



# Precious Metal Market Report

Market Overview

Monday 25th October — Friday 29th October



## Gold

Gold tumbles to its lowest close in six sessions as the US Dollar jumps on hotter than expected inflation data



## Silver

Silver closes at a weekly low on a stronger US Dollar despite 10-year Treasury Bond yields trending lower this week



## Platinum

Platinum breaks out of recent consolidation to the downside, tracking losses in both Gold and Silver



### 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 = 74.75**

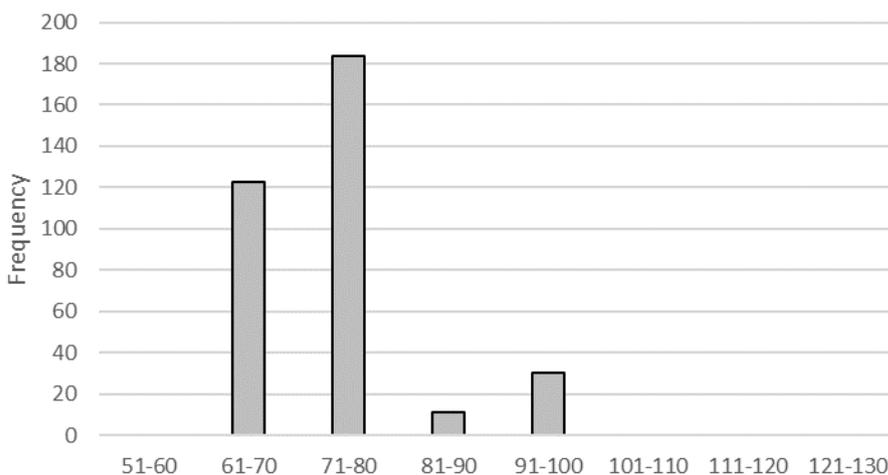
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 week that saw precious metals trade lower to close the week at or near the lows. However, Gold, Silver and Platinum are all up over the month of October which reflected a slightly weaker US Dollar since the beginning of October

Friday saw a sell-off in Gold as US inflation data as the personal consumption expenditures price index climbed 0.2% after gaining 0.3% in August. US consumer spending rose 0.6% last month which has fuelled confidence that the Federal Reserve will become more hawkish on tightening monetary policy when they meet on Tuesday and Wednesday next 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.*

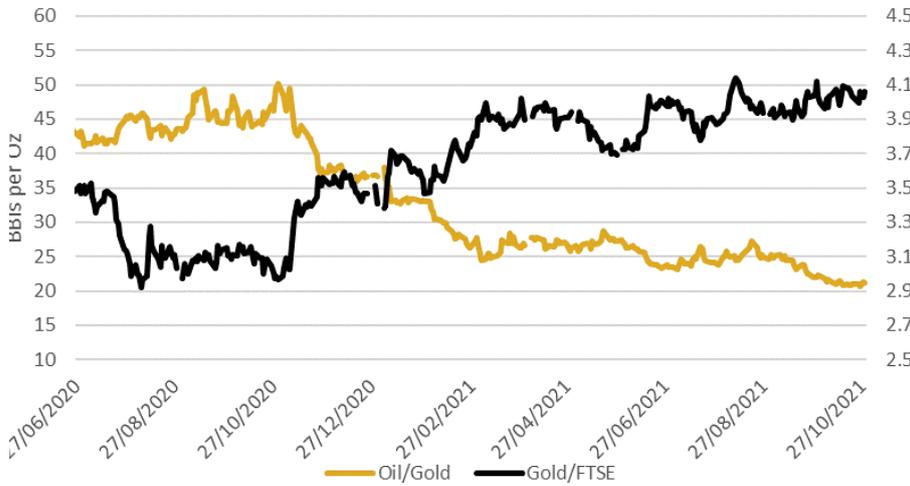


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Oil & FTSE 100 Priced in Gold



