



# Precious Metal Market Report

## Market Overview

Monday 1st November — Friday 5th November

### Gold



Gold closes ahead after breaking above technical resistance levels. Sterling takes a bath on Bank of England rate decision

### Silver

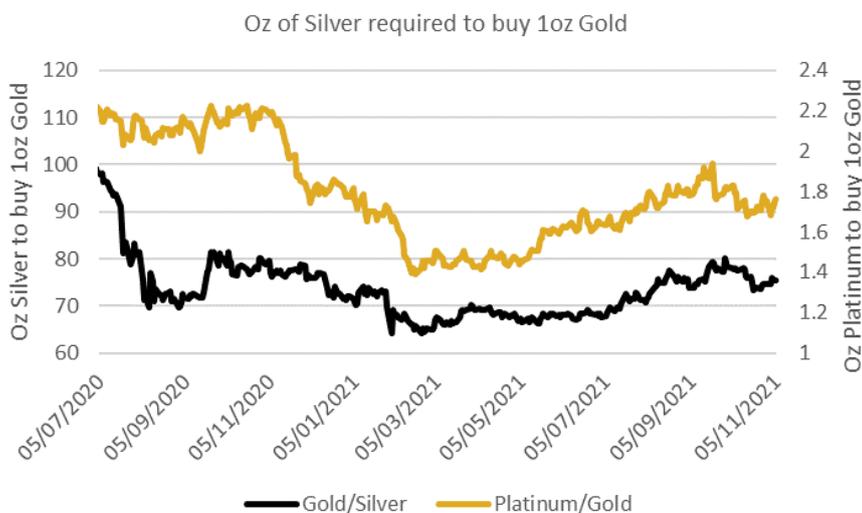


Silver closes the week little changed despite heavy losses earlier in the week

### Platinum



Platinum trends lower towards the bottom of its recent trading range after failing to build on Monday's strong 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 = 75.32**

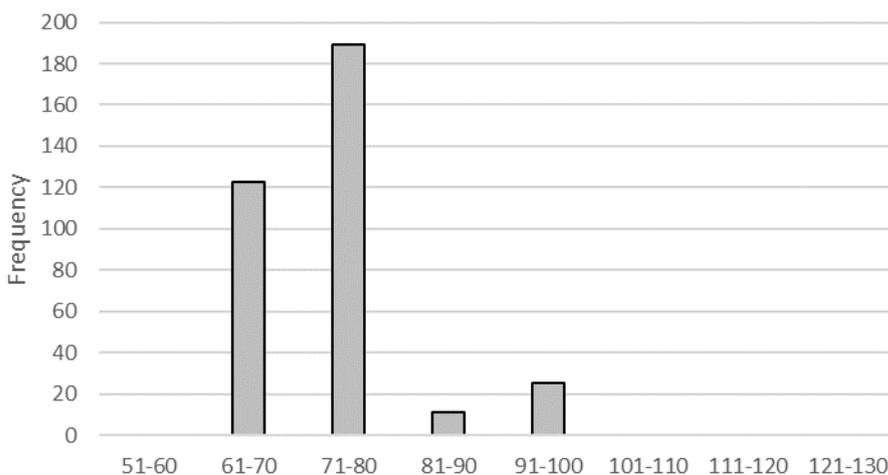
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 announcements from the Federal Reserve and Bank of England regarding monetary policy decisions. The Federal Reserve committed to reduce their \$120 billion asset purchases by \$15 billion per month effective immediately, whilst the Bank of England surprised markets by holding rates constant at 0.1%. Markets had expected a rate hike after Bank of England governor hinted that an interest rate rise was likely this month. Sterling posted heavy losses immediately after the news was announced on Thursday. Gold has now broken out of its trading range against Sterling which predicts further losses for Sterling against Gold with Sterling losing 2.6% against Gold this 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

