



Precious Metal Market Report

Market Overview

Monday 21st June— Friday 25th June

Gold

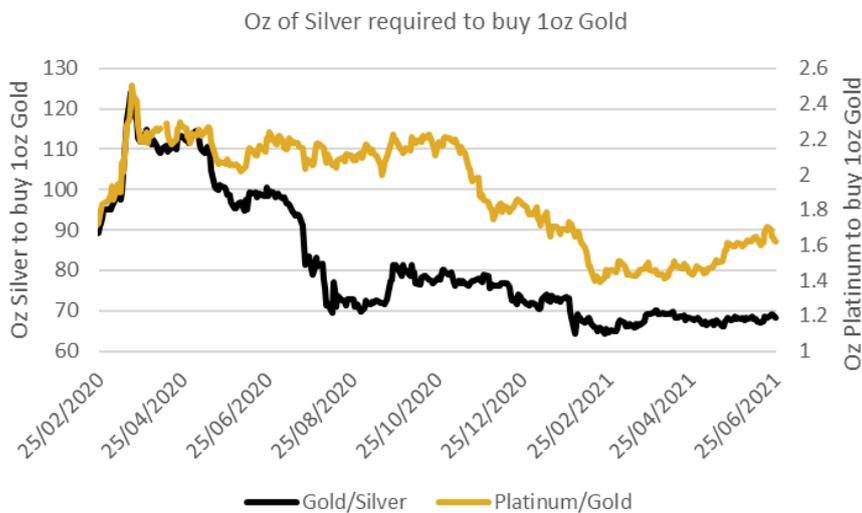
➔ Trades within a tight-range as higher inflation is offset by expectations of earlier interest rate rises by Federal Reserve

Silver

➔ Ticks higher but remains in a tight range on US Dollar weakness

Platinum

⬆️ Rallies through the week as Platinum attempts to recover most of last week's losses



Guidance

- Black line going up** = Gold able to buy more silver
- Black line going down** = Gold able to buy less Silver
- Gold Line going up** = Gold able to buy more Platinum
- Gold line going down** = Gold able to buy less Platinum

Guidance

Current ratio = 68.29

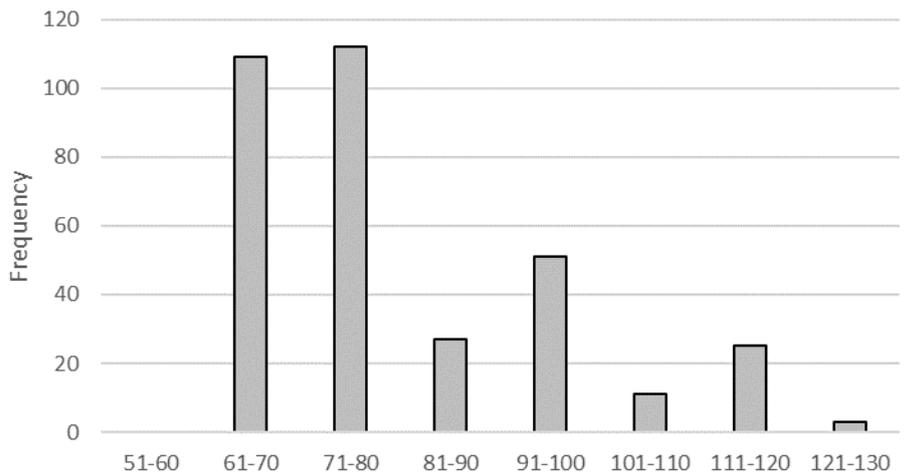
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

We can see that most of the time the Gold Silver ratio trades in a range of **61 to 80 ounces** of Silver for each ounce of Gold

The market can reach valuations in which Gold is worth **120+** ounces of Silver but as the graph shows, the ratio does not stay at these valuations for long

A ratio of 100+ ounces of Silver for 1 Gold ounce is a good time to swap Gold for Silver

1 Year Gold/Silver Ratio Distribution



Overview

Gold posted its first weekly gain in four as news of a preliminary US infrastructure deal pressured the US Dollar lower. Upside has been capped by a shift in stance of the Federal Reserve as two officials admitted that the present period of high inflation may last longer than expected with the Atlanta Fed President expecting an interest rate rise in H2 2022 whilst 13 of the 18 policymakers foresee a 'liftoff' in borrowing costs by 2023. Notwithstanding the hints of interest rate rises, US bond purchases continue to be US\$120 billion per month. Pound Sterling dipped at the end of the week as the Bank of England's Monetary Policy Committee held rates and its asset purchasing program constant despite increased inflation

The above graphs represent current prices of precious metals contracts for prompt delivery, and are susceptible to change. It is important to note that the above does not represent a forecast of where Auronum expects prices to be at that specific point in time.