## 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

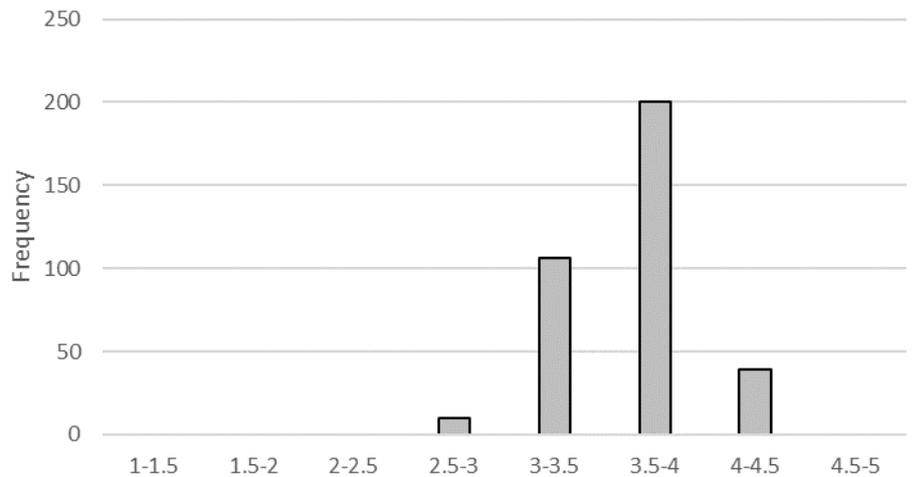
**Current Ratio = 4.06**

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	25-Oct-21	29-Oct-21	△ ↓	Week-on-Week △	Week-on-Week		Year-on-Year	
					% Change	24-Jul-20	△	% Change
GBP/Gold	£1,302	£1,312	▲	10.53	0.8%	£1,444	-142.55	-11.0%
USD/Gold	\$1,783	\$1,807	▲	24.66	1.4%	\$1,867	-84.33	-4.7%
EUR/Gold	€ 1,542	€ 1,557	▲	15.03	1.0%	€ 1,599	-57.79	-3.7%
Silver/Gold Ratio	74.75	73.62	▼	-1.13	-1.5%	80.22	-5.47	-7.3%
Oil/Gold Ratio	21.13	21.02	▼	-0.11	-0.5%	49.59	-28.46	-134.7%
FTSE 100/Gold Ratio	4.06	4.00	▼	-0.06	-1.6%	2.99	1.07	26.4%

## Overview

The precious metals continue to sell-off when higher-than-expected inflation is announced because markets are interpreting high inflation as a sign central banks will tighten monetary policies. The European Central Bank and Bank of Japan both announced no change to current policy, however, the Federal Reserve and Bank of England are set to announce their positions on monetary policy with the former expected to announce a reduction in asset purchases and the latter expected to announce an interest rate hike

The Bank of Japan held monetary policy steady on Thursday. Rising commodity costs have pushed Japan's wholesale inflation to a 13-year high in September. But the pass-through to households has been remarkably slow due to sluggish domestic demand which has kept consumer inflation stuck around zero

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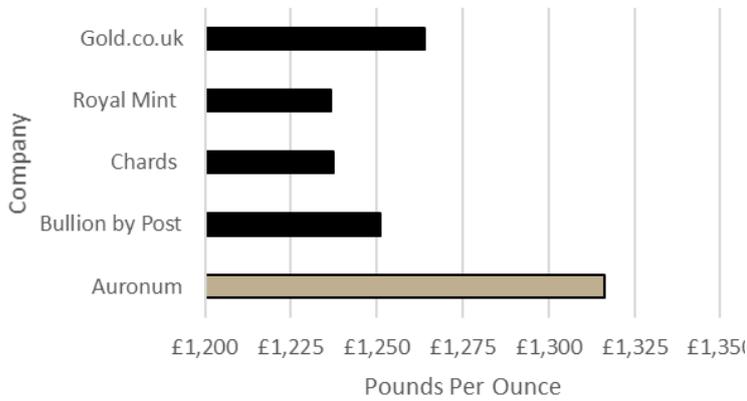


