



# Precious Metal Market Report

Market Overview

Monday 20th September — Friday 24th September



## Gold

Gold lower over the week against the US Dollar and Pound Sterling on negative sentiment



## Silver

Silver closes the week little changed as the midweek rally could not be sustained on rising bond yields



## Platinum

Platinum convincingly higher and is the best performing precious metal of the week after making new 2021 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 = 78.14**

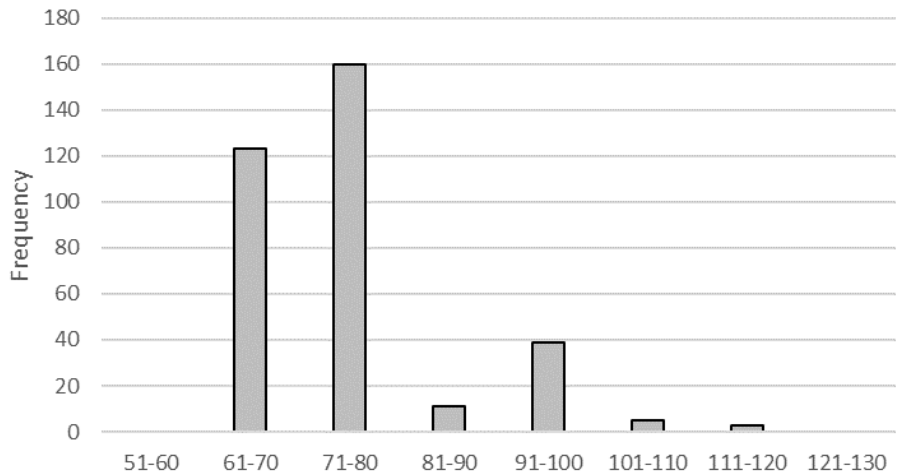
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 both closed the week little changed despite some volatility in the week linked to central bank policy statement. The Federal Reserve continued to promise reducing their monthly asset purchases but with no action seen yet

The main weight on the precious metal market is rising US 10-year bond yields which opened the week at 1.362% and closed at 1.4595%. Evergrande missing the initial deadline for payments on its dollar bond coupon helped lift precious metals during Friday's session

*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.*

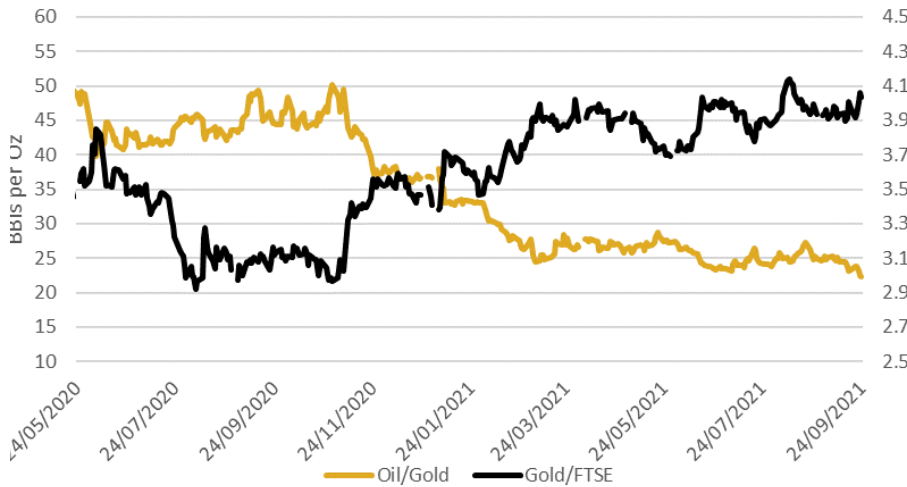


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Oil & FTSE 100 Priced in Gold



