



Precious Metal Market Report

Market Overview

Monday 8th November — Friday 12th November

Gold



Gold posts its best week in six-months on souring consumer prices, boosting the inflation hedge appeal of bullion

Silver



Silver prices back above US\$25/oz for the first time since August as Silver outperforms Gold

Platinum



Platinum takes direction from Gold and Silver, shaking off a rally in US Treasury Bond yields on Thursday



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 = 73.77

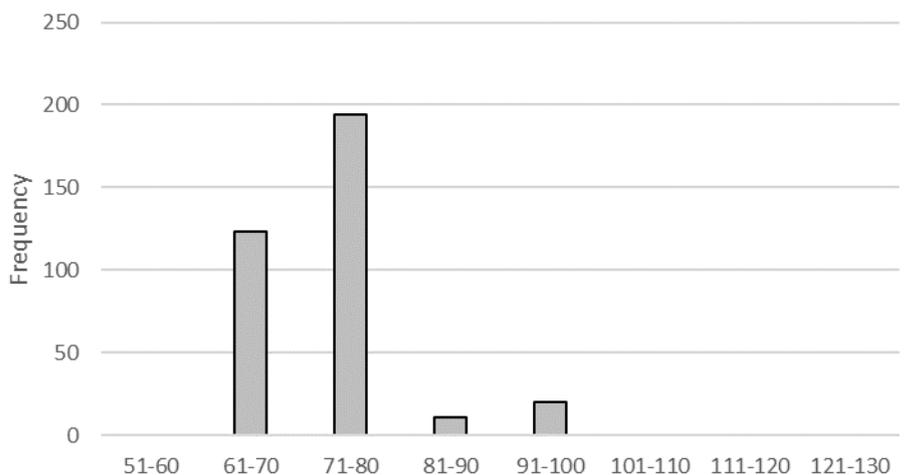
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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

An explosive week for the precious metals with the bullion rallying notwithstanding a stronger US Dollar index which hit a 16-month high this week. US consumer prices recorded their largest jump in 30-years in October as the Consumer Price Index jumps 6.2% year-on-year which has not been seen since November 1990. The rise in consumer prices were well above forecast which boosts the appeal of bullion as an inflation hedge. Paradoxically, the US Dollar rose on this news as the market expects the Federal Reserve to tighten monetary policy sooner than expected. Producer prices rose 8.6% year-on-year having increased 0.6% in October which was driven by higher gasoline and motor vehicle retailing

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.

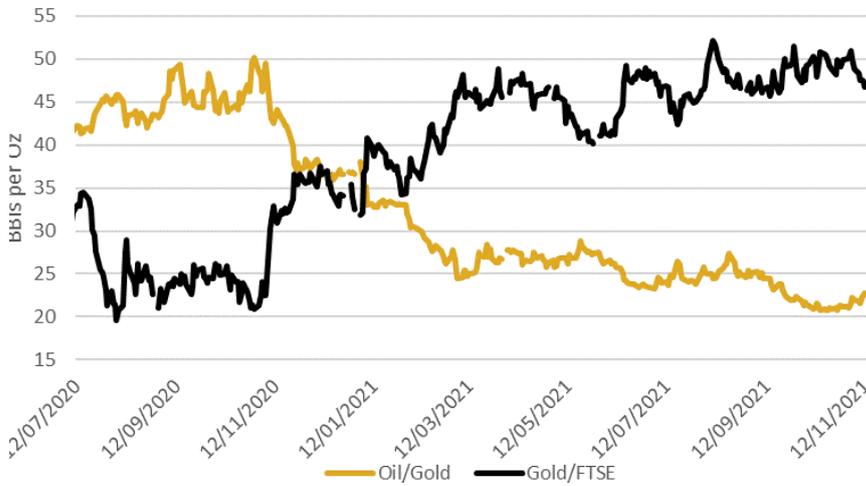


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Oil & FTSE 100 Priced in Gold