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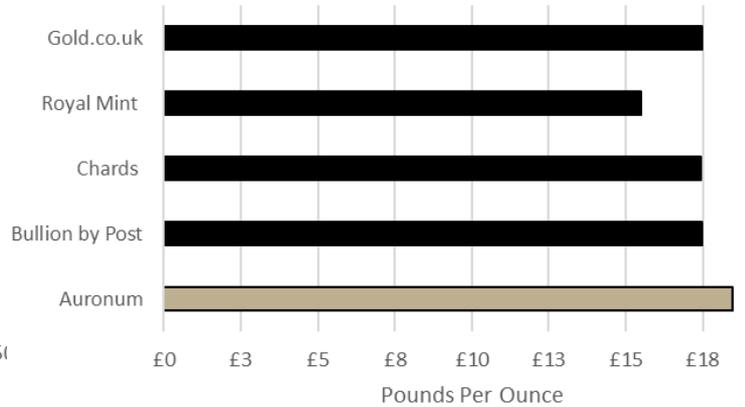
Physical Market Overview

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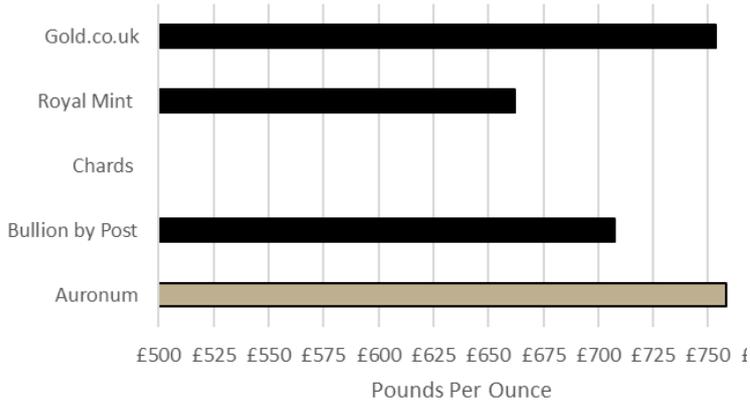
### 1oz Gold Bar Prices Paid



### 1oz Silver Bar Prices Paid



### 1oz Platinum Bar Prices Paid



## Guidance For Investors Selling Bullion

**Auronum** is paying the highest rates for buying Gold bars from UK investors, offering **£1,316.39 per ounce**

**Auronum** is paying the highest rates for buying Silver bars from UK investors, offering **£18.45 per ounce**

**Auronum** is paying the highest rates for buying a Platinum bars from UK investors, offering **£758.02 per ounce**

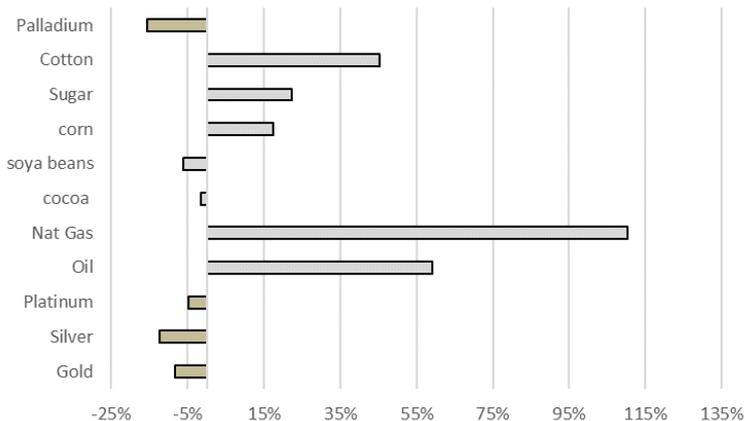
*Note: All prices correct at Friday's close*

## Gold's Performance in 2021

Soya beans and cocoa continue to underperform with negative returns seen since the beginning of 2021, however, their performance is still better than the Gold price performance. Palladium and Silver are the worse performing commodities from the range featured

Silver remains out of favour with the market having underperformed other assets for some time now. Palladium's underperformance is attributed to its strong gains seen the Palladium bull market began in 2016. Notwithstanding Palladium's poor performance in 2021, it should be remembered that this metal is near record highs

### Calendar Year Performance



### Gold's Performance Against Other Commodities

