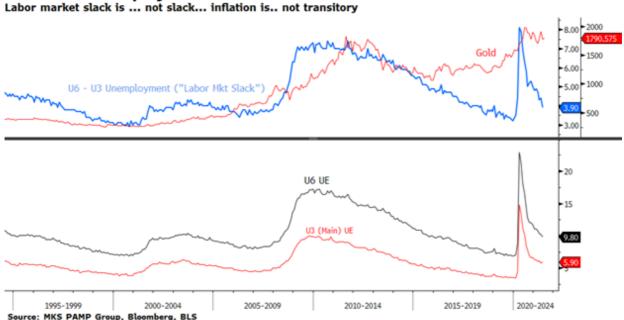
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.U6-U3UE U Index (U6-U3 unemployment) U6 vs u3 unemployment Monthly 07JUL1994-0

Daily U.S / European Wrap

U6 vs U3 Unemployment



• **NFP day** brought some surprises – both in the headline no but more importantly a range of rather unforeseen market reactions across the board, that is telling in many respects

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- After 2 month of data misses, the markets were geared (after yesterdays ADP) and somewhat
 positioned accordingly for a data beat that exceeds 720K (headline NFP). The actual number
 was a massive beat with 850K new jobs created (with major contributions from the key
 leisure/hospitality sectors), while the UE rate actually rose to 5.9% (as people reentered the
 work force), and wages were up 3.6% YoY (in line with expectations).
- With the Feds mandate hinged on U-3 (main UE), the markets were able to look through the NFP beat and find reason for Precious Metals, bonds and stocks to all rally, at the expensive of the US\$. Perverse market reactions since it was overall a solid report (which in theory should bring forward rate hike and tapering expectations).
- The initial knee-jerk reactions across those assets are usually wrong and quickly erased, but that also wasn't the case today with the initial reactions extending into NY afternoon trading; it highlights 2 key points:
- 1. The Feds tough talk on inflation, and hawkish stance is short-lived. The market will find any reason to reignite the inflating/reflation trade, by cherry-picking the data that best fits the bill (i.e.: preferring to look at UE inching to 5.9% to bolster views the Fed won't rush to taper its stimulus program any time soon...). Gold has risen on both NFP misses (June & May jobs reports), and now on a solid beat
- 2. Fundamentals don't matter... Well they matter less given aggregate money supply which ensures technicals, positioning and liquidity trump fundamental arguments. That explains why theres the persistent bid in Treasuries (artificial liquidity /bid from the Fed), niggling bid in Gold (short term paper shorts keep hanging onto positioning /reengaging essentially driving prices higher), Silver lifting off (breaking through key old support-new resistance), and super convicted USD shorts (despite many calling for USD squeeze, theres seems to be powerful hands with ample liquidity long inflation/short US\$)

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Active contract	Gold - GCQ1 (\$/oz)		Silver - SIU1 (\$/oz)		Platinum - PL1 (\$/oz)		Palladium - PAU1 (\$/oz)		HG Copper (\$/lbs)	
Open	\$	1,777.50	\$	26.15	\$	1,082.60	\$	2,759.00	\$	4.24
High	\$	1,795.90	\$	26.70	\$	1,092.00	\$	2,812.50	\$	4.29
Low	\$	1,774.40	\$	26.10	\$	1,079.60	\$	2,758.00	\$	4.23
Settlement	\$	1,783.30	\$	26.50	\$	1,085.40	\$	2,792.50	\$	4.28
Price range	\$	21.50	\$	0.60	\$	12.40	\$	54.50	\$	0.07
1day net change	\$	13.10	\$	0.50	\$	11.90	\$	27.10	\$	5.00
1day % change	0.7%		1.9%		1.1%		1.0%		1.2%	
5 day % change		0.7%		1.8%		-1.2%		6.0%		-0.1%

MACRO	SPX	DXY	EUR	10yr yields	WTI
Last Price	4350.15	92.24	1.19	1.42	75.41
1day % change	0.7%	-0.4%	0.1%	-2.3%	0.2%
5 day % change	1.6%	0.4%	-0.6%	-6.6%	1.8%

PRECIOUS FLOWS	ETF HC	OLDINGS & FLOWS	S (oz)	FUTURES HOLDINGS & FLOWS (# of contracts)			
Flows (oz)	Lastest ETF Holdings	1day change	5day change	Aggregate Open Interest	1 day O.I change in active contract	Aggregate Futures Volume	
Gold	100,658,881	(168,278)	(279,424)	454,631	(1,965)	207,526	
Silver	920,406,320	(3,268,940)	(4,356,057)	156,418	1,272	58,528	
Platinum	3,972,664	2,812	1,851	56,632	(283)	9,650	
Palladium	550,818	2	5,152	9,464	195	1,141	

Source: Bloomberg, CME, MKS PAMP Group

Last Updated: 4PM E.T

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