



Precious Metal Market Report

Market Overview

Monday 2nd August — Friday 6th August



Gold

Gold trades at a 5-week low after US non-farm payroll numbers better than expected on Friday



Silver

Silver hammered and now trading at lows not seen since late-March



Platinum

Platinum reaches its lowest price seen during 2021 against the US Dollar



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 = 72.58

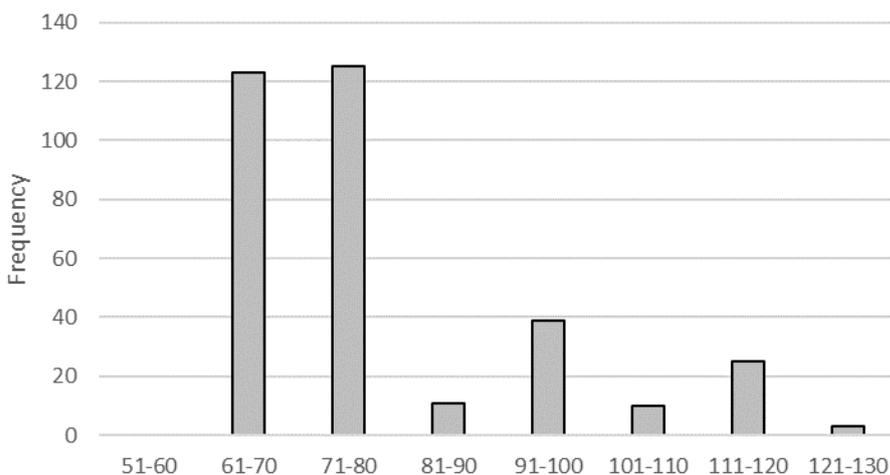
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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

Precious metals drifted down over the week in anticipation of US non-farm payroll data which would offer a further insight into the strength of the US labour market

The Federal Reserve previously confirmed that their main justification in not raising interest rates was weakness in the labour market, making any employment related economic data important for setting the price of the US Dollar and precious metals

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

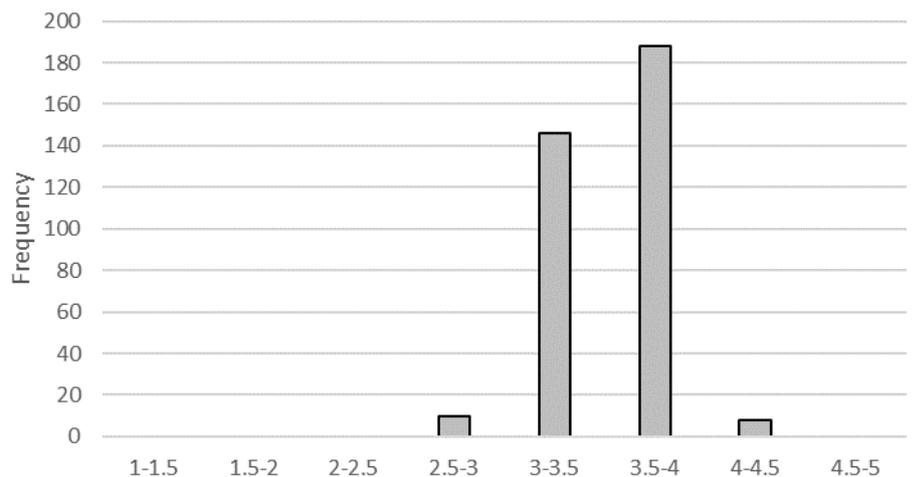
Current Ratio = 4.04

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	2-Aug-21	6-Aug-21	△ ↓	Week-on-Week △	Week-on-Week		Year-on-Year	
					% Change	16-Jul-20	△	% Change
GBP/Gold	£1,270	£1,306	▲	36.01	2.8%	£1,568	-298.54	-23.5%
USD/Gold	\$1,762	\$1,813	▲	51.86	2.9%	\$2,063	-301.66	-17.1%
EUR/Gold	€ 1,498	€ 1,527	▲	29.38	1.9%	€ 1,737	-238.58	-15.9%
Silver/Gold Ratio	72.58	71.31	▼	-1.27	-1.8%	71.29	1.29	1.8%
Oil/Gold Ratio	24.83	24.88	▲	0.05	0.2%	45.76	-20.93	-84.3%
FTSE 100/Gold Ratio	4.04	3.91	▼	-0.14	-3.5%	2.92	1.12	27.8%

Overview

A week dominated by US non-farm payrolls which was released on Friday. Better than expected employment data sent precious metal prices lower with Gold sliding close to 2% down on Friday. The market is anticipating that a date could be announced next month by the Federal Reserve for monetary tightening to begin. Some analysts believe this could be as early as January 2022 given that Fed Vice Chair Richard Clarida and Fed Governor Christopher Waller suggested asset purchase tapering may come sooner than originally planned.

The better than expected jobs report should not be a huge surprise to economists given that some Republic states voted to end \$300 unemployment supplements in July which caused a huge volume of idle workers to seek employment. It is unlikely that the next jobs report will best expectations in the way that this week's report did

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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

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

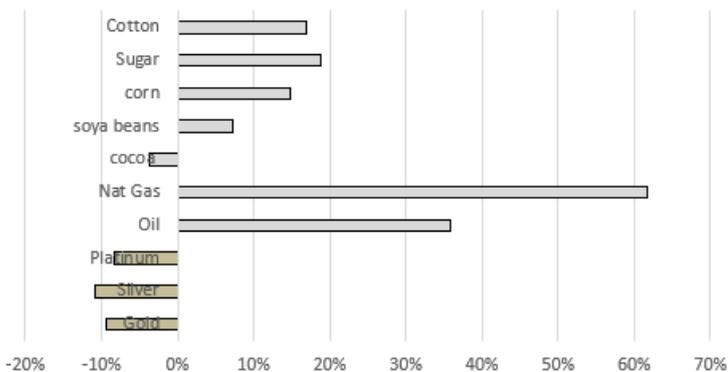
Black curve trending higher = Gold falling against UK house prices

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

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

Gold's Performance in 2021

Calendar Year Performance



A rebound in cocoa prices this week means that the only commodity featured in our chart that has underperformed Gold during 2021 is Silver as Platinum prices have managed to move higher against Gold

It can be concluded from this chart and the chart showing Gold against the FTSE 100, that Gold is depressed against other asset classes. Gold prices could, however, fall further before correcting to the upside

Silver is now the worst performing commodity from the ones featured in this section during 2021. A 'silver squeeze' attempt by meme stock traders has failed to keep silver prices buoyant. Silver spot contracts, however, are much higher than the 2020 lows given that the silver price collapsed when the initial 2020 lockdowns were announced

Natural gas prices continue to outperform with US Henry Hub gas prices trading at prices not seen since Winter 2018. Current gas buyers are paying expensive winter gas prices for summer gas delivery

Gold's Performance Against Other Commodities

