



# Precious Metal Market Report

Market Overview

Monday 27th September — Friday 1st October

## Gold



Gold prices slightly ahead on Friday's close as US yields and Dollar slip on poor employment numbers

## Silver



Silver closes lower in a very volatile week, reaching a 52-week low before rebounding back above \$22oz

## Platinum



Platinum relatively flat thanks to a late week rally as the US Dollar index cedes its midweek gains



## 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 = 78.22**

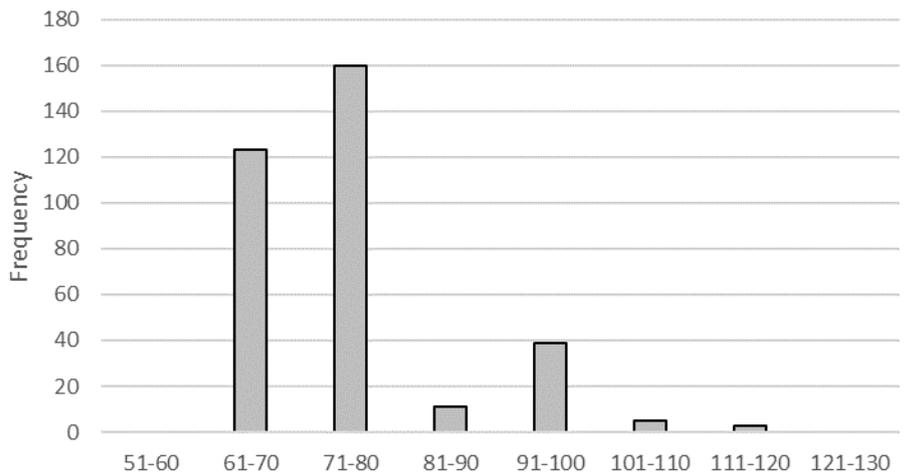
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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

A volatile week for the precious metals which was largely attributed to a surge in the US Dollar index, causing the metals to fall. Silver nursed heavy intraday losses, down 5% on Wednesday. Thursday and Friday saw prices recover in Gold, Silver and Platinum as US Dollar index failed to hold its gains and the US 10-year Bond yield slipped after briefly trading above 1.56% midweek. Gold prices rose more than 2% on Thursday after the dollar fell on dismal U.S. weekly jobs numbers, showing signs that the US employment market is slowing. Gold, however, posted a monthly and quarterly loss as markets price in a November tapering by the Federal Reserve

*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.*

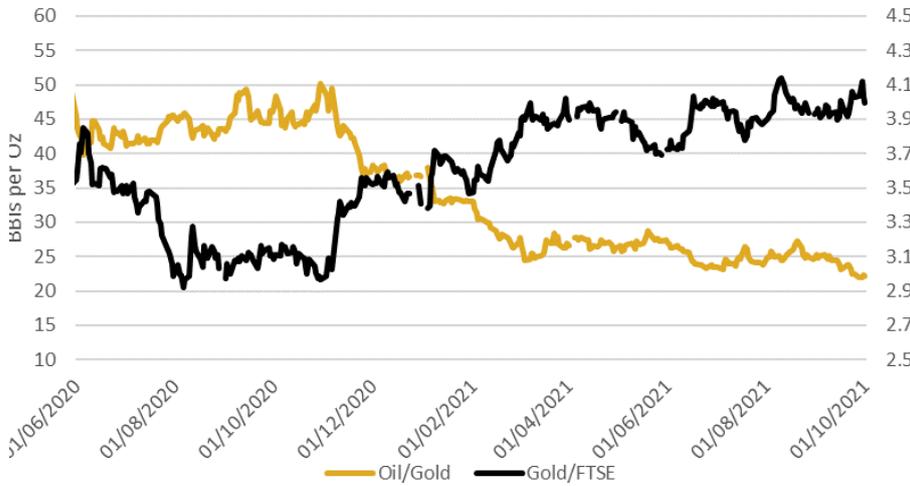


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Oil & FTSE 100 Priced in Gold



