight following the Fed Chairman Powell highlighting the strength of the economy which exacerbated concerns of more aggressive tightening in the coming months.
- The Dow Jones sank 299.24 points, the S&P500 dumped 35.32 points whilst the Nasdaq fell 91.10 points.
- The best performing sector was financials (-0.3%) whilst REIT's were the worst (-2.04%).
- European shares were lower. The Euro STOXX fell 0.1%, the German Dax declined 0.3% whilst the UK FTSE eased 0.1%.
- The VIX gauge rallied 18.23% to 18.68.
- The dollar index surged 0.56% to 90.352. The EUR traded down to 1.2221 whilst USDJPY touched a high of 107.68.
- US treasury yields were firmer. The 2 year yield rose 4.4 bps to 2.266% whilst the 10 year yield gained 4.6 bps to 2.912%.
- Oil prices were softer. WTI fell 1.1% to \$63.06 whilst Brent also eased 1.1% to \$66.62.
- Base metals were mixed. Aluminium rose 0.4% whilst copper fell 1.2%
- The CRB index lost 0.7% to 195.39.
- German inflation came in a tenth of a percent weaker than expected at 1.2% y/y.
- US inventories rose and durable goods orders fell (3.7% m/m) which was considerably more than expected (2% fall).

PRECIOUS:

- Gold was sold heavily overnight in tandem with US equities and a firm greenback.
- In Asia there was a little buying interest in early trade squeezing the yellow metal above 1335.
- With the SGE premium sitting around \$9 over loco London, China came in on the bid pushing XAU up to the days high around 1337.



- During the PM session USDCNY found a bid which put topside pressure on gold.
- London trade was quiet ahead of Powell's testimony.
- Following Powell's hawkish comments, XAU came under pressure, triggering stops on the break of 1330 and again at 1320 closing the session at 1318.50.
- Silver was also hammered, touching a low of 16.37.
- PGM's weren't immune to the carnage, with platinum trading back through 1000 to a low of 984 whilst XPD dropped close to \$30 finishing the session at 1040.
- The Philadelphia gold and silver index fell 2.82%.
- The SPDR gold trust holdings were unchanged at 831.03 metric tons.

PRE-ASIA COMMENTS:

- Asian equities open lower following Wall Street's rout.
- Gold trades quietly in early trade.
- Ahead today:
 - China manufacturing PMI
 - China composite PMI
 - German consumer confidence
 - German unemployment change
 - Euro Zone CPI
 - US GDP
 - US pending home sales

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