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

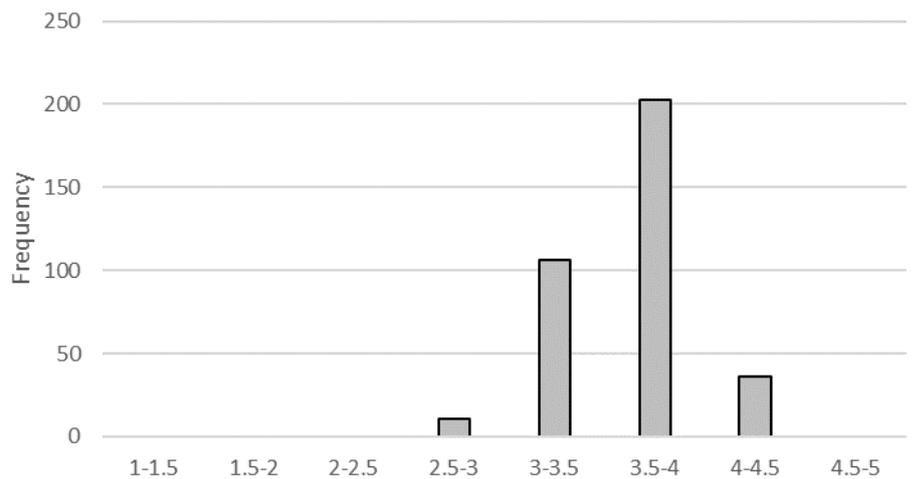
Current Ratio = 3.94

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	12-Nov-21	8-Nov-21	△ ↓	Week-on-Week		Year-on-Year	
				△	% Change	24-Jul-20	△ %
GBP/Gold	£1,389	£1,344	▼	-44.54	-3.3%	£1,430	-41.47 -3.0%
USD/Gold	\$1,864	\$1,824	▼	-40.09	-2.2%	\$1,876	-11.41 -0.6%
EUR/Gold	€ 1,625	€ 1,573	▼	-52.03	-3.3%	€ 1,589	36.19 2.2%
Silver/Gold Ratio	73.77	74.65	▲	0.87	1.2%	77.41	-3.64 -4.9%
Oil/Gold Ratio	22.69	21.87	▼	-0.83	-3.8%	43.09	-20.40 -89.9%
FTSE 100/Gold Ratio	3.94	4.00	▲	0.06	1.5%	3.38	0.56 14.3%

Overview

A marked increase in volatility in Gold and Silver price action as Gold manages a technical breakout which attracts more buyers to market. Gold has performed very well against some emerging market currencies with the Turkish Lira at record lows against Gold with one ounce of Gold worth TRY18,652

US Treasury Yields opened the week at 1.464% and closed 1.57%. A rise of this magnitude typically weighs on non-yielding precious metal bullion but this week saw strong gains in Gold, Silver and Platinum. Moreover, last week's Federal Reserve announcement of asset purchase tapering is not impacting Gold prices. Friday saw a slowing of the Gold price rally as bond yields gained the upper hand and some traders took profits as Gold has gained \$100 per ounce since the beginning of the month

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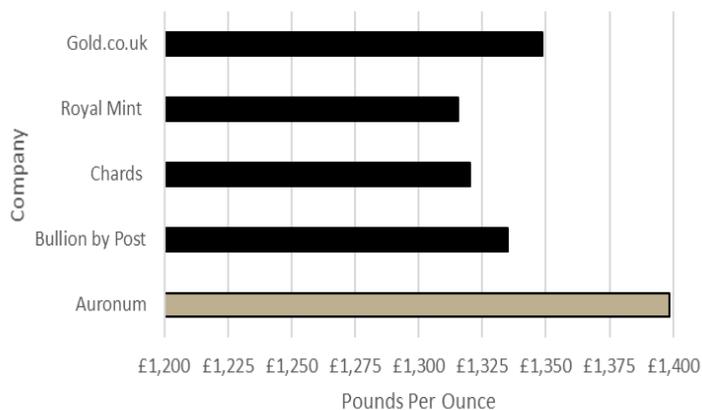


