



Precious Metal Market Report

Market Overview

Monday 9th August — Friday 16th August

Gold



Gold slightly higher on the week following Sunday evening flash crash and subsequent recovery

Silver



Silver continues to underperform but registers a small gain over the week

Platinum



Platinum posts its best week since late June, tracking the gains in Gold and Silver towards 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 = 74.72

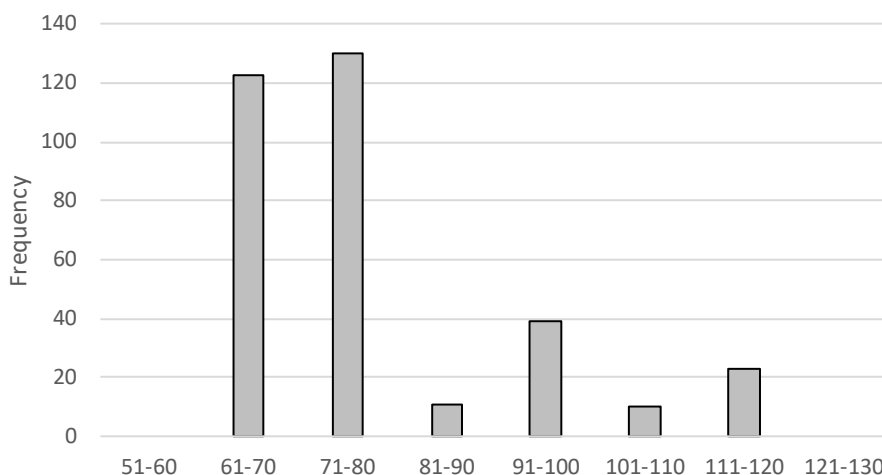
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 and Silver prices sold-off at the beginning of the week following a US\$4 billion sell order hit the markets during the thin liquidity Sunday evening session. Gold lost 4.5% within minutes with Silver falling 7% over the same period. The likely reason for this was to take out retail investor's long stop losses, providing liquidity for the large seller to flip from short to long. The Gold and Silver market spent the remainder of the week recovering from the selloff and managed to register a small gain on the week. Platinum prices were relatively immune from the Sunday evening selloff but posted strong gains over the week, tracking Gold and Silver prices higher

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.

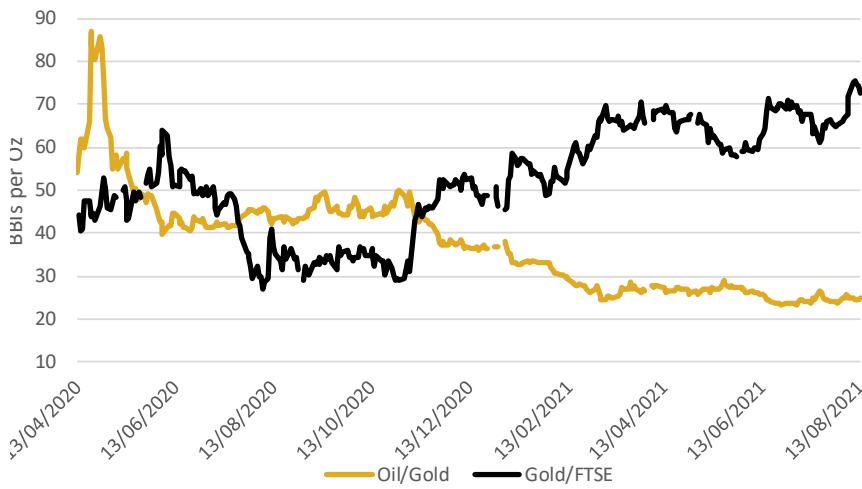


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Oil & FTSE 100 Priced in Gold