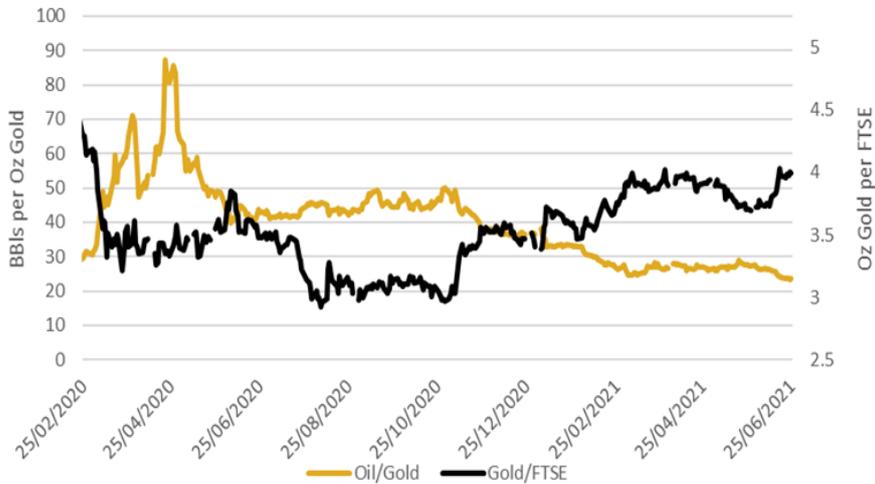


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Oil & FTSE 100 Priced in Gold



Guidance

Black line going up = Gold becoming cheaper relative to the FTSE 100

Black line going down = Gold becoming expensive relative to the FTSE 100

Gold Line going lower = Gold becoming cheaper relative to the oil

Gold line going higher = Gold becoming expensive relative to oil

Guidance

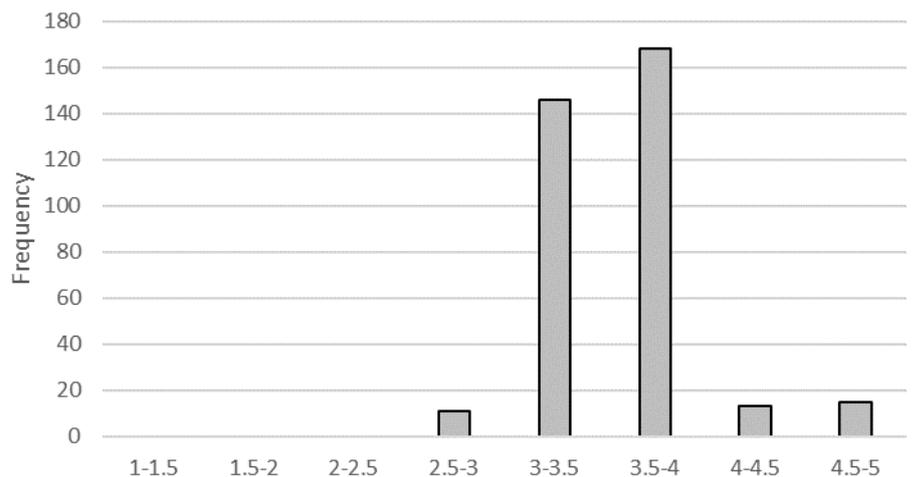
Current Ratio = 3.99

The silver bars show how many sessions the 1oz Gold to FTSE 100 ratio spent in each of the price ranges in the past year

The ratio has typically stayed within the 3 to 4 range with **sub-3** being an excellent time to sell Gold to buy FTSE 100 stocks

A ratio of **>4** has been an excellent opportunity to liquidate FTSE 100 stocks to purchase Gold

1 Year Gold/FTSE 100 Ratio Distribution



Gold Pair	25-Jun-21	21-Jun-21	△ ↓	Week-on-Week		Year-on-Year	
				△	% Change	09-Jun-20	△ %
GBP/Gold	£1,283	£1,279	▼	-3.70	-0.3%	£1,420	-136.70 -10.7%
USD/Gold	\$1,787	\$1,783	▼	-4.01	-0.2%	\$1,761	25.48 1.4%
EUR/Gold	€ 1,493	€ 1,496	▲	2.70	0.2%	€ 1,572	-78.62 -5.3%
Silver/Gold Ratio	68.29	68.74	▲	0.44	0.6%	98.52	-30.22 -44.3%
Oil/Gold Ratio	23.76	23.80	▲	0.05	0.2%	42.91	-19.15 -80.6%
FTSE 100/Gold Ratio	3.99	3.96	▼	-0.03	-0.8%	3.49	0.50 12.6%

Overview

Precious metals have endured a relatively muted week but managed to register gains against Sterling and the US\$ but lost some ground against the Euro

Crude oil's strong performance led to the oil/Gold ratio continuing to show disparity between the two assets in favour of oil. Gold managed to outperform the FTSE 100 albeit a negligible amount

From a longer-term perspective, Gold remains cheap relative to oil as the two assets have diverged over the past year due to OPEC+'s success in drawing down global oil inventories which has boosted oil prices

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General Market Commentary

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Despite UK house prices reaching record highs this summer, the average UK house price is depressed against Gold given that it takes 191 ounces of Gold to purchase the average UK house whereas it took 688 ounces to buy the average UK house back in Q1 2005

Gold prices have consolidated this week as markets awaited updated comments from the Federal Reserve's position on bond purchases and interest rates

A weak US\$ is underpinning the precious metals amid large fiscal stimulus proposals by the US Government

Gold With Free Next Day Insured Delivery

Ounces of Gold to buy average UK house



Guidance

Black curve trending lower = UK houses becoming cheaper relative to Gold

Black curve trending higher = UK house prices becoming more expensive relative to Gold

Note: UK House prices based on monthly Halifax average price data

Interest Rate Decisions in July

Country	Announcement Date	Current Interest Rate
Australia	6 July 2021	0.1%
New Zealand	14 July 2021	0.25%
Canada	14 July 2021	0.25%
Japan	16th July 2021	-0.01%
China	22nd July 2021	3.85%
European Union	22nd July 2021	0%
USA	28th July 2021	0.25%