



Precious Metal Market Report

Market Overview

Monday 6th September — Friday 10th September



Gold

Gold the best performing precious metal this week but still closes the week lower



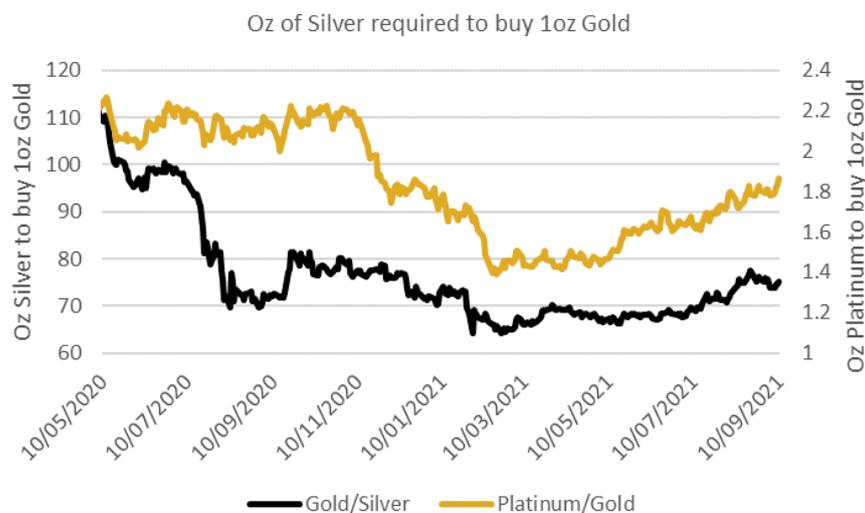
Silver

Silver tracks losses in Platinum. Silver erodes all of last week's gains and stays within a short-term downtrend



Platinum

Platinum down over the week on concerns over falling automobile demand in China and elsewhere



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 = 75.15

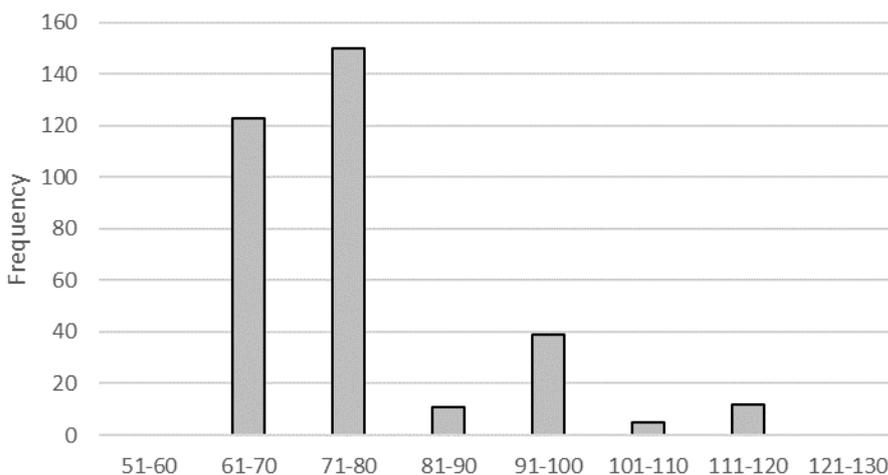
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 has now become the best performing precious metal of 2021 given that a global shortage of chips has led to lower production of automobiles that are an important demand source for platinum and palladium. Palladium prices collapsed close to 10% this week US

10-year treasury bond yields were off slightly over the week whilst the US Dollar index was little changed over the week despite some initial upside volatility. Other major currencies look set to gain against the US Dollar which may lead to a more positive outlook for the precious metals over the coming week

