



Precious Metal Market Report

Market Overview

Monday 12th July— Friday 16th July

Gold



Gold higher over the week as markets enter 'risk-off' mode following a rise in coronavirus cases and consumer price inflation

Silver

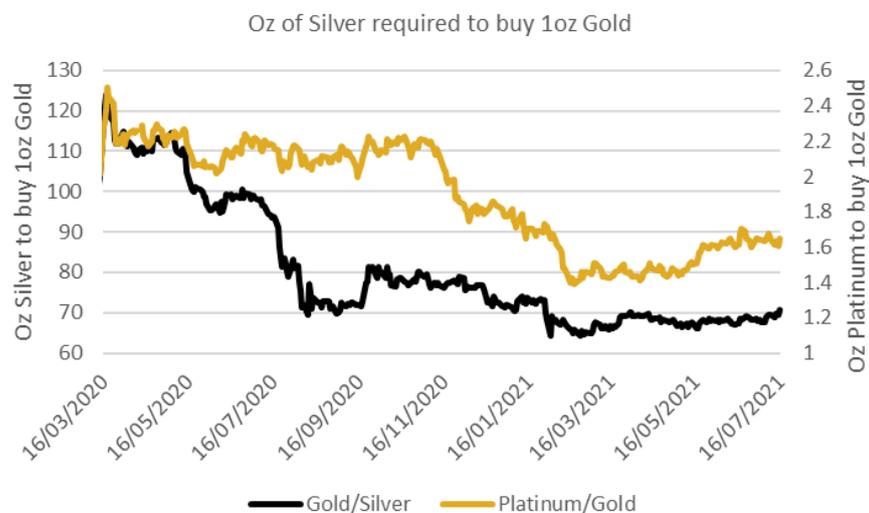


Closes the week lower after Friday's selloff due to rising coronavirus infection rates impacting industrial demand expectations

Platinum



Platinum prices end the week lower after a large down-move on Friday as Platinum tracks losses in the stock market



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 = 70.64

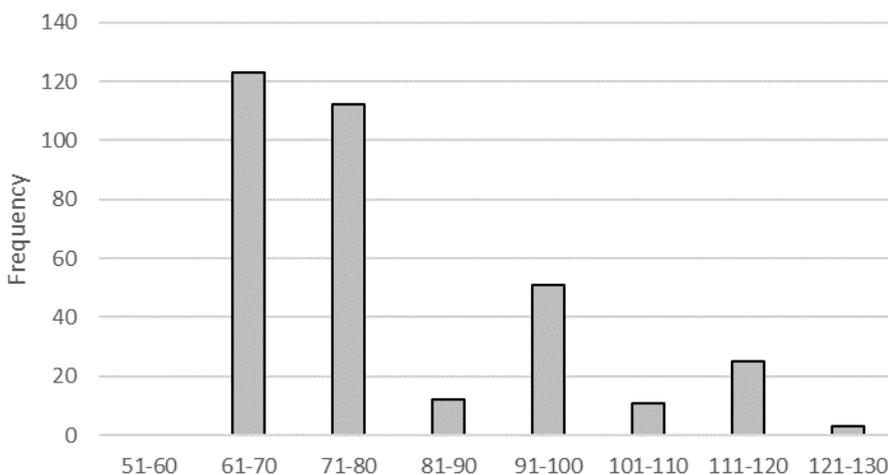
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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



Commentary

Gold prices strengthen against other precious metals this week after markets enter 'risk-off' mode following rising coronavirus infections. 10-year US treasury yields ended the week lower which supported Gold prices as investors grew concerned over the economic recovery amid rising virus cases. Gold retreated from a one-month high as the US Dollar strengthened due to US retail sales rising 0.6% in June despite a contraction being forecast by analysts. US bond yields dipped from the weekly highs after Fed Chair Jerome Powell promised "powerful support" to ensure the U.S. economic recovery.

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.

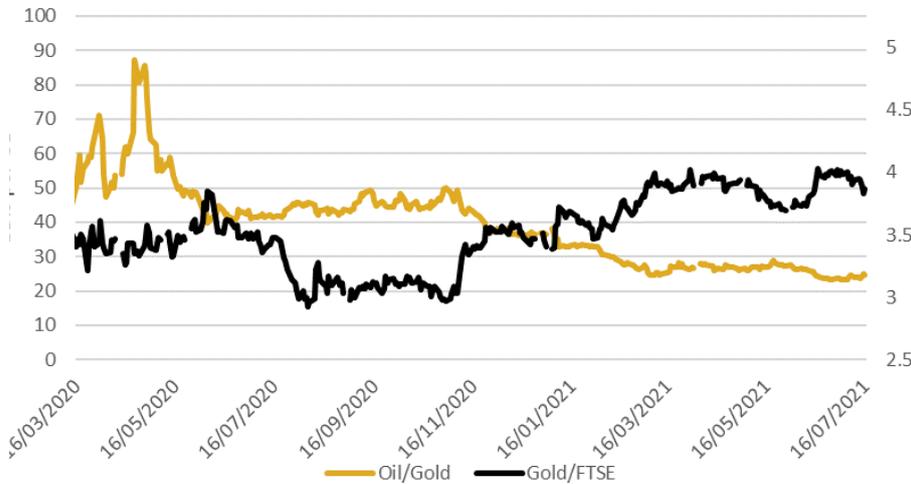


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Oil & FTSE 100 Priced in Gold