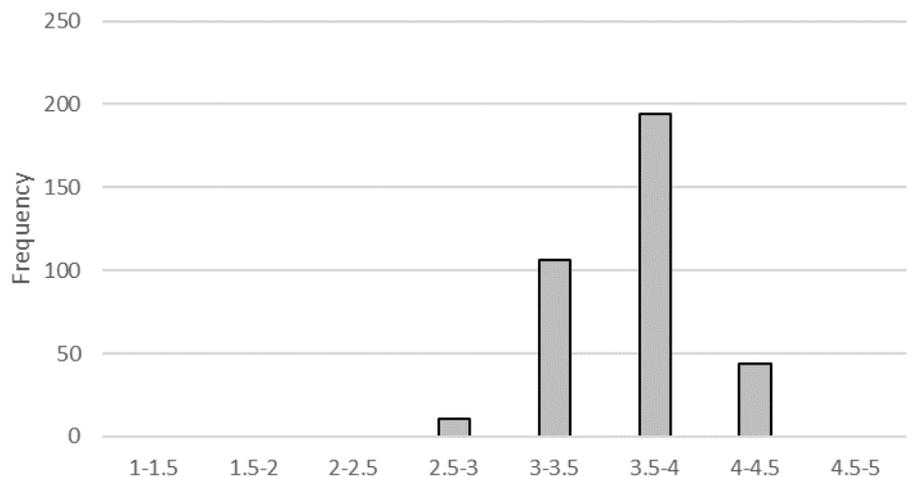
**Current Ratio = 4.02**

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	5-Nov-21	1-Nov-21	△ ↓	Week-on-Week △	Week-on-Week		Year-on-Year	
					% Change	24-Jul-20	△	% Change
GBP/Gold	£1,347	£1,312	▼	-34.67	-2.6%	£1,482	-135.79	-10.1%
USD/Gold	\$1,818	\$1,793	▼	-24.72	-1.4%	\$1,949	-130.79	-7.2%
EUR/Gold	€ 1,571	€ 1,545	▼	-26.47	-1.7%	€ 1,648	-76.45	-4.9%
Silver/Gold Ratio	75.32	74.66	▼	-0.66	-0.9%	76.93	-1.61	-2.1%
Oil/Gold Ratio	22.01	21.17	▼	-0.84	-4.0%	47.61	-25.60	-116.3%
FTSE 100/Gold Ratio	4.02	4.06	▲	0.05	1.2%	3.03	0.99	24.6%

### Overview

Gold was the standout performer this week after the Federal Reserve reiterated its 'transitory' inflation hypothesis and insisted that interest rate increases is not imminent. When the announcement was made, Gold did not move lower, moreover, when the US October jobs report was published and was confirmed as beating expectations, not only did Gold hold its ground but it actually closed the session higher which made this the first stronger than expected US jobs report that Gold has shrugged off. This is significant because it shows a paradigm shift which may lead to further buying of bullion. Yields on the US 10-year treasury notes fell to a one-month low, closing the week at 1.45%

Physical Gold demand in India, the world's second largest consumer, jumped this week as buyers took advantage of a small dip in prices and bought Gold during the current festival season

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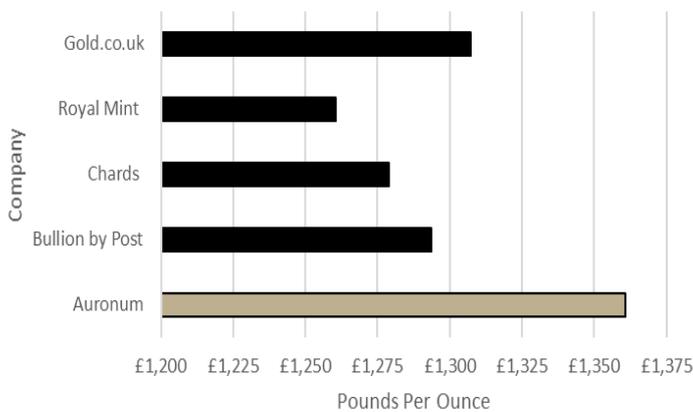


