



Precious Metal Market Report

Market Overview

Monday 5th July— Friday 9th July

Gold

↑ Gold registers a third straight weekly gain on lower US bond yields and coronavirus Delta variant concerns

Silver

↓ Silver closes the week slightly lower as the US\$ index holds near recent highs. Economic recovery concerns weigh

Platinum

→ Platinum prices flat as Friday's gains offset mid-week losses as bond yields recovered from their lows



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 = 69.22

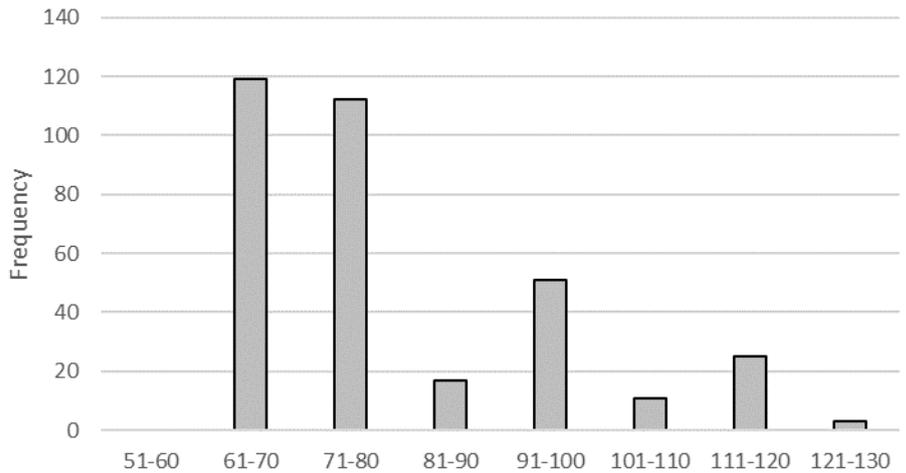
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 manages to close higher this week due to a fall in 10-year US Treasury Bond yields and growing concerns over the Delta coronavirus variant. US bond yields fell as concerns grew over the economic recovery, causing traders to buy bonds pushing the yield lower. The initial fall in bond yields led to a rally in the precious metals at the beginning of the week prior to yields recovering from a weekly low of 1.25% to around 1.35% on Friday which caused Gold prices to pullback from Thursday afternoon's peak of \$1,321/oz. Rising Delta variant cases is likely to slow the economic recovery in many key economies whilst low vaccination rates in some regions could threaten economic growth globally which will be bullish for Gold

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.

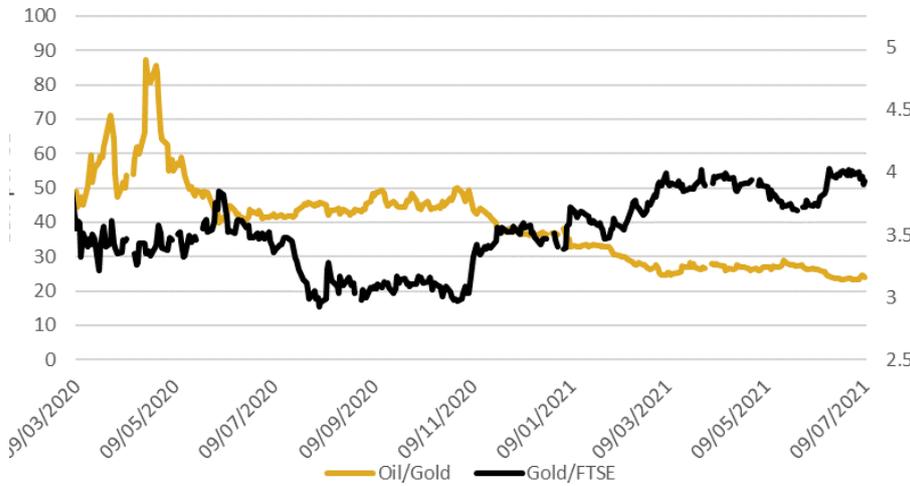


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Oil & FTSE 100 Priced in Gold



