



# Precious Metal Market Report

## Market Overview

Monday 28th June— Friday 2nd July

### Gold

↑ Gold was range-bound for most of the week as the markets braced for US non-farm payroll data on Friday

### Silver

↑ Silver took direction from the Gold market by trading in a tight range before closing the week stronger

### Platinum

↓ Platinum failed to sustain last week's gains and has closed the week lower despite a late rally at the end of the week



### 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 = 67.61**

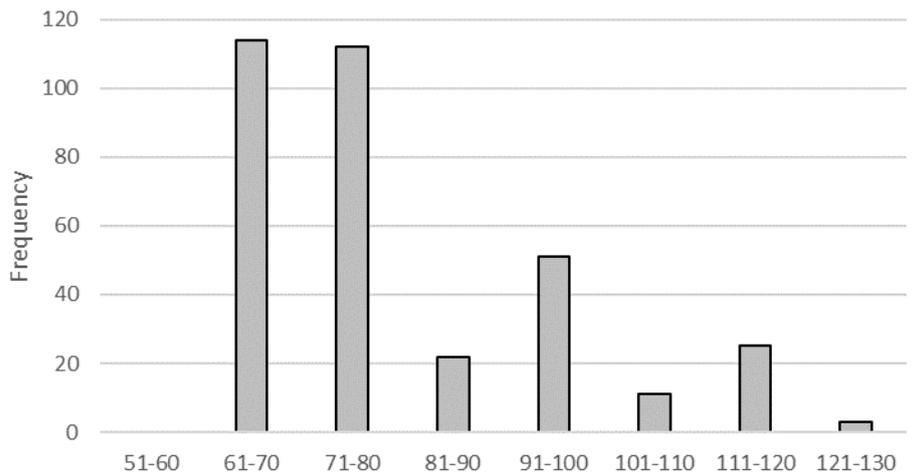
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 spent the majority of the week trading within a tight range as the markets awaited US employment data. Gold jumped 1% on release of the employment data showing the market was looking for a larger increase. US unemployment rose to 5.9% from 5.8% in May, with weaker employment data reducing the likelihood that the Federal Reserve will rush into raising interest rates. Gold was trading slightly higher in early London trading on Friday as the spread of the Delta coronavirus variant caused some Asian & European countries to slow reopening plans. Greece's central bank forecast 2021 tourist revenues have been cut from 50% to 40% of those in 2019, showing how travel restrictions are slowing the 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.*



# Precious Metal Market Report

Market Overview

Monday 28th June— Friday 2nd July

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

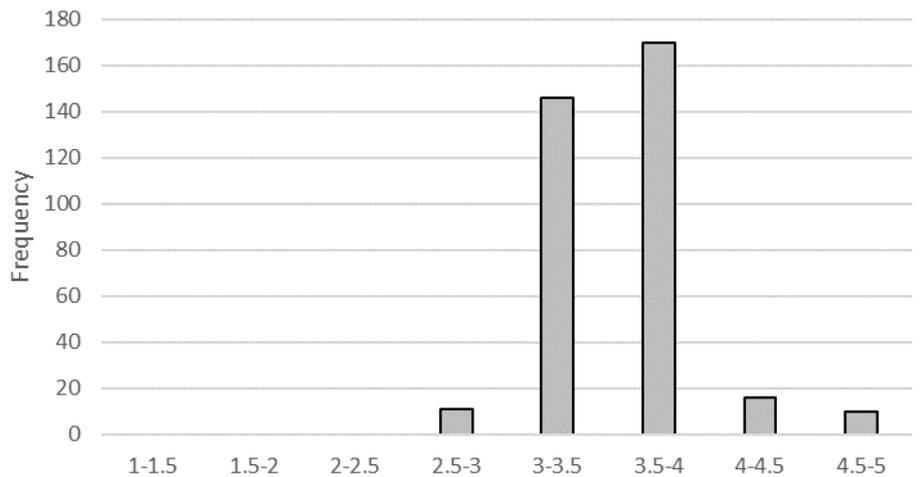
**Current Ratio = 3.995**

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	28-Jun-21	2-Jul-21	△ ↓	Week-on-Week		Year-on-Year	
				△	% Change	09-Jun-20	△ %
GBP/Gold	£1,292	£1,280	▼	-11.62	-0.9%	£1,424	-131.91 -10.2%
USD/Gold	\$1,783	\$1,778	▼	-4.48	-0.3%	\$1,775	7.52 0.4%
EUR/Gold	€ 1,505	€ 1,491	▼	-14.43	-1.0%	€ 1,579	-74.51 -5.0%
Silver/Gold Ratio	67.61	68.15	▲	0.54	0.8%	99.17	-31.56 -46.7%
Oil/Gold Ratio	23.51	23.81	▲	0.31	1.3%	41.15	-17.64 -75.1%
FTSE 100/Gold Ratio	4.00	3.98	▼	-0.02	-0.5%	3.52	0.48 12.0%

## Overview

An uneventful week for the precious metals with Gold and Silver managing a higher close on the week on US employment data.

Sterling depreciated against the US\$ as Bank of England governor urged the market not to overreact to a rise in inflation which dampened expectations of an early tightening of monetary policy which sent the pound lower.

This followed the Bank of England's ex-chief economist warning that inflation was likely to reach highs of 4% this year 'for a temporary period'.

*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.*



# Precious Metal Market Report

General Market Commentary

Monday 28th June— Friday 2nd July

Fresh data from Nationwide showed that the average UK house price rose 13.4% in the year to June

It took 169 ounces of Gold to buy the average UK house in June 2020 whereas 129 ounces will buy the same house now, showing UK property has underperformed Gold this year

**AURONUM**

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

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

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

### Interest Rate Decisions in July

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