### 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

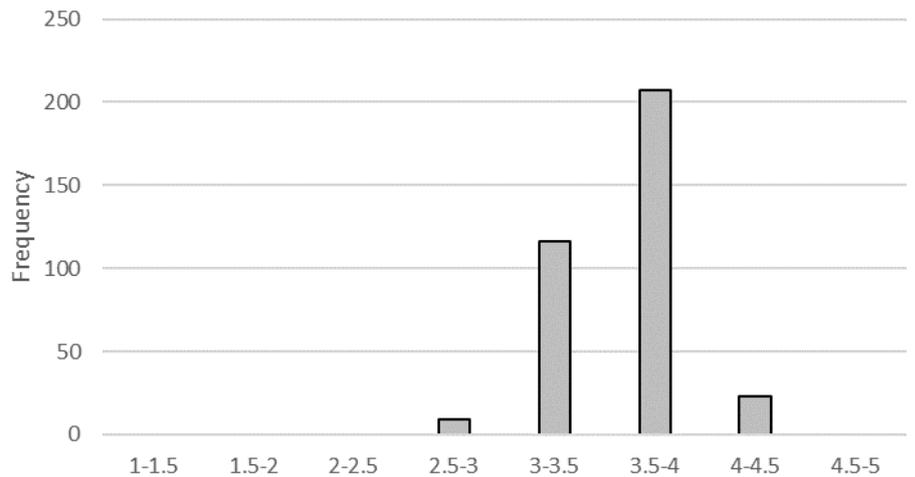
**Current Ratio = 3.99**

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	27-Sep-21	01-Oct-21	△ ↓	Week-on-Week △	Week-on-Week		Year-on-Year	
					% Change	24-Jul-20	△	% Change
GBP/Gold	£1,298	£1,277	▼	-20.49	-1.6%	£1,478	-180.24	-13.9%
USD/Gold	\$1,758	\$1,750	▼	-8.47	-0.5%	\$1,905	-146.72	-8.3%
EUR/Gold	€ 1,516	€ 1,496	▼	-20.43	-1.4%	€ 1,622	-105.22	-6.9%
Silver/Gold Ratio	78.22	77.26	▼	-0.97	-1.3%	79.74	-1.52	-1.9%
Oil/Gold Ratio	22.24	22.00	▼	-0.24	-1.1%	46.54	-24.31	-109.3%
FTSE 100/Gold Ratio	4.00	4.04	▲	0.04	1.0%	3.09	0.91	22.8%

### Overview

Inflation continues to dominate the headlines this week with euro zone inflation reaching 13-year highs and Beijing issuing instructing state owned enterprises to secure fuel supply 'at any cost' despite gas and coal prices trading at record highs. Gold is putative as a good inflation hedge yet Gold is underperforming other commodities at present

This paradox is a function of the market anticipating central banks to raise interest rates. The Bank of England issuing a statement this week advising the market that an interest rate increment is likely in 2022. Higher risk free interest rates are traditionally bearish for non-yielding bullion

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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 £17.48 per ounce for Silver bars and £17.82 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

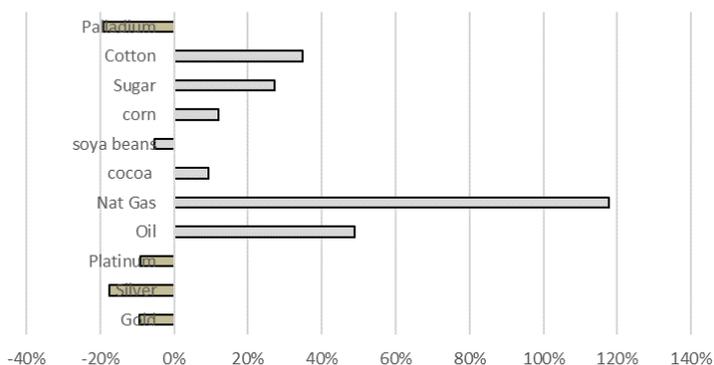
**Black curve trending higher** = Gold falling against UK house prices

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



Gold has underperformed most other commodities with only Platinum performing better since the beginning of the year

Silver remains one of the most neglected commodities of 2021 and has underperformed Gold this year. Platinum has managed to gain against Gold this year as Silver and Palladium sink

Silver continues to underperform with further downside possible unless sentiment reverses. Gold has underperformed grains and energy related commodities in 2021 after posting strong gains in 2020

Energy related commodities continue to outperform as Chinese liquified natural gas buyers bid above market prices for liquified natural gas shipments

The precious metals continue to be the worse performing commodities featured in this section on expectations of higher interest rate rises

Cocoa spent most of the year in the red but has since manage to gain since it first began trading in January

### Gold's Performance Against Other Commodities

