



Precious Metal Market Report

Market Overview

Monday 6th December — Friday 10th December

Gold



Gold prices flat, reflecting a subdued week for the US Dollar index and 10-year Treasury bond yields

Silver



Silver prices slightly lower on the week as US Bond yields manage a small rise to 1.48% after opening at 1.378%

Platinum



Platinum manages its first weekly gain in four, although overall price action was flat over the week



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 = 80.43

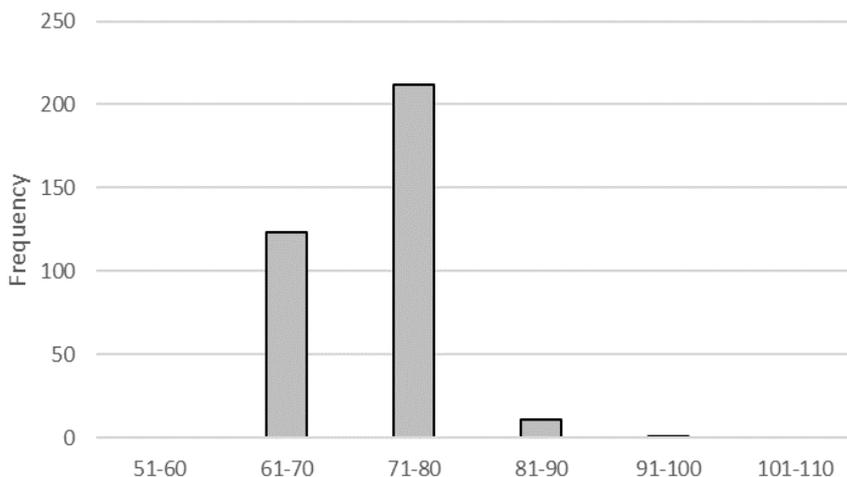
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 which saw little change for the precious metals as the US Dollar was flat over the week notwithstanding the release of anticipated US consumer price inflation figures. US Consumer Price Index (CPI) gained 6.8% year-over-year as expected, making US consumer prices rise at the fastest rate since 1982 after November's CPI gains 0.8%. Annualising the first 11 months of 2021 would give an annual rate of consumer price inflation of 7.3%. Bullion should see increased volatility next week as the Federal Reserve meetings on Tuesday and Wednesday will offer forward guidance on the asset purchase tapering with evidence that the coronavirus strain being milder increasing bets the Federal Reserve with taper more aggressively

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.

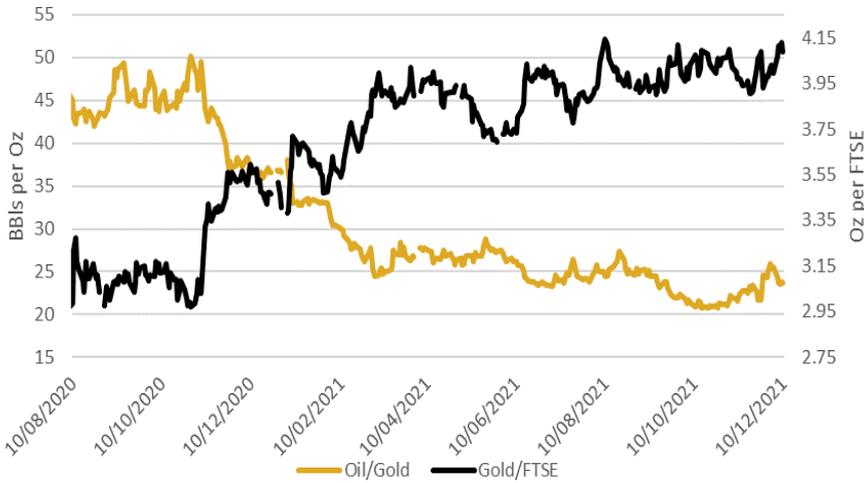


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Oil & FTSE 100 Priced in Gold



