



Precious Metal Market Report

Market Overview

Monday 11th October — Friday 15th October

Gold



Gold marginally higher in a volatile week, prices failed at 200 day moving average on Friday's selloff on US retail data

Silver



Silver closes the week higher after holding a key technical support level. Prices gave back some gains during Friday's session

Platinum



Platinum closes at the week's highs and at prices not seen since early August



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 = 75.9

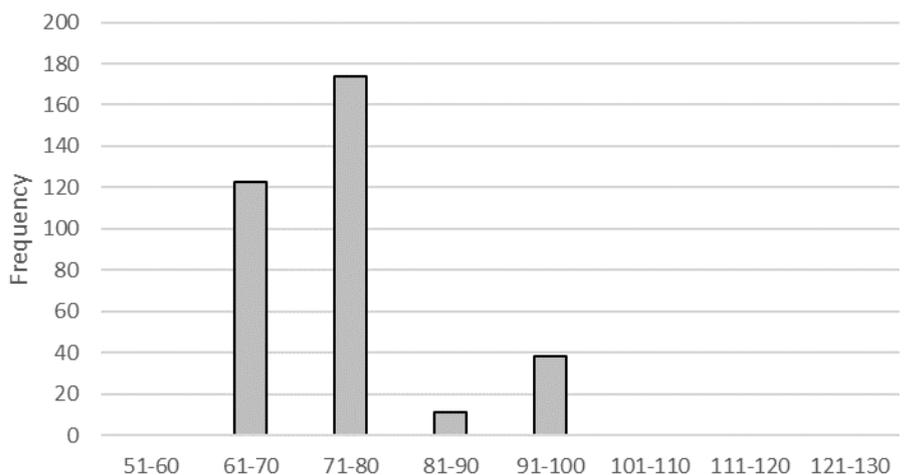
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 **100+** 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

A volatile week which saw Gold price strengthen on higher than expected inflation before being smashed as US retail sales beat expectations. Wednesday's price action was intriguing as algorithm driven trades immediately sold Gold and Silver on higher than expected inflation data but this time buyers stepped into the market and pushed Gold prices 2% higher against the Us Dollar

US 10-year bond yields spent the week in decline which supported bullion, however, stronger than expected US retail sales sent yields higher which pressured Gold and Silver lower

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.

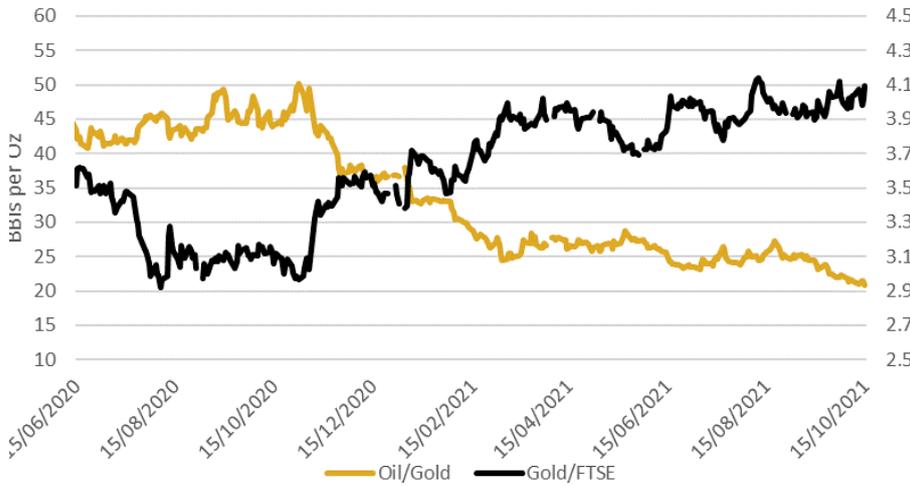


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Oil & FTSE 100 Priced in Gold



