



MKS PAMP GROUP

Europe / US Market Update

1st September 2017

Range Europe / US Markets
(from Globex open)

1 st September 2017	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1302.45	1302.95	17.325	17.355	984.10	987.10	930.55	934.55
HIGH	1323.55	1324.05	17.610	17.640	998.50	1001.50	936.95	940.95
LOW	1302.20	1302.70	17.310	17.340	980.20	983.20	930.55	934.55
CLOSE	1322.43	1322.93	17.595	17.625	997.70	1000.70	936.10	940.10
EFP	5.05	5.20	0.06	0.07	2.50	3.50	-7.00	-3.00
LBMA Prices	1305.80	1311.75	17.34		990.00	986.00	935.00	935.00
Active Contract	GCZ7		SIZ7		PLV7		PAZ7	

MACRO

- US equity markets closed higher on the final day of the month as investors digested a host of economic data ahead of today's employment report and received further information on proposed tax reforms.
- Dow Jones closed up +55.67 points, or +0.25% to 21,948.10, S&P500 advanced 14.06 points, or +0.57% to 2,471.65 and the Nasdaq gained +60.353 points, or +0.95% to 6,428.662.
- European equities found support from a weaker EUR and GBP vs. the dollar and strength in miners following yesterday's positive China data (Rio Tinto +1.83%, Anglo American +2.82%, BHP +1.51%).
- EuroFirst 300 Index gained +10.78 points, or +0.74% to 1,469.32 and the EuroStoxx 600 was +2.87 points, or +0.77% to 373.88. FTSE100 +0.89% to 7,430.62, DAX +0.44% to 12,055.84, CAC40 +0.58% to 5,085.59.
- WTI crude rallied \$1.14 (+2.5%) to \$47.10 a barrel as the U.S tapped into its emergency reserves following hurricane Harvey.
- U.S 2y yields were flat at 1.325% and 10y yields dipped -1.2bps to 2.119%.
- Core PCE for July in the U.S was +0.1% (+0.1% expected) unchanged from June.
- Core PCE for the year in the U.S. was +1.4% as expected – down from +1.5% in June.
- U.S. Initial Jobless claims were steady at 236k (238k expected) – 235k prior.
- U.S personal income came in at +0.4% (+0.3% expected) and spending was +0.3% (+0.4% expected).
- Chicago PMI came in at 58.9 (58.5 expected) unchanged from a month earlier.
- U.S treasury secretary Steve Mnuchin said the administration has a 'very detailed' tax plan ready and couldn't be more excited about its prospects. He said the plan has been presented to members of congress and will be released to the public by the end of September.

PRECIOUS

- A strong day for the precious complex buoyed by ongoing geopolitical concerns surrounding North Korea, softer yields and for gold a technical rejection of the \$1295-1300 support zone.
- Gold traded heavily from the get-go in Asia, with notable producer and retail sellers weighing on proceedings.
- Stops through \$1305 prompted a sharp sell-off to below \$1300 (~5000 lots swept through in GCZ7)
- Sell-off swiftly rejected though with gold consolidating around \$1302-1303 for the Asian afternoon.



MKS PAMP
GROUP

- Early London traders were on the bid and took us up above \$1310 where a base was built throughout the remainder of the European session.
- On the NYK open gold spiked following the weaker PCE data and never really looked back with solid real money buying a feature over the course of the day.
- The yellow metal closed just off the highs around \$1322 and stands in good stead to test higher today.

PRE-ASIA COMMENTS

- Some modest selling seen in early trade but gold is holding in rather well so far around \$1320.
- Expect the market to remain subdued leading into tonight's NFP's.
- Ahead today:
 - U.S Non Farm Payrolls and Employment data
 - China Caixin Manufacturing PMI
 - German / French / Italian / Canadian / U.S Manufacturing PMI
 - Italian GDP
 - U.S ISM manufacturing / Prices paid
 - U.S University of Michigan Sentiment
 - U.S. Construction Spending

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.