



Precious Metal Market Report

Market Overview

Monday 17th January — Friday 21st January

Gold



Gold prices register their second consecutive weekly gain as inflation risks boost the appeal of bullion

Silver



Silver up over 5% on the week, enjoying its best week since May 2021

Platinum



Platinum prices surge with Palladium on risks that Russia could incur sanctions which will reduce supply of both metals

Oz of Silver required to buy 1oz Gold



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 = 75.66

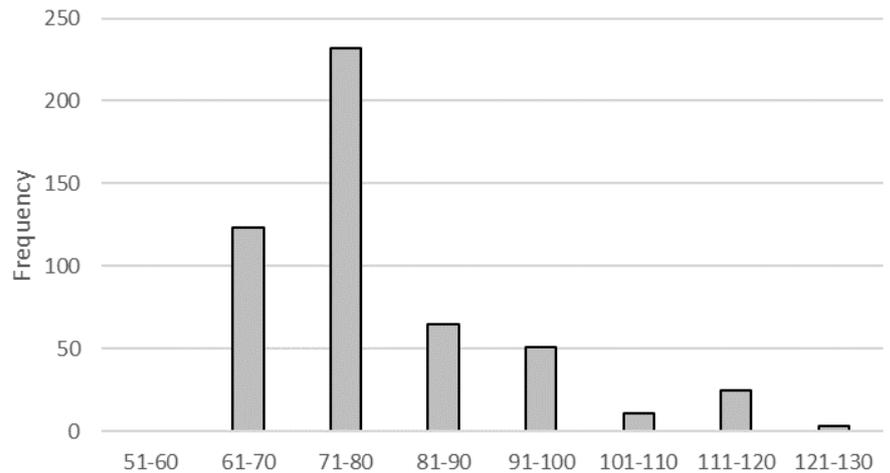
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past 550 session

We can see that most of the time the Gold Silver ratio trades in a range of **61 to 90 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

2 Year Gold/Silver Ratio Distribution



Commentary

Precious metals enjoyed a much better week with Platinum registering its best week since June and Palladium prices surging 12% on the week. Concern that Russia may invade Ukraine has led to expectations of potential sanctions on Russia. As Russia is a key Platinum and Palladium producer, this has caused traders to bid prices higher due to the potential for supply risk. New inflation data is fuelling concerns that real interest rates will remain negative notwithstanding Central Bank policy tightening. UK consumer prices rose at the fastest pace in thirty-years in December with price increases accelerating to 5.4% in the 12 months through December. The Bank of England will decide whether to raise interest rates again on 3rd February

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

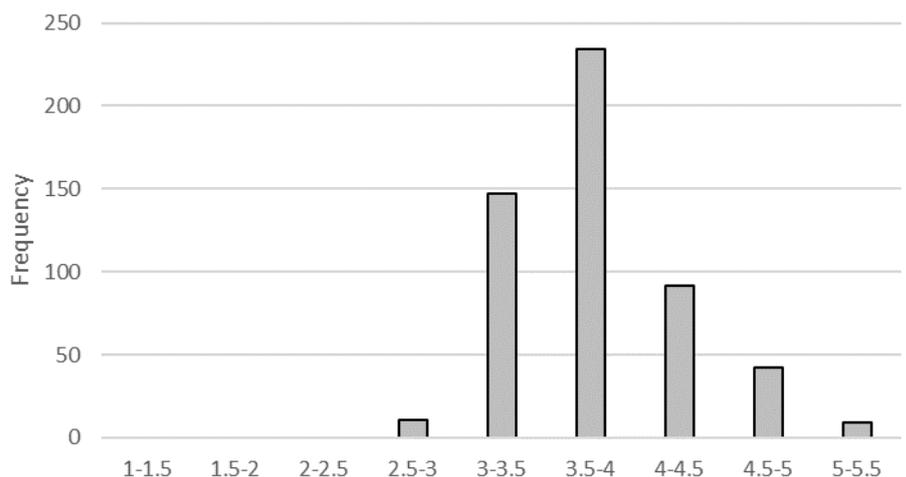
Current Ratio = 4.09

The silver bars show how many sessions the 1oz Gold to FTSE 100 ratio spent in each of the price ranges in the past 550 sessions

The ratio has typically stayed within the 3 to 4 range with **sub-3.5** being an excellent time to sell Gold to buy FTSE 100 stocks

A ratio of **>4.5** has been an excellent opportunity to liquidate FTSE 100 stocks to purchase Gold

2 Year Gold/FTