

Europe/US Market Update - 12th May 2021



Europe/US Markets (from Globex open)

11-May-21	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1833.50	1834.10	27.2850	27.3150	1249.50	1252.50	2957.00	2972.00
HIGH	1841.60	1842.20	27.6500	27.6800	1252.00	1255.00	2976.50	2991.50
LOW	1818.00	1818.60	27.0950	27.1250	1217.50	1220.50	2906.00	2921.00
CLOSE	1837.30	1837.90	27.6050	27.6350	1239.00	1242.00	2931.50	2946.50
EFP	0.30	0.90	0.090	0.120	-0.40	2.40	-7.00	3.00
Active Contract	GCM1 Comdty		SIN1 Comdty		PLN1 Comdty		PAM1 Comdty	

MACRO

- It was a follow up negative session for US equities , with the DOW having its worst day since February as jitters continue to permeate risk markets.
- The Dow slipped -1.36% to 34,269.16, the S&P 500 weakened -0.87% to 4,152.10 and the NASDAQ, which was hit hardest the previous day, steadied - down -0.09% to 13,389.43.
- Despite the pressure on equities, FX volatility was relatively subdued with many pairs trading water through the overnight session. The US dollar index finished slightly weaker (-0.15%) at 90.17. The EUR/USD spiked up toward 1.2180 but ran into some decent supply up there closing around 1.2150. GBP/USD hit a 3 year high overnight (1.4166) and has been the best weekly performer in the G10, especially after the Scottish elections.
- US treasury yields were higher on the day as the market awaits key inflation data tonight. The 2 year yield gained 0.7 bps to 0.159% whilst the 10 year yield added 2.1 bps to 1.621%.
- European shares were weak. The EuroSTOXX 600 falling 0.10%, the German DAX retreating -1.82%, whilst the the UK FTSE 100 plunging -2.47%.
- Oil prices were slightly firmer as OPEC modestly increased their demand outlook. Brent was up 0.65% to \$68.64 per barrel whilst WTI firmed 0.8% to \$65.40 per barrel.
- Euro area ZEW expectations survey results rose to 84.0 from 66.3.
- US NFIB small business optimism index rose to 99.8 (98.2 prior), which was slightly below expectations of 100.8.
- US JOLTS job openings jumped to 8.123 mio (7.5 mio expected, 7.367 mio prior).

PRECIOUS

- Gold sold off aggressively during the opening hours in New York as bond yields firmed, although recovered strongly to close more or less unchanged on the day.

- Asia opened at \$1836, to some light selling interest initially and edged its way lower. Support was seen around \$1830-32 (similar to the precious session) and held throughout Asia and throughout the European session.
- The metal poked above \$1840 again, but similar to previous sessions there was good supply ahead of the 200 dma (\$1849) which capped any advance.
- Treasury yields began to rise in early NY and gold shot through \$1830, triggering some macro/spec stops and taking us sharply to the daily low of \$1,818.60.
- XAU bounced back strongly, however, as the USD began to soften and retail and macro bargain hunters stepped in to pay it higher. In the end the metal closed more or less unchanged around \$1837.50.
- Silver took its cue from the moves in gold maintaining a fairly flat range throughout Asia and Europe, falling sharply to the days lows then bouncing back. In silver's case it closed quite firmly at \$27.60 (+1.2% intra-day) and has held \$27.10-27.20 for the past 3 sessions now.
- PGM's traded more in line with risk assets, palladium in particular selling off early in NYK and failed to recover far from the lows.

PRE-ASIA COMMENTS

- Gold on the slide in early trade, currently testing \$1830.
- Asian equities and US equity futures are all in the red thus far.
- USD is firmer against the majors.
- Ahead today: UK GDP, Industrial production, balance of trade and manufacturing production, German CPI, French & Euro Zone industrial production and US CPI and mortgage applications.

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