### 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

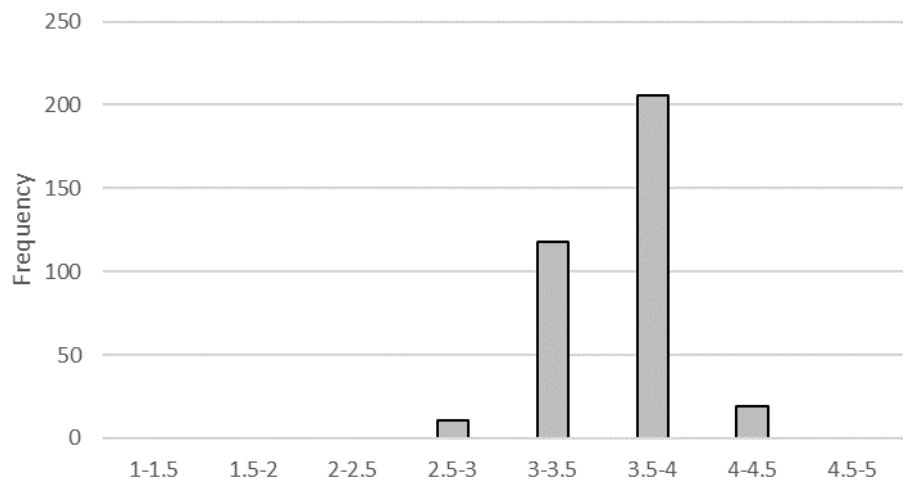
**Current Ratio = 4.04**

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	20-Sep-21	24-Sep-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	24-Jul-20	△	% Change
GBP/Gold	£1,278	£1,291	▲	13.26	1.0%	£1,464	-186.16	-14.6%
USD/Gold	\$1,747	\$1,764	▲	17.08	1.0%	\$1,868	-121.24	-6.9%
EUR/Gold	€ 1,491	€ 1,504	▲	13.30	0.9%	€ 1,599	-108.57	-7.3%
Silver/Gold Ratio	78.14	79.29	▲	1.15	1.5%	80.50	-2.36	-3.0%
Oil/Gold Ratio	22.39	23.86	▲	1.48	6.2%	44.54	-22.15	-99.0%
FTSE 100/Gold Ratio	4.04	3.91	▼	-0.12	-3.1%	3.12	0.92	22.8%

### Overview

Platinum fell to a new low for 2021 before recovering strongly. Platinum has underperformed Gold and Silver as the semiconductor shortage has caused the demand to evaporate due to Platinum's demand being strongly linked to automobile construction. This lack of demand was exacerbated by inventories building for platinum group metals sending prices plunging over the months.

Gold and Silver are struggling in the current climate with rising Treasury yields being the latest factor dampening sentiment. Rising inflation is leading to central banks gravitating towards a more hawkish approach to their monetary policy. Higher interest rates typically predict lower non-yielding asset prices such as bullion

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# Precious Metal Market Report

General Market Commentary

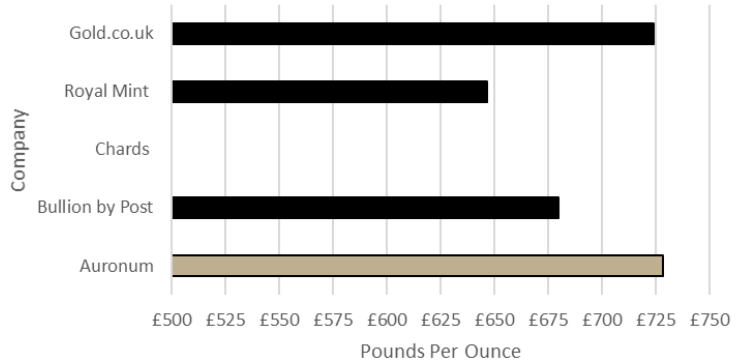
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For investors looking to sell Platinum bullion, Auronum currently pays 1% above the spot price for bars and 2% above spot for coins which is the highest price offered in the industry

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

Auronum will pay £728.08 per ounce for Platinum bars and £743.36 per ounce for Platinum coins. An additional premium is offered for Platinum Queen's Beast coins with 5% above spot price offered

Prices Paid For Platinum Bar



Ounces of Gold to buy average UK house



### Guidance

**Black curve trending lower** = Gold rising against UK house prices

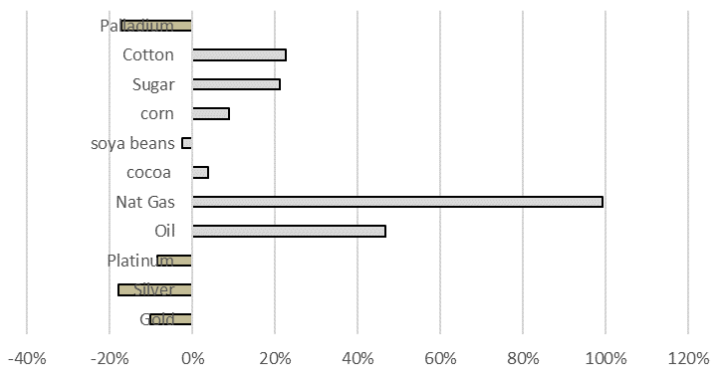
**Black curve trending higher** = Gold falling against UK house prices

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 has outperformed all precious metals featured in this section. The only other commodity that has performed worse than Gold over the 2021 period is soyabeans

Natural gas prices have doubled since the beginning of the year as high Asian demand and 10-year low European gas inventories have led to international gas prices surging

Silver and Palladium have performed terribly this year in an environment where other commodities have performed very well

The sentiment for precious metals has been very negative and with obvious bubbles in cryptocurrencies and some US stocks, precious metals seems a sensible place for defensive investors to place their funds

Notwithstanding soya beans negative return over the year, it has still performed better than Gold so far in 2021 which shows the magnitude of the negative sentiment for precious metals at present

Gold's Performance Against Other Commodities

