



# Precious Metal Market Report

Market Overview

Monday 30th August — Friday 3rd September

## Gold



Gold convincingly higher against the US Dollar and closing the week well above the 200 day moving average

## Silver



Silver outperforms Gold, jumping >3% during Friday's session . Prices break above a technical resistance

## Platinum



Platinum closes the week ahead but remains within a well established downtrend and remains below key moving averages



### 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 = 74.15**

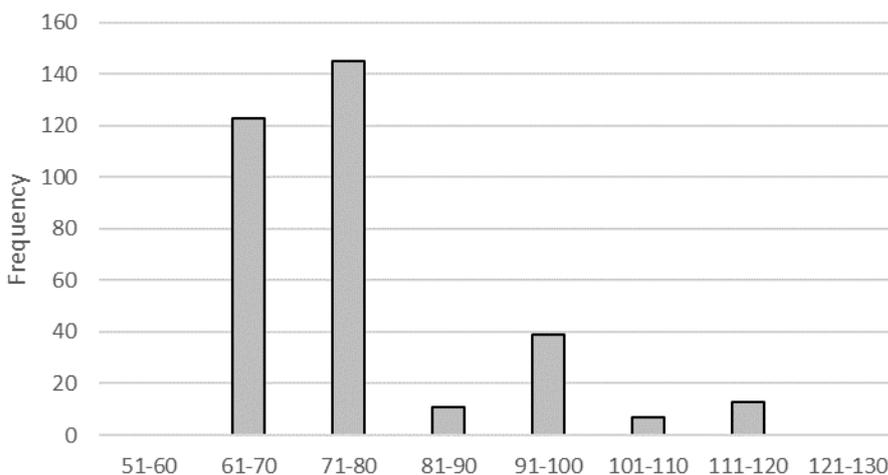
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 spent the week in consolidation as it awaited the US jobs report on Friday in the hope that it would offer an insight into the US economy and how soon the Federal Reserve will begin reducing their bond purchasing. The price of Gold, Silver and Platinum jumped when the numbers were released because the market interpreted the weaker than expected job data as a sign that the Federal Reserve will delay bond tapering

Just 235,000 new jobs were added in August against consensus of 740,000 which was a huge miss. The US Dollar index continued its descent after spending most of the week in decline

*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

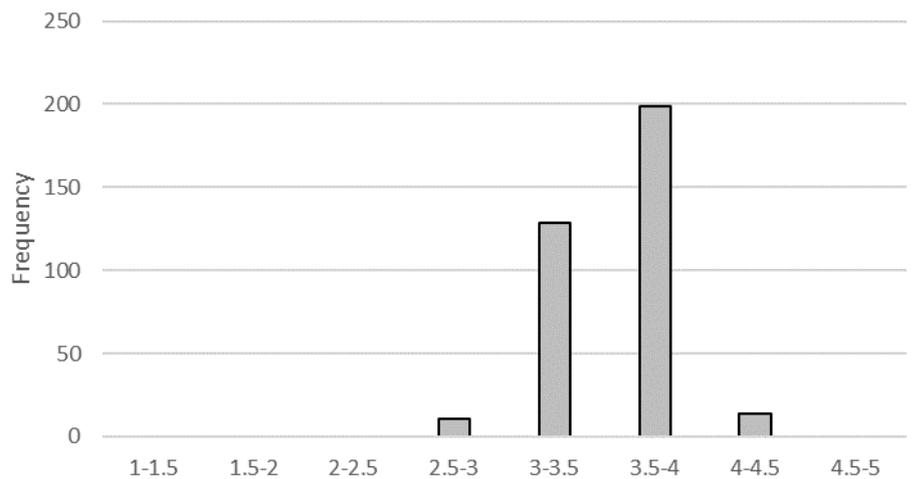
**Current Ratio = 3.9**

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	30-Aug-21	3-Sep-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	16-Jul-20	△	% Change
GBP/Gold	£1,318	£1,315	▼	-3.30	-0.3%	£1,453	-135.05	-10.2%
USD/Gold	\$1,830	\$1,810	▼	-19.82	-1.1%	\$1,931	-100.53	-5.5%
EUR/Gold	€ 1,539	€ 1,534	▼	-5.24	-0.3%	€ 1,629	-89.82	-5.8%
Silver/Gold Ratio	74.15	75.24	▲	1.09	1.4%	72.51	1.64	2.2%
Oil/Gold Ratio	25.25	24.66	▼	-0.59	-2.4%	43.81	-18.55	-73.5%
FTSE 100/Gold Ratio	3.90	3.93	▲	0.03	0.9%	3.03	0.87	22.3%

