



Precious Metal Market Report

Market Overview

Monday 29th November — Friday 3rd December

Gold



Gold little changed against US Dollar after a volatile week with hawkish Federal Reserve comments and a job data miss

Silver



Silver prices down on the week as Federal Reserve hints at ending asset purchases several months earlier

Platinum



Platinum hits an eleven-week low on poor sentiment, risk asset aversion and a buoyant US Dollar index



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 = 79.23

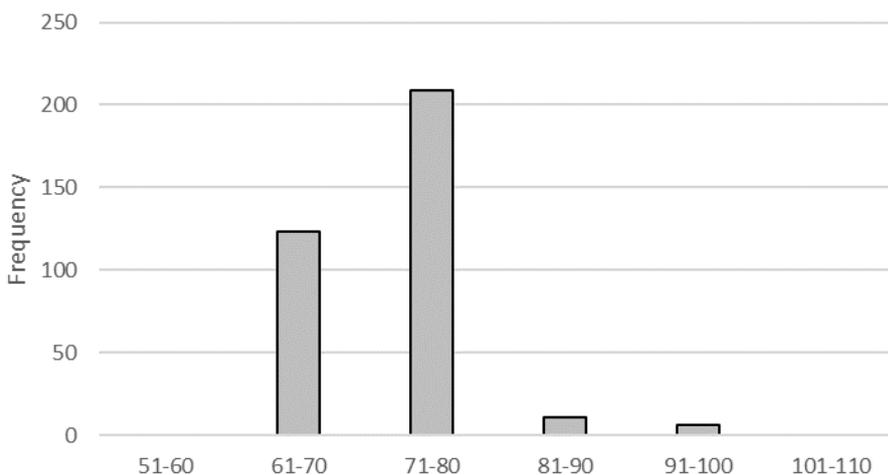
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past year

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 the industrial precious metals lower as concerns of additional lockdowns to prevent the contagion of the latest coronavirus variant was seen as a threat to economic activity levels. Industrial demand is essential for Silver and Platinum hence their sensitivity to industrial output and economic activity. Gold managed to gain against Sterling but closed lower against the US Dollar despite a weaker than expected US jobs report causing a sell-off in US treasury Bonds and a rebound in the precious metals. The US 10-year bond yield dropped below 1.4% for the first time since September, reducing the opportunity cost of holding non-interest bearing Gold which caused a late-week rally in Gold of +1% during Friday's session

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.

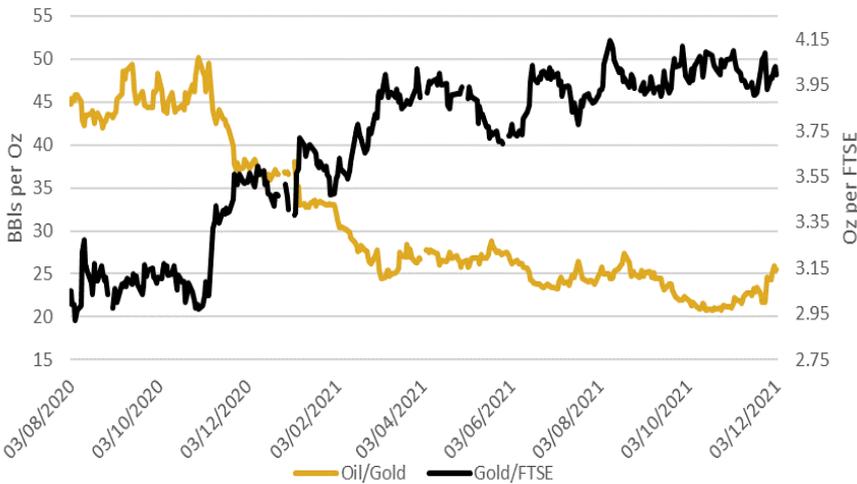


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Oil & FTSE 100 Priced in Gold



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

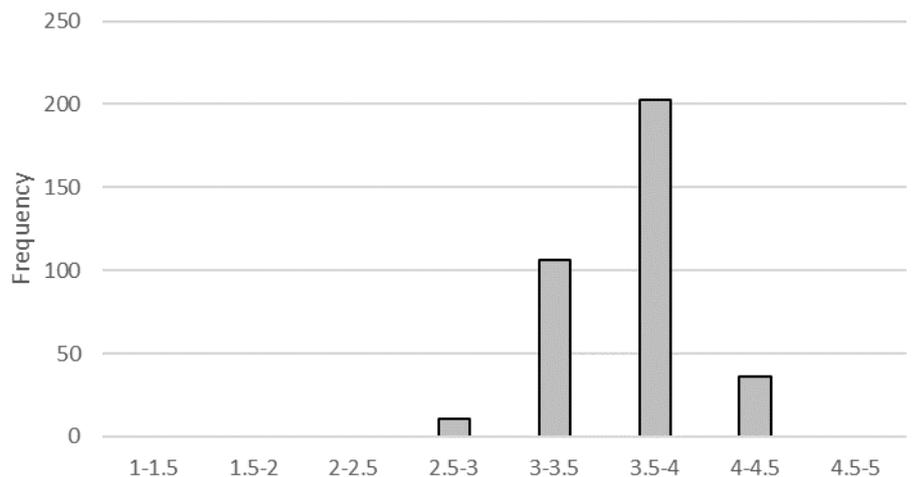
Current Ratio = 3.99

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	29-Nov-21	3-Dec-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	24-Jul-20	△	% Change
GBP/Gold	£1,348	£1,340	▼	-7.95	-0.6%	£1,369	-20.88	-1.5%
USD/Gold	\$1,784	\$1,785	▲	1.27	0.1%	\$1,840	-56.62	-3.2%
EUR/Gold	€ 1,576	€ 1,580	▲	3.63	0.2%	€ 1,515	60.81	3.9%
Silver/Gold Ratio	79.24	77.98	▼	-1.26	-1.6%	76.47	2.77	3.5%
Oil/Gold Ratio	25.54	24.31	▼	-1.23	-5.1%	37.78	-12.25	-48.0%
FTSE 100/Gold Ratio	3.99	3.98	▼	-0.01	-0.2%	3.53	0.47	11.7%

