

## Europe/US Market Update - 20th May 2021



### Europe/US Markets (from Globex open)

19-May-21	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1872.60	1873.20	28.1050	28.1350	1219.50	1222.50	2902.00	2917.00
<b>HIGH</b>	1889.80	1890.40	28.2150	28.2450	1226.50	1229.50	2903.50	2918.50
<b>LOW</b>	1852.20	1852.80	27.3650	27.3950	1187.00	1190.00	2843.00	2858.00
<b>CLOSE</b>	1869.30	1869.90	27.7150	27.7450	1195.00	1198.00	2866.50	2881.50
<b>EFP</b>	0.00	0.50	0.080	0.105	-1.50	1.50	-12.00	2.00
<b>Active Contract</b>	GCM1 Comdty		SIN1 Comdty		PLN1 Comdty		PAM1 Comdty	

### MACRO

- Risk-off moves in the overnight session were seen on the back of massive volatility in the crypto space, only to be met with bullish comments from the Fed's Bullard, who noted that 'we're getting close' to the point where monetary policy needs to be adjusted - which reversed things.
- The Dow lost 164.62 points to 33,896.04, the S&P 500 slipped 12.15 points to 4,115.68, Nasdaq weakened 3.90 points to 13,299.74.
- Energy (-2.53%) and Materials (-1.54%) led the laggards amongst the sectors, whilst Information Technology (+0.33%) finished higher.
- The VIX gauge rose 3.94% to 22.18.
- The US dollar was at 90.21, EUR was at 1.2171, USD/JPY was at 109.27.
- The 2 year yield rose 0.8bps to 0.157%, the 10 year yield added 3.8bps to 1.675%.
- The EuroSTOXX was down 1.51%, the German DAX lost 1.77%, the UK FTSE declined 1.19%.
- Base metals fell sharply, led by Copper (-3.9%) and Zinc (-3.9%)
- Oil prices were lower. Brent lost 2.0% to \$66.63 per barrel, WTI gained 2.2% to \$63.36 per barrel.
- Bitcoin traded down over 30% at one stage (30,016) after warnings to Chinese banks about offering crypto services and accepting crypto payments. It did manage a firm bounce back following the Fed chatter, recovering to close at 38,391 (-11.5% intra day).
- Ethereum was down over 50% at one stage last night.

### PRECIOUS

- It was a real rollercoaster of a day for gold and silver overnight, surging late in the European session as equities and crypto currencies tanked, only to reverse the gains when rhetoric regarding tapering of bond purchases hit the wires.

- Asia started the day with mixed interest flow-wise for gold, opening at \$1869.50 then oscillating \$5 either side of that level into the European open.
- Some length trimming in early London saw gold trade steadily lower over the morning down to the low \$1850's. There was some good macro and retail demand ahead of the \$1850 level, however, which prohibited a further sell-off.
- Crypto's began to come under severe pressure as did equities around the NY open and gold surged back toward \$1870. We broke through the previous days high shortly after (\$1875) and momentum took us to \$1890.
- We paused between \$1880-85 up until the FOMC minutes were released, upon which yields spiked and the gold rapidly pushed back to \$1865, ultimately closing at \$1870 and unchanged on the day.
- Silver, mirrored gold for the most part, selling off to \$27.40 in London to be scooped up at the NYK open and trade as high as \$28.215. There seems to be decent support for the interim around \$27.40-60, but we expect significant volatility to be ongoing.
- PGM's traded heavily on the day, selling off throughout Europe and never really recovering. Platinum closed down

#### PRE-ASIA COMMENTS

- Gold and silver have dipped off \$5 and \$0.15 respectively in the lead up to the SGE open this morning, although both have recovered and pushed through the opening levels in the minutes following the SGE open.
- Equities are trading modestly firmer at this stage and G10 are mostly flat vs the dollar.
- Ahead today:
- AU Employment data
- GE PPI
- US Philly Fed Business Outlook
- US Jobless Claims

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