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

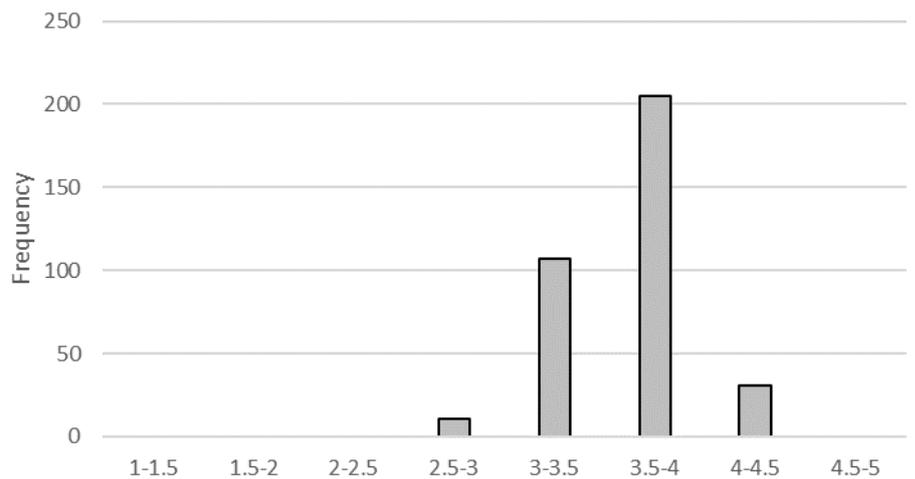
Current Ratio = 4.09

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	11-Oct-21	15-Oct-21	△ ↓	Week-on-Week		Year-on-Year	
				△	% Change	24-Jul-20	△ %
GBP/Gold	£1,286	£1,289	▲	3.22	0.2%	£1,477	-191.12 -14.9%
USD/Gold	\$1,767	\$1,754	▼	-13.33	-0.8%	\$1,908	-140.63 -8.0%
EUR/Gold	€ 1,524	€ 1,518	▼	-5.93	-0.4%	€ 1,630	-106.00 -7.0%
Silver/Gold Ratio	75.87	77.76	▲	1.88	2.4%	78.48	-2.60 -3.4%
Oil/Gold Ratio	20.86	20.97	▲	0.10	0.5%	44.20	-23.34 -111.9%
FTSE 100/Gold Ratio	4.09	4.07	▼	-0.02	-0.5%	3.06	1.04 25.3%

Overview

Gold closed the week higher despite a stronger stock market, higher Bitcoin and a recovery in US treasury bond yields. The safe haven allure of bullion is oftentimes less attractive when the stock market is performing well. Bitcoin's price recovery back above \$60,000 is arguably attracting capital that would otherwise have flowed into the precious metal markets

The Federal Reserve are expected to announce bond tapering in the first week in November which may see an increase in precious metal price volatility. Sterling has posted its strongest weekly gain against the US Dollar and Euro since May. Expectations that the Bank of England will raise interest rates this quarter. The Japanese Yen has sunk to a three-year low against the US Dollar which is further evidence that risk adverse assets are currently out of favour with the market

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Precious Metal Market Report

General Market Commentary

Monday 11th October — Friday 15th October

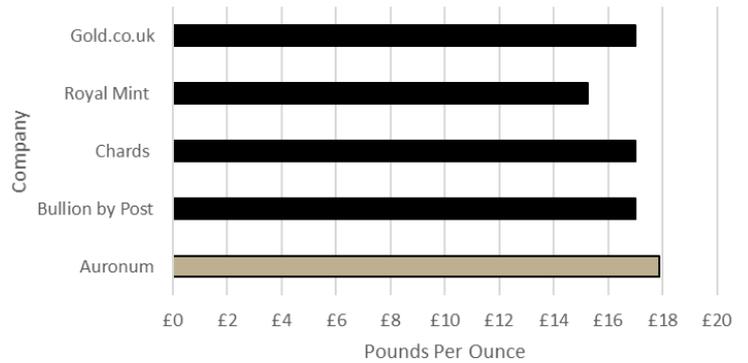
For investors looking to sell Silver bullion, Auronum currently pays 5% above the spot price for bars and 7% above spot for coins which is the highest price offered in the industry

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

Auronum will pay £17.90 per ounce for Silver bars and £18.24 per ounce for Silver coins. An additional premium is offered for Silver Queen's Beast coins with 10% above spot price offered

Note: Prices correct at Friday's close

Prices Paid For Silver Bar



Ounces of Gold to buy average UK house



Guidance

Black curve trending lower = Gold rising against UK house prices

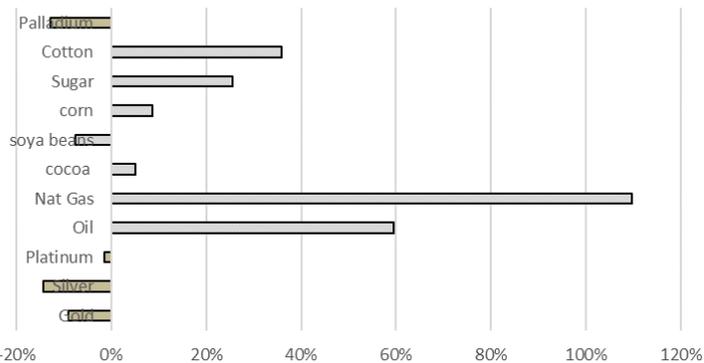
Black curve trending higher = Gold falling against UK house prices

The average UK house can be purchased with **137** ounces of Gold

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

Gold's Performance in 2021

Calendar Year Performance



Oil prices are breaking higher, sending the oil to Gold ratio to multi-year lows with an ounce of Gold worth just 20 barrels of oil whereas an ounce of Gold could buy 50 barrels of oil last December

Silver and Palladium have underperformed Gold during 2021. Silver gained some lost ground on Gold this week and Platinum now registers positive returns against Gold since the beginning of 2021

Soya beans joins the small selection of commodities which register negative returns over the calendar year. Precious metals continue to exhibit poor sentiment as a range of factors divert investor interest away from bullion. A stronger Bitcoin price and moderate returns for equity investors reduces the appeal of safe haven assets

Moreover, investors believe that the Federal Reserve will begin an asset purchase reduction which will lead to interest rate rises which could be bearish for the precious metals

Gold's Performance Against Other Commodities

