



MKS PAMP GROUP

Europe / US Market Update

15th September 2017

Range Europe / US Markets
(from Globex open)

14 th August 2017	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1322.05	1322.55	17.6950	17.7250	978.25	981.25	942.95	947.95
HIGH	1330.30	1330.80	17.8000	17.8350	983.95	986.95	943.15	948.15
LOW	1315.55	1316.05	17.5950	17.6250	971.00	974.00	914.00	919.00
CLOSE	1328.00	1328.50	17.7600	17.7900	981.00	984.00	924.00	928.00
EFP	3.65	4.15	0.0450	0.0750	0.25	3.25	-8.00	-3.00
LBMA Prices	AM 1323.00	PM 1324.55	17.75		AM 978.00	PM 980.00	AM 941.00	PM 933.00
Active Contract	GCZY Comdty		SI27 Comdty		PLV7 Comdty		PAZ7 Comdty	

MACRO

- Bitcoin was hammered overnight, due to one of China's largest online exchanges stating that they wouldn't offer the crypto currency anymore amid a government crackdown.
- US equities were mixed overnight despite the better than expected CPI data.
- The Dow Jones rose 45.3 points, the S&P500 fell 2.75 points, whilst the Nasdaq lost 31.1 points.
- The best performing sector was utilities (+0.87%) whilst consumer discretionary (-0.55%) was the worst.
- European equities were also mixed. The Euro STOXX gained 0.1%, the German Dax fell 0.1% whilst the UK FTSE dropped 1.1%.
- The VIX gauge fell 0.86% to 10.41.
- The dollar index lost 0.41% to 92.142. The EUR/USD traded up to 1.1926 whilst the USDJPY sank to a low of 109.55 following the news that NK fired another missile.
- US treasury's were mixed. The 2 year yield rose 0.016 bps to 1.36% whilst the 10 year yield fell 0.004 bps to 2.15%.
- Oil prices were higher. WTI was 1% higher to \$49.70 whilst Brent rose \$55.25.
- The CRB index gained 0.2% to 183.31.
- The Bank of England kept rates unchanged at its September meeting, voting 7-2 to hold the benchmark rate at 0.25%. While the decision was in-line with expectations, the hawkish commentary from Governor Mark Carney surprised many. Carney noted that there may need to be some adjustment of interest rates in the coming months and that rates may need to rise more than expected by financial markets.
- U.S. inflation data for August outpaced expectations to increase +0.4% MoM (exp: +0.3%) from +0.1% previously. August's gain is the largest in seven months and took the annualised figure to +1.9% YoY (exp: +1.8%) from +1.7% previously. Gasoline prices were the main driver of the headline print, surging +6.3% on the month, while core CPI (excluding food and energy) added +0.2% MoM (exp: +0.2%) from +0.1% previously and +1.7% YoY (exp: +1.6%) from +1.7% previously.



PRECIOUS

- Another volatile session for the precious with gold dumping under 1320 following US CPI, only to surge higher trading back through 1330.
- Asia opened at 1323 to some early selling on the back of the firm greenback.
- China were also on the offer triggering some small stops on the break of 1320, but good physical buying around this level supported the metal.
- London were light buyers, but all eyes were on the US CPI figures due later in the session.
- Once the CPI was released slightly better than expected the yellow metal gapped lower down to 1316.05, but just as quickly reversed higher trading back towards the mid 1320's.
- The remainder of the session saw gold continue to drift higher in line with the soft USD.
- Silver mirrored gold and finished the session close to the highs..
- The Philadelphia Gold and Silver index rose 0.52%.
- - The SPDR gold trust holdings were unchanged at 838.64 metric tons

PRE-ASIA COMMENTS

- Asian equities open lower following NK firing another missiles over Japan.
- Gold pushes higher in early trade on the back of the tensions surrounding the Korean peninsula.
- Ahead today:
 - US empire manufacturing
 - US retail sales
 - US industrial production
 - US university of Michigan confidence
 - US business inventories

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