



# Precious Metal Market Report

Market Overview

Monday 4th October — Friday 8th October

## Gold



Gold prices flat despite a volatile session on Friday as US job numbers missed expectations

## Silver



Silver little changed over the week as traders continue to sell rallies on the Silver spot price

## Platinum



Platinum prices close ahead after a strong session Friday having hit a 52-week low late September



## 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 = **77.41**

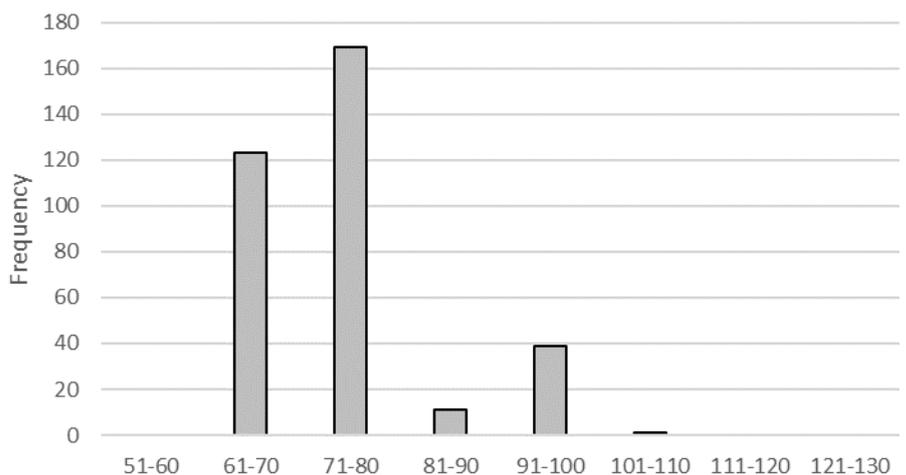
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 **110+** 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

As has become the Precious Metal's custom, the Gold, Silver and Platinum prices stayed in a tight trading range in anticipation of a Friday non farm payroll number that may lead to the Federal Reserve showing some sign of policy direction. On the news, Gold and Silver prices popped higher with Gold up over 1% against Sterling and the US Dollar. The U.S. economy created the fewest jobs in nine months in September with nonfarm payrolls increasing by 194,000 jobs last month against expectations of 500,000 jobs being created. Gained were ceded into Friday's close, however, as rising US bond yields pressured Gold and Silver to close back in the week's trading range

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

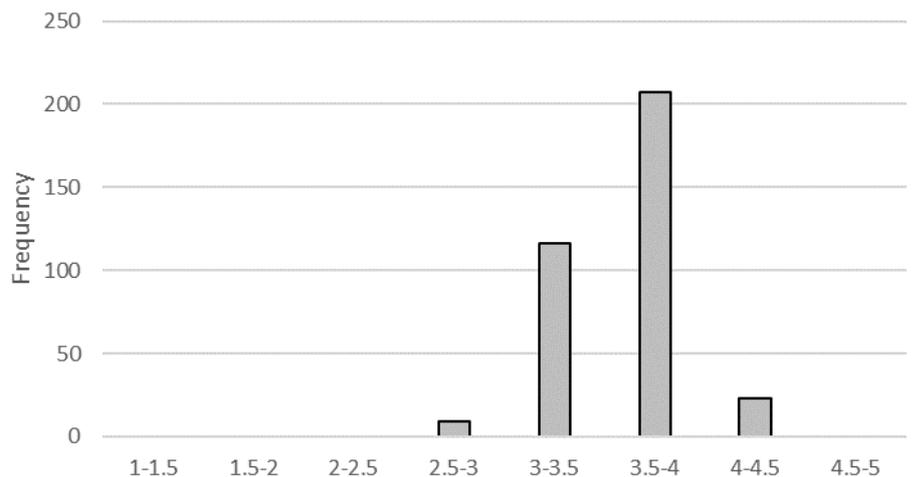
**Current Ratio = 4.03**

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	£1,292	£1,299	▲	7.42	0.6%	£1,464	-171.66	-13.3%
USD/Gold	\$1,760	\$1,770	▲	9.84	0.6%	\$1,893	-133.42	-7.6%
EUR/Gold	€ 1,521	€ 1,522	▲	0.99	0.1%	€ 1,610	-89.24	-5.9%
Silver/Gold Ratio	77.41	78.09	▲	0.69	0.9%	79.46	-2.05	-2.7%
Oil/Gold Ratio	21.37	21.78	▲	0.40	1.8%	43.68	-22.31	-104.4%
FTSE 100/Gold Ratio	4.03	3.96	▼	-0.07	-1.8%	3.16	0.87	21.7%

## Overview

Another rangebound week for Gold and Silver that cannot seem to catch a break as rising US bond yields cooled Friday's rally in the two metals. The focus remains on whether the Federal Reserve will begin reducing the pace of its asset purchases. Platinum managed to close the week meaningfully higher as it continues to rebound from very depressed levels

The FTSE 100 managed to outperform Gold this week as a jump in oil prices caused UK listed oil majors to rally. Rising energy prices are raising inflation expectations but the market continues to keep the precious metals in a narrow trading range until the Federal Reserve shows some clear and decisive action in regards to its asset purchase program

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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 £17.54 per ounce for Silver bars and £17.87 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

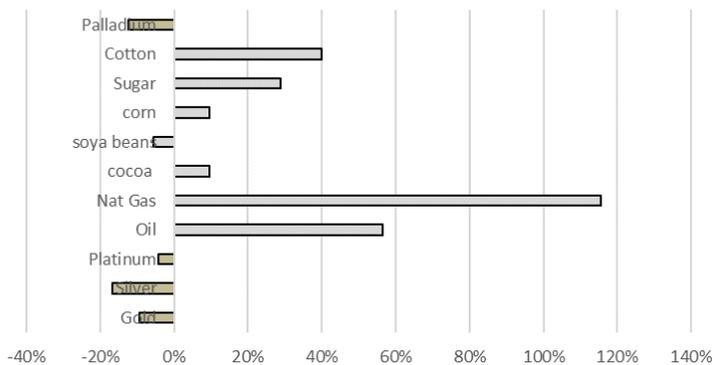
**Black curve trending higher** = Gold falling against UK house prices

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 and Silver have underperformed in 2021 as sentiment remains poor as the market expects central banks to tighten monetary policy. Other analysts will suggest that Gold and Silver have already priced in a tapering of asset purchases by the Federal Reserve, meaning there is limited downside for the precious metals

Platinum is now out performing Gold having performed well during October. Despite Soya Beans being down on the calendar year, it has gained against Gold and Silver. It remains to be seen if this outperformance will last into 2022

Natural gas continues to dominate the headlines with Asian spot Liquefied Natural Gas surging 40% in early trading Wednesday before all gains were given back as Russia promised to push more gas into Europe. Whilst the market is focusing on Natural Gas, crude oil looks poised to break to the upside

Commodity prices are breaking higher when the US Dollar is relatively firm, should the US Dollar index start to break down, oil prices could easily take out the record highs set in summer 2008 of around \$150/bbl

Gold's Performance Against Other Commodities

