



MKS PAMP  
GROUP

## Europe/US Market Update - 13th February 2020



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

12-Feb-20	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>OPEN</b>	1566.10	1566.60	17.5775	17.5975	970.50	973.50	2343.50	2346.50
<b>HIGH</b>	1570.50	1571.00	17.6050	17.6250	971.00	974.00	2400.50	2403.50
<b>LOW</b>	1561.90	1562.40	17.4725	17.4925	955.50	958.50	2325.50	2328.50
<b>CLOSE</b>	1568.50	1569.00	17.5225	17.5425	965.00	968.00	2392.50	2395.50
<b>EFP</b>	3.00	3.10	-0.0300	-0.0200	2.00	3.00	-80.00	-60.00
<b>Active Contract</b>	GC10 Comdty		SIH0 Comdty		PLF0 Comdty		PAH0 Comdty	

[Download Europe/US Table](#)

#### MACRO

- Markets extended their pro-risk appetite Wednesday over optimism that the effects of the Coronavirus may not be as drawn out as first expected.
- That, coupled with expectations that major central banks will remain either on hold or ease rates further in the short to mid-term, helped prop up major equity indices.
- US stocks advanced: Dow +0.94% to 29,551.42, S&P500 +0.65% to 3,379.45, NASDAQ Composite +0.9% to 9,725.96.
- European equities also continued to march higher: FTSE100 +0.47% to 7,534.37, DAX +0.89% to 13,749.78, CAC40 +0.83% to 6,104.73 and Euro Stoxx 600 +0.63% to 431.16.
- EUR/USD continues to fall on the back of poor Euro area industrial production numbers and a central bank that is running out of reflationary tools. EURUSD hit a low of 1.0865 after trading as high as 1.0926 during the European hours. Last as I write 1.0870.
- Oil bounced back on the risk-on move, WTI rising +2.6% to \$51.30/bbl.
- Euro area Industrial production slumped -2.1% m/min December to leave output down -4.1% y/y. The data reflects extreme weakness at the back-end of 2019 which was likely

exaggerated American trade tensions and intense Brexit uncertainty. Weakness was broadly based across the member nations. The monthly drop is the largest since February 2016 and was led by a significant fall in capital goods, down -4.0% m/m (-6.7% y/y).

## PRECIOUS

- Gold prices remained relatively unchanged despite the risk-on environment, which suggests any change in sentiment to the negative could see gold continue to rally higher.
- Market opened at \$1568 yesterday, falling to the days lows during European hours, then bouncing back throughout the NYK session. In the end we closed around \$2 lower for the day at \$1566.
- Silver trickled consistently lower throughout the day on modest volumes.
- Palladium was again very volatile with a big range. It remained flat around \$2340-55 throughout Asia and most of Europe, began to dip off to the lows, yet surged sharply to the highs of the days in NYK as risk began to rally. It closed just off the daily highs.
- Platinum was volatile in NYK, getting slammed before being lifted on the back of the demand for Pd. Plat still managed to close about \$10 lower for the session, due to a late round of profit taking.

## PRE-ASIA COMMENTS

- Gold has rallied about \$5 so far in Asia on the back of fresh Coronavirus headlines: (Bloomberg) -- "China's Hubei province, the center of the coronavirus outbreak, reports 14,840 additional confirmed cases, which includes cases that are clinically diagnosed, after method revision, according to statement from Hubei's health commission. Data released is for the 24-hour period for Feb. 12. Total deaths reported in the province is 1,310 A total of 3,441 patients have been discharged from the hospital since the outbreak."
- High so far for gold is \$1572.00 after closing at \$1566 the previous session.
- Ahead today:
- German CPI
- US CPI, jobless claims

---

*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.*