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

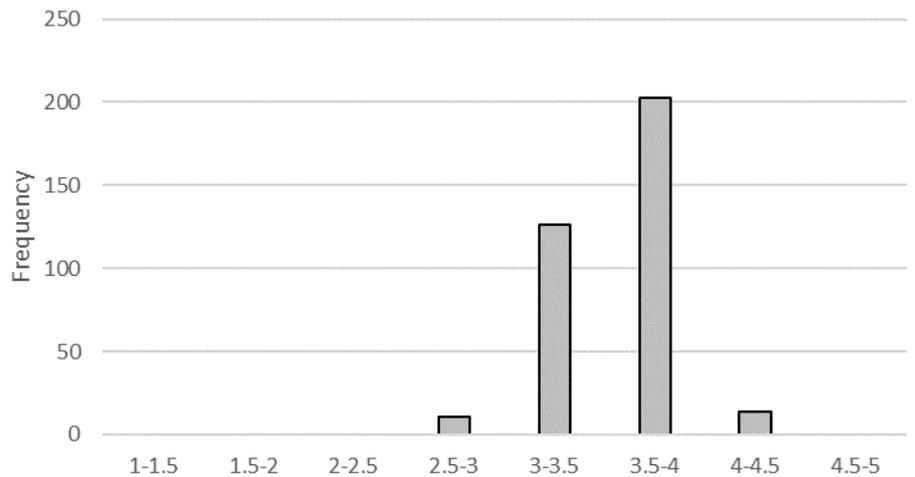
Current Ratio = 3.93

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-Sep-21	10-Sep-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	16-Jul-20	△	% Change
GBP/Gold	£1,293	£1,317	▲	24.09	1.8%	£1,520	-226.22	-17.5%
USD/Gold	\$1,790	\$1,823	▲	32.66	1.8%	\$1,954	-163.63	-9.1%
EUR/Gold	€ 1,515	€ 1,536	▲	20.53	1.3%	€ 1,647	-131.81	-8.7%
Silver/Gold Ratio	75.15	73.90	▼	-1.25	-1.7%	72.59	2.56	3.4%
Oil/Gold Ratio	24.55	25.24	▲	0.70	2.8%	48.78	-24.23	-98.7%
FTSE 100/Gold Ratio	3.93	3.94	▲	0.02	0.4%	3.07	0.85	21.7%

Overview

Arguably, the Gold price is predominantly set by the US Dollar which in turn is contingent on Federal Reserve policy which is why the market is seeing low volatility in the Gold price. The Federal Reserve has a two-day meeting on 21-22 September which will be an important driver for the precious metals. Any major movements are unlikely until then

The European Central Bank (ECB) has announced that it will continue its Pandemic Emergency Purchase Programme (PEPP) but will do so at a slower pace during the fourth quarter. This will be the first step for them unwinding the emergency aid given to the euro zone during the pandemic lockdowns. Analysts expect bond buying will slow to €60-70 billion per month. The ECB's key rate remains unchanged at minus 0.5%, PEPP remains on track to end March 2022

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General Market Commentary

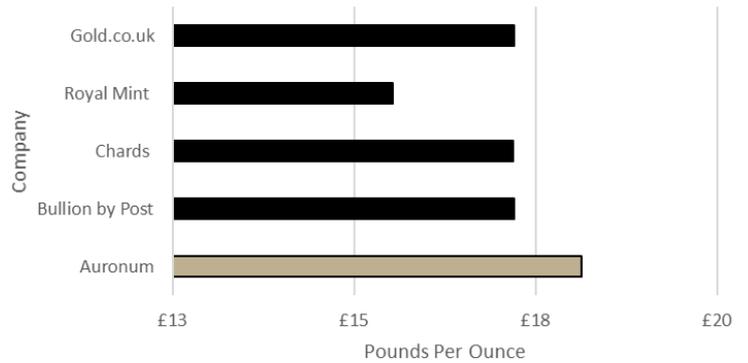
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For investors looking to sell Silver bullion, Auronum currently pays 5% above the spot price for bars and 7% above spot for coins which is the highest price offered in the industry

The graph to the right shows prices offered for investors selling Silver bars and are correct at Friday's close

Auronum will pay £18.14 per ounce for Silver bars and £19.49 per ounce for Silver coins. An additional premium is offered for Silver Queen's Beast coins with 10% above spot price offered

Prices Paid For Silver Bar



Ounces of Gold to buy average UK house



Guidance

Black curve trending lower = Gold rising against UK house prices

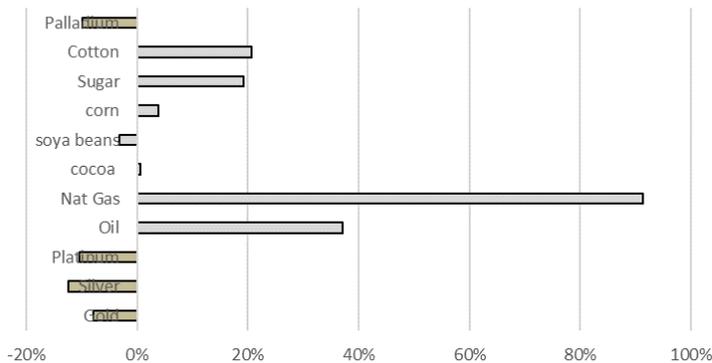
Black curve trending higher = Gold falling against UK house prices

The average UK house can be purchased with **146** ounces of Gold

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

Gold's Performance in 2021

Calendar Year Performance



Gold is now the best performing precious metal of 2021 as the industrial linked Platinum and Palladium fell on poor demand prospects for automobiles

Natural gas contracts have jumped to levels not seen since 2014 after breaking above the 2018 peak. Natural gas is slowly becoming the 'new oil' with the growth of the electronic vehicle market. Gas is an important input for generating electricity, making natural gas a more important commodity as major jurisdictions press towards electronic vehicles

The only commodities featured in this section that have underperformed Gold is the other precious metals due to their industrial demand exposure

The return for soya beans has now turned negative during 2021 but its performance is still better than the Gold price performance

A large move looks likely for the precious metals after this month's Federal Reserve meeting. What remains to be seen is if the breakout occurs to the upside or downside

Gold's Performance Against Other Commodities