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

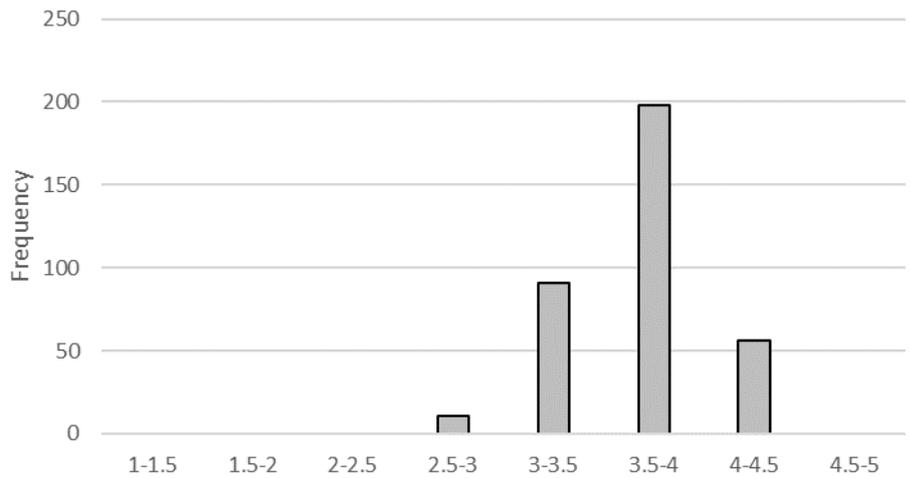
Current Ratio = 4.09

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	10-Dec-21	06-Dec-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	10-Dec-20	△	% Change
GBP/Gold	£1,343	£1,340	▼	-2.43	-0.2%	£1,381	-38.25	-2.8%
USD/Gold	\$1,783	\$1,778	▼	-4.40	-0.2%	\$1,835	-52.80	-3.0%
EUR/Gold	€ 1,575	€ 1,575	▼	-0.04	0.0%	€ 1,513	62.84	4.0%
Silver/Gold Ratio	80.43	79.55	▼	-0.88	-1.1%	76.63	3.80	4.7%
Oil/Gold Ratio	23.72	24.33	▲	0.61	2.5%	36.52	-12.80	-54.0%
FTSE 100/Gold Ratio	4.09	4.07	▼	-0.02	-0.6%	3.60	0.49	12.1%

Overview

Bullion closed flat this week with Silver slightly lower on the week and Platinum registering a small gain. This week is likely to see increased volatility with the Federal Reserve's two day meeting starting Tuesday likely to lead to more forward guidance on monetary policy which will be closely tracked by precious metal traders. The Bank of England is scheduled to announce its latest guidance on interest rates on Thursday which may cause some volatility in Sterling. UK GDP grew 0.1% in October which was weaker than the 0.4% growth that was forecast. Supply chain issues and staff shortages was cited as reasons for lower than expected growth with industrial production and construction output contracting 0.6% and 1.8% respectively. Despite the GDP miss, Sterling only lost a small amount against Gold over the week. The Bank of England Deputy Governor stated that inflation might "comfortably exceed" 5% in April. The Governor was one of seven that voted against raising rates last month with markets now citing a 50% chance of rates increasing from 0.1% to 0.25% this week

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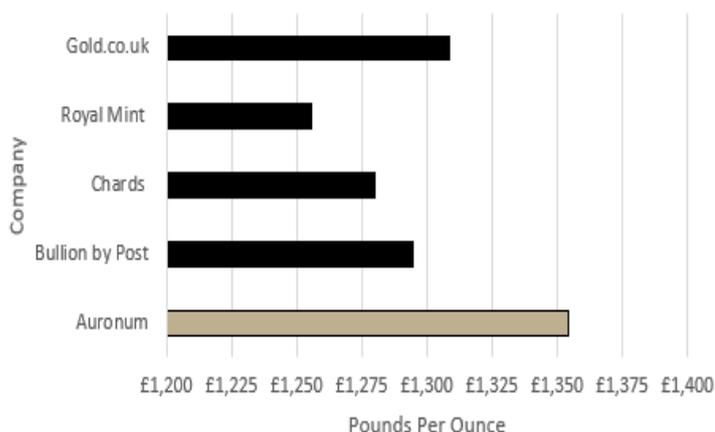