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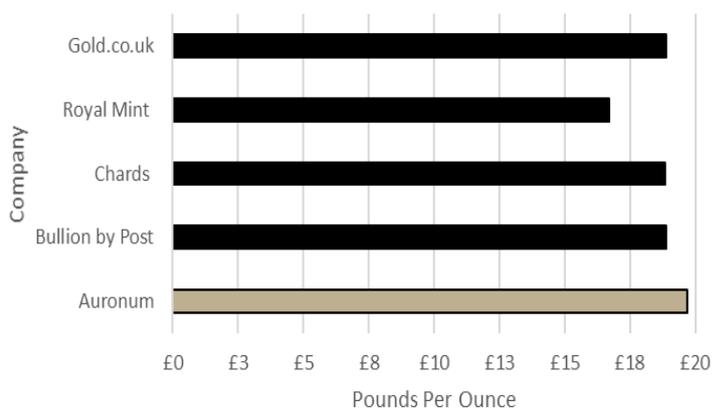
Physical Market Overview

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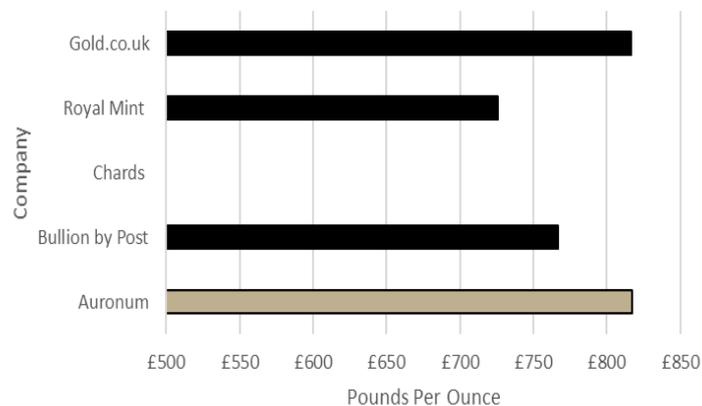
1oz Gold Bar Prices Paid



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 **£1,398.72 per ounce**

Auronum is paying the highest rates for buying Silver bars from UK investors, offering **£19.69 per ounce**

Auronum is paying the highest rates for buying a Platinum bars from UK investors, offering **£817.26 per ounce**

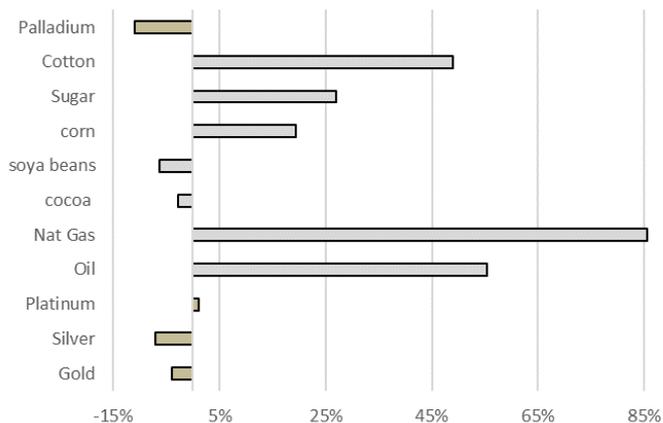
Note: All prices correct at Friday's close

Gold's Performance in 2021

This week's strong performance in the precious metal sector has still not been enough for Gold or Silver to register positive gains over 2021. Meaning investors that purchased bullion in January will still be underwater on their investments 11-months later. Platinum has managed to post a small gain since the beginning of the year

Natural gas remains the obvious outperforming commodity of 2021 with oil also registering strong gains. Cotton has also performed well. It is noteworthy that the us Dollar Index opened the year at 89.771 and currently trades at a much higher 95.12 valuation. Meaning the gains seen in the chart below came despite a strengthening US Dollar. Should the US Dollar devalue in 2022, commodities may not only hold on to their 2021 gain, but build on them in 2022

Calendar Year Performance



Gold's Performance Against Other Commodities