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

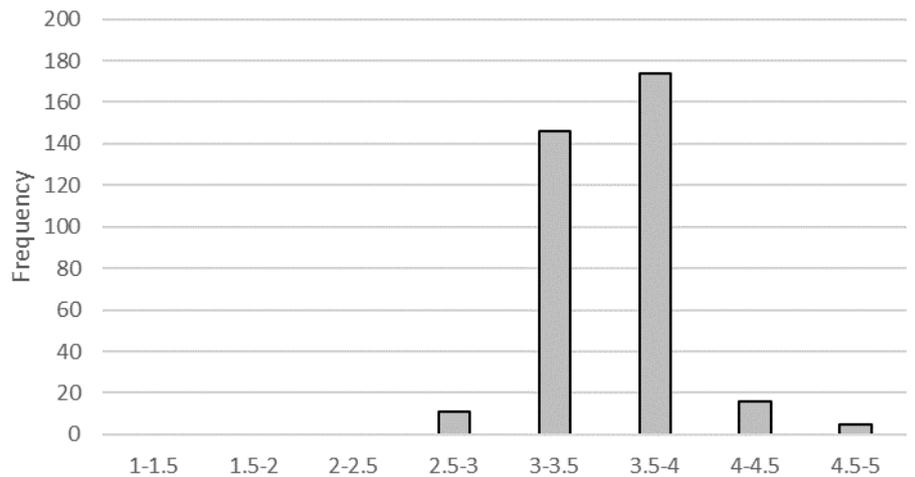
Current Ratio = 3.933

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	6-Jul-21	9-Jul-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	09-Jun-20	△	% Change
GBP/Gold	£1,307	£1,294	▼	-13.00	-1.0%	£1,430	-123.66	-9.5%
USD/Gold	\$1,808	\$1,792	▼	-16.45	-0.9%	\$1,803	5.24	0.3%
EUR/Gold	€ 1,524	€ 1,510	▼	-14.12	-0.9%	€ 1,598	-73.64	-4.8%
Silver/Gold Ratio	69.22	67.72	▼	-1.50	-2.2%	96.61	-27.39	-39.6%
Oil/Gold Ratio	23.87	23.22	▼	-0.65	-2.8%	42.57	-18.70	-78.3%
FTSE 100/Gold Ratio	3.93	4.00	▲	0.07	1.6%	3.36	0.58	14.7%

Overview

Precious metal prices remained relatively subdued despite some volatility in the US 10-year Treasury Bonds which opened the week with a yield of 1.44%, fell to 1.25% and closed around 1.35%. Stock markets sold-off on Thursday with the FTSE 100 down 2% as markets entered a 'risk-off' sentiment. Gold prices managed to break through the 50 day moving average on Thursday however bond yields recovered and prevented any further upside for Gold

The US\$ index held near its recent highs whilst the pound lost some ground against the US\$ as UK Gross Domestic Product (GDP) expanded at a slower rate than expected in May. GDP grew 0.8% in May, down from the 2% growth registered in April

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Precious Metal Market Report

General Market Commentary

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Average house price data is yet to be confirmed for 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

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

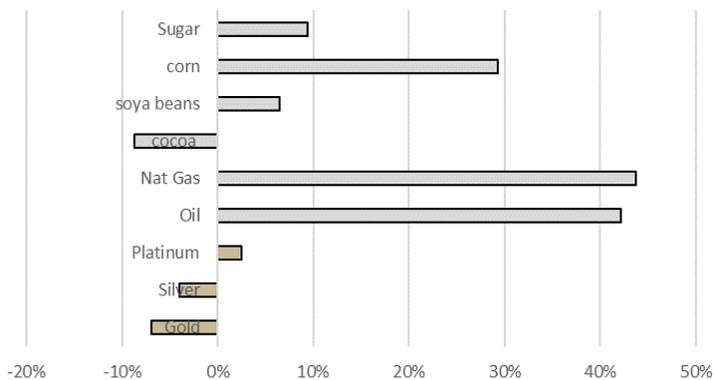
Black curve trending higher = Gold falling against UK house prices

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 only managed to rally against one other commodity from the ones featured in the chart below. Cocoa has lagged Gold due to a glut of cocoa in the market linked to comfortable supply and weakened demand. Oil has enjoyed a strong performance in a supply-driven rally as OPEC+ has successfully tempered output to drawdown on global inventories

A cold winter in Asia and Europe caused Natural Gas prices to outperform oil as European and UK gas inventories remain at multi-year lows during the current Summer maintenance season

The calendar year performance (1st January to date) shows that energy related commodities have outperformed

Grains have also risen on wider commodity price inflation

Gold and Silver prices have largely underperformed with very little speculation in the two asset classes.

Platinum has managed to gain since the first week of the year, up 2.5%

Gold's Performance Against Other Commodities