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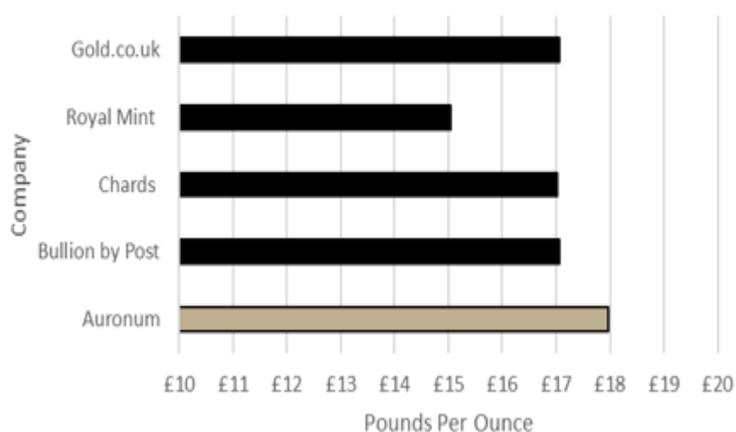
Physical Market Overview

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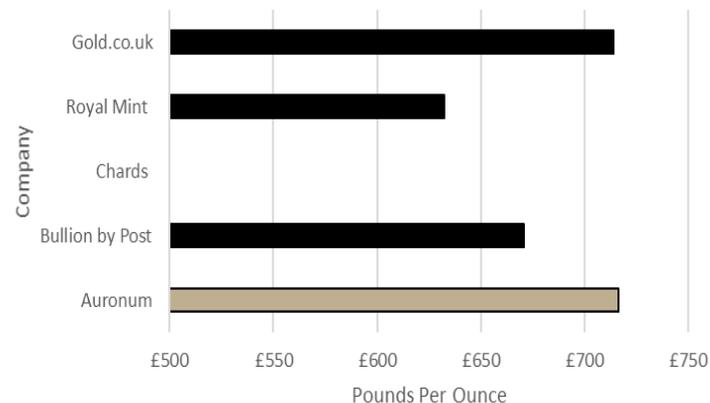
1oz Gold Bar Prices Paid



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 **£1,350.90 per ounce**

Auronum is paying the highest rates for buying Silver bars from UK investors, offering **£17.66 per ounce**

Auronum is paying the highest rates for buying a Platinum bars from UK investors, offering **£720.79 per ounce**

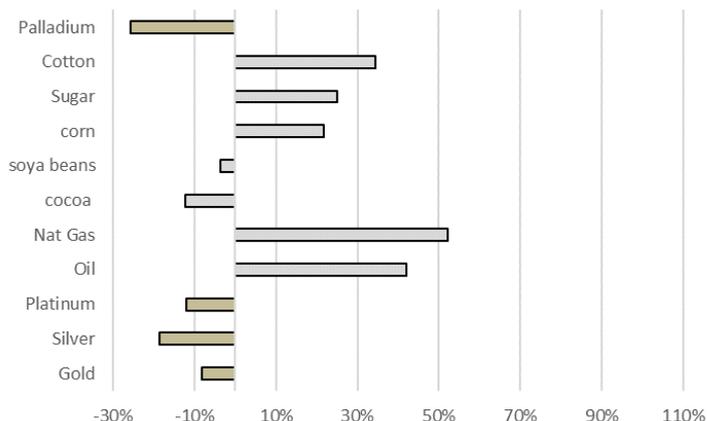
Note: All prices correct at Friday's close

Gold's Performance in 2021

As 2021 draws to a close, it looks certain that the precious metals will register a negative return over the calendar year. Cocoa and Soyabeans have also underperformed with cocoa losing some demand from lockdowns and 'chocolate on the go' demand

Gold has been the strongest precious metal in 2021 as the precious metals with industrial demand links underperform. Gold has managed to rally against Cocoa but all other commodities gained on Gold this year. Commodities have enjoyed strong performances in 2021 at a time when the US Dollar index has held ground well. What remains to be seen is how high commodity prices rally if the US Dollar index comes under pressure in 2022

Calendar Year Performance



Gold's Performance Against Other Commodities