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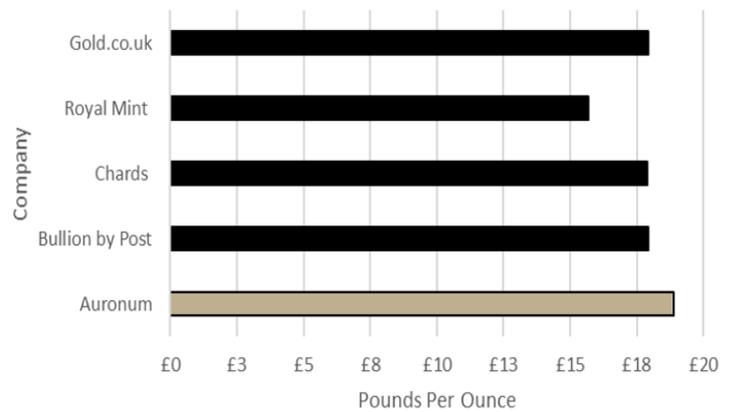
Physical Market Overview

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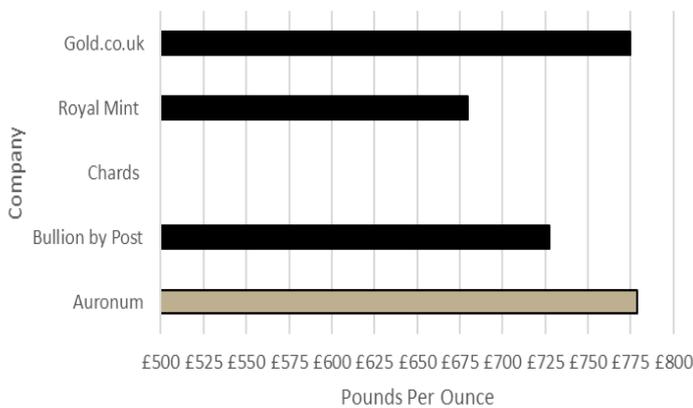
### 1oz Gold Bar Prices Paid



### 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 **£1,360.79 per ounce**

**Auronum** is paying the highest rates for buying Silver bars from UK investors, offering **£18.88 per ounce**

**Auronum** is paying the highest rates for buying a Platinum bars from UK investors, offering **£778.64 per ounce**

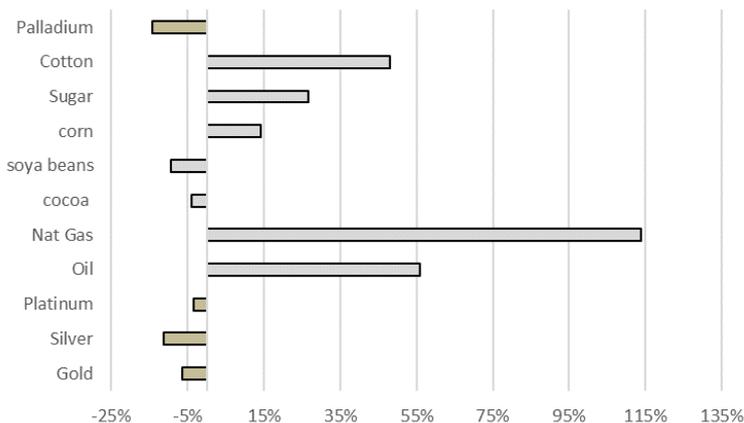
*Note: All prices correct at Friday's close*

## Gold's Performance in 2021

Soya beans and cocoa join the precious metals in registering negative returns so far in 2021. Gold is down c.6.4% since trading resumed in January this year whilst Silver has lost over 11%

Whilst Platinum has also fallen over the calendar year, it has fallen at a slower pace relative to Gold which makes Platinum the best performing precious metal of 2021 with less than two-months of trading left for the year. Palladium has underperformed its peers but it should be borne in mind that Palladium prices are close to record highs after a very strong 2020

### Calendar Year Performance



### Gold's Performance Against Other Commodities