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

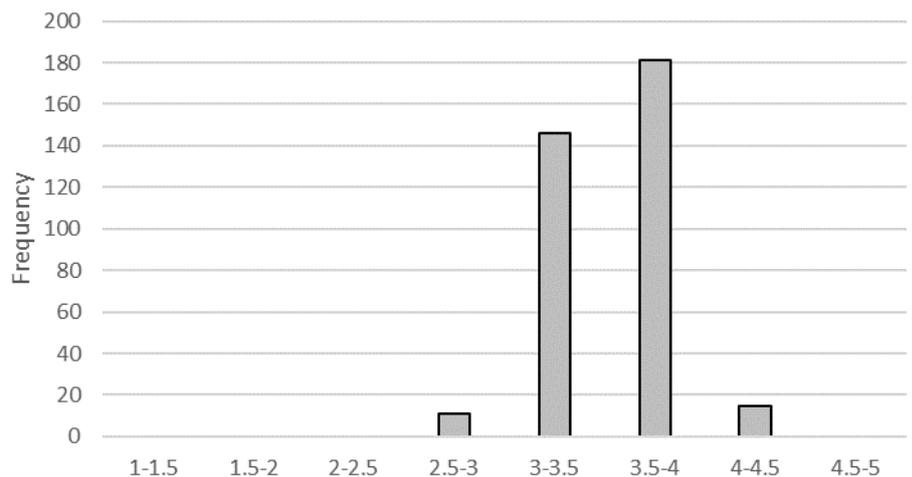
Current Ratio = 3.87

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	12-Jul-21	16-Jul-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	16-Jul-20	△	% Change
GBP/Gold	£1,316	£1,300	▼	-15.29	-1.2%	£1,431	-115.73	-8.8%
USD/Gold	\$1,811	\$1,806	▼	-5.31	-0.3%	\$1,797	14.55	0.8%
EUR/Gold	€ 1,534	€ 1,522	▼	-11.78	-0.8%	€ 1,578	-44.43	-2.9%
Silver/Gold Ratio	70.64	68.99	▼	-1.64	-2.4%	93.72	-23.08	-32.7%
Oil/Gold Ratio	24.74	24.03	▼	-0.71	-3.0%	41.43	-16.69	-67.5%
FTSE 100/Gold Ratio	3.87	3.95	▲	0.08	1.9%	3.48	0.39	10.1%

Overview

Precious metals volatile as inflation concerns persist yet rising coronavirus cases lead to a pessimistic outlook for economic recoveries in key jurisdictions. Silver and Platinum underperformed Gold due to their demand being linked with industrial activity. Rising coronavirus cases predicts lower levels of economic activity

The Reserve Bank of New Zealand has surprised markets by confirming that their current quantitative easing programme will end on 23 July which has led analysts to predict an interest rate hike this year. This may set a precedent for other central banks. It is unclear whether interest rate hikes will change the real (inflation adjusted) interest rates or if increasing interest rates turned the real rate even more negative given rising consumer prices across the board

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General Market Commentary

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Average house price data is yet to be confirmed for July.

The average UK house can be purchased with 129 ounces of Gold which is historically low, showing Gold has strengthened against UK house prices over the previous decade as illustrated in the chart below

UK house prices remain relatively inexpensive compared to Gold

AURONUM

Sell Silver Today at Competitive Prices

Ounces of Gold to buy average UK house



Guidance

Black curve trending lower = Gold rising against UK house prices

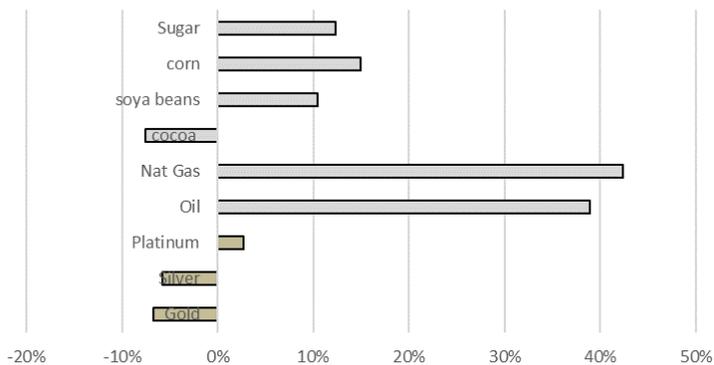
Black curve trending higher = Gold falling against UK house prices

The average UK house can be purchased with **129** ounces of Gold

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

Gold's Performance in 2021

Calendar Year Performance



Gold has continued to underperform the other commodities that feature in the charts in this section with cocoa being the only exception

A rising US\$ index has capped gains in many commodities with lumbar making the news for eroding all of its 2021 gains due to a recent collapse in prices

Gold continues to be the worst performing precious metal since the beginning of the year

Calendar year (1st January to date) continues to show that energy related commodities have outperformed

Cocoa is the only commodity that Gold has strengthened against from our chosen basket of commodities yet cocoa has gained some ground on Gold since last week

Gold's Performance Against Other Commodities