Overview

Bullion spent the week in decline following a hawkish tone from the Federal Reserve in which the Fed Chairman confirmed that the 14-15th December meeting will decide whether to end their bond purchases a few months earlier than had been anticipated, pointing to a tighter labour market and high inflation that is expected to last into mid-2022. In regards to the 'transitory' hypothesis that Fed Chairman Powell has been peddling this year, he stated: "Given how long it has lasted...I think it's probably a good time to retire that word". Gold and Silver gained on Friday to claw back early week losses after the US jobs report for November missed expectations as Nonfarm payrolls increased by 210,000 jobs against expectations that 550,000 jobs would be added. Notwithstanding the miss, unemployment levels flirted with pre-pandemic lows as the US's unemployment rate fell to a 21-month low of 4.2%. Sterling underperformed this week as the Bank of England used the new coronavirus variant as a potential excuse not to raise interest rates at this month's monetary policy committee meeting

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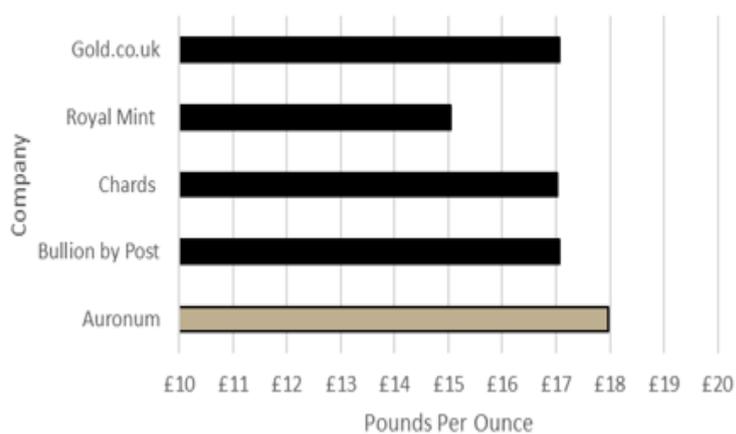
Physical Market Overview

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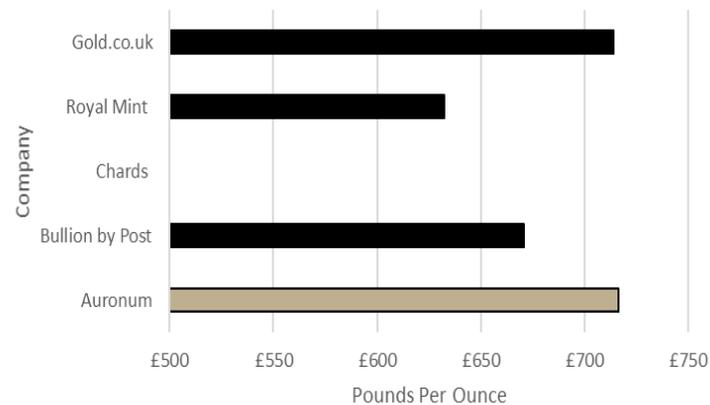
1oz Gold Bar Prices Paid



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 **£1,354.31 per ounce**

Auronum is paying the highest rates for buying Silver bars from UK investors, offering **£17.97 per ounce**

Auronum is paying the highest rates for buying a Platinum bars from UK investors, offering **£716.32 per ounce**

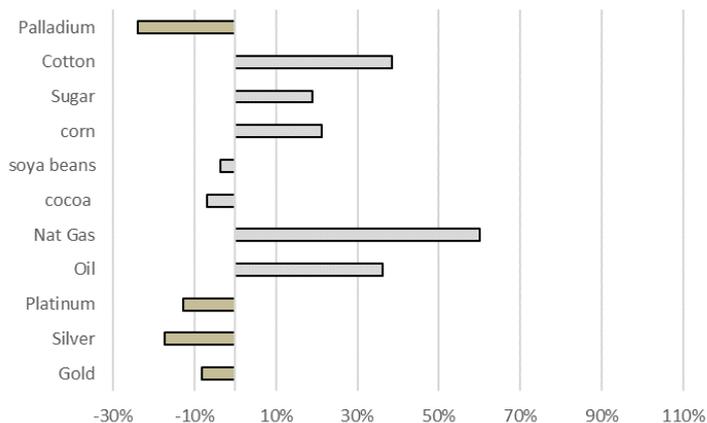
Note: All prices correct at Friday's close

Gold's Performance in 2021

A week that saw huge losses for general commodity prices as the discovery of a new coronavirus variant sent risk assets lower. Oil and gas had been star performers in 2021 but saw some of the most aggressive selling as concerns of travel restrictions germinated across markets. US Henry Hub gas prices dropped for four straight sessions this week, taking its gains for 2021 from +112% down to +60%

Palladium remains the biggest loser of the commodities featured in this analysis following a very strong rally leading into 2021 and research finding a new tri-metal auto catalyst allowing the partial substitution of Palladium with cheaper Platinum. This led to expectations that Palladium demand may recede over the medium to longer-term

Calendar Year Performance



Gold's Performance Against Other Commodities