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

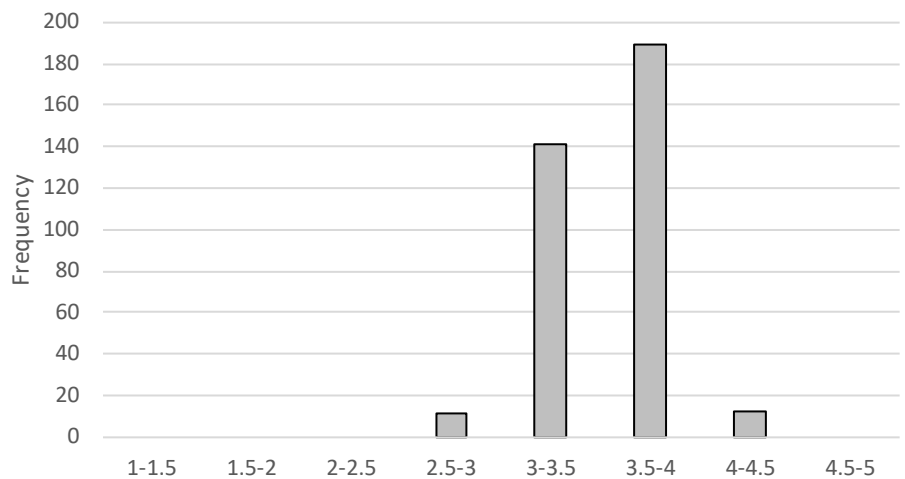
Current Ratio = 4.066

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	9-Aug-21	13-Aug-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	16-Jul-20	△	% Change
GBP/Gold	£1,280	£1,249	▼	-31.07	-2.5%	£1,495	-214.83	-16.8%
USD/Gold	\$1,774	\$1,729	▼	-44.44	-2.6%	\$1,953	-179.13	-10.1%
EUR/Gold	€ 1,503	€ 1,473	▼	-30.49	-2.1%	€ 1,653	-149.32	-9.9%
Silver/Gold Ratio	74.72	73.81	▼	-0.91	-1.2%	70.88	3.84	5.1%
Oil/Gold Ratio	25.03	25.05	▲	0.02	0.1%	43.44	-18.41	-73.6%
FTSE 100/Gold Ratio	4.07	4.12	▲	0.06	1.4%	3.17	0.90	22.1%

Overview

Gold endured a slow grind back following the Sunday evening flash crash with rising coronavirus cases in the US and Asia leading to more risk aversion in the markets which supported Gold due to its safe haven appeal. Moreover, for the first month in 2021, inflation came in as expected for US consumer prices which was perceived as making early tapering of economic support less likely

Sterling hit an 18-month high against the Euro following a reduction in coronavirus cases and expectations that the Bank of England will raise interest rates sooner than the European Central Bank. US 10-year Treasury bond yields dipped during the week which further supported the precious metals, hitting highs of 1.379% before closing the week at 1.315%

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Precious Metal Market Report

General Market Commentary

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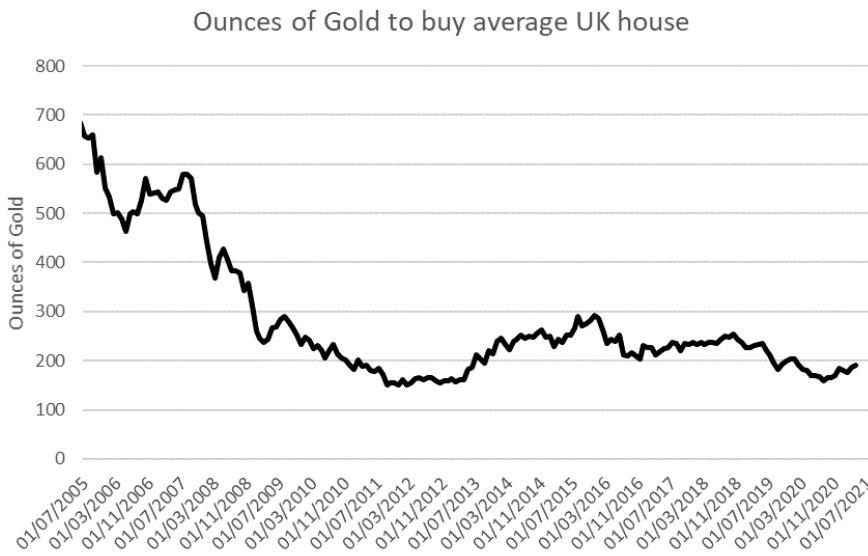
Average house price data showed that Gold strengthened against the average UK house price in July

The average UK house can be purchased with 126 ounces of Gold which is down from 129 ounces in June. Nationwide confirmed that UK average house prices dipped to £224,229 in July

UK house prices remain relatively inexpensive compared to Gold

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Gold With Free Next Day Insured Delivery



Guidance

Black curve trending lower = Gold rising against UK house prices

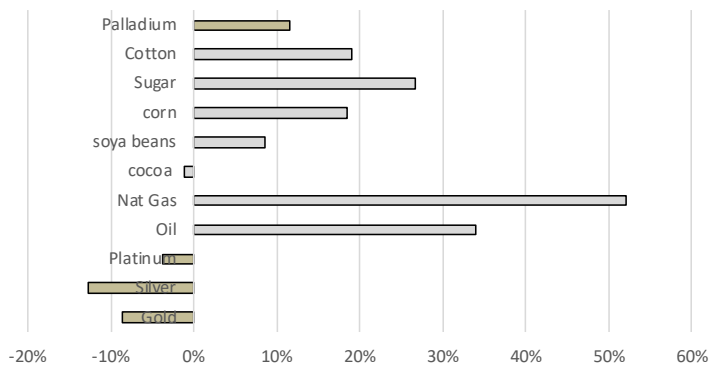
Black curve trending higher = Gold falling against UK house prices

The average UK house can be purchased with **126** ounces of Gold

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

Gold's Performance in 2021

Calendar Year Performance



Gold's performance against other commodities in 2021 remains weak, with the metal looking undervalued and overlooked. Gold looks particularly cheap especially when compared to FTSE 100 stocks

Silver is the only commodity in this section that has depreciated more than Gold which is surprising given the 'silver squeeze' earlier in the year. It is noteworthy, however, that both Silver and Gold outperformed over commodities during 2020

Silver continues to underperform all other commodities featured in this section despite a late rally during Friday's session. Palladium is the only precious metal that has registered a gain during 2021

Platinum is the next best performing precious metal following its best weekly performance since late June

Gold's Performance Against Other Commodities