### Overview

A week dominated by Friday's US jobs number which caused the markets to consolidate for most of the week. A big miss in job additions sent the US Dollar lower and the precious metals higher. Bond yields also rose as US 10-year treasuries fell, opening the week at 1.3070% and closing at 1.3257%. The US Dollar index spent the week trending lower but it was not until Friday that the precious metals saw a meaningful movement

Silver outperformed Gold this week, reaching a new one-month peak on Friday whilst Platinum prices also jumped as the US Dollar weakened. Sterling looks set to outperform the US Dollar over the coming weeks which may see Gold's performance against Sterling being weaker than its performance against the US Dollar

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# Precious Metal Market Report

General Market Commentary

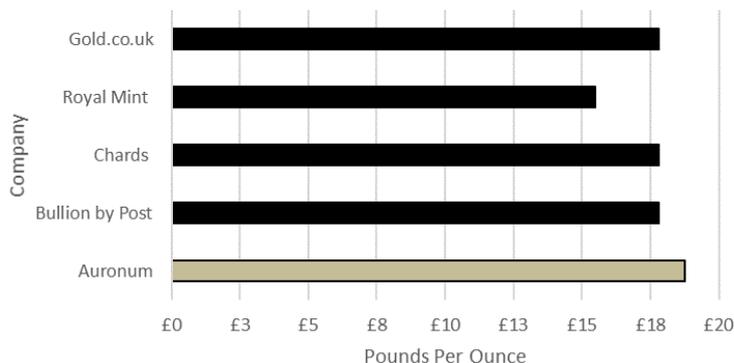
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For investors looking to sell Silver bullion, Auronum currently pays 5% above the spot price for bars and 7% above spot for coins which is the highest price offered in the industry

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

Auronum will pay £18.80 per ounce for Silver bars and £19.15 per ounce for Silver coins. An additional premium is offered for Silver Queen's Beast coins

Prices Paid For Silver Bar



Ounces of Gold to buy average UK house



### Guidance

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

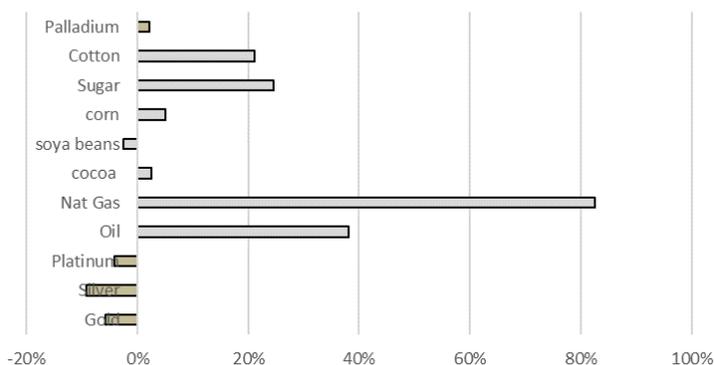
**Black curve trending higher** = Gold falling against UK house prices

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



Natural gas continues to outperform. The US Henry Hub gas price has jumped 15% in a week as a tropical storm led to loss of US oil and gas production in the Gulf of Mexico. European gas prices rose as Gazprom confirmed Nord Stream 2 pipeline would not significantly impact European supply this year

Gold, Silver and Platinum continue to trade lower than the price they traded at the beginning of 2021. Palladium remains the best performing precious metal of 2021 so far

Last week's theme remains unchanged with only Silver underperforming Gold in 2021. 2020 was a strong year for Gold which offers an explanation to why it has underperformed in 2021

Natural gas and oil saw huge losses during the initial 2020 lockdown, however, they have more than recovered their losses in 2021. Cocoa has been a poor performing commodity in 2021 but even cocoa is now performing better than Gold

Gold's Performance Against Other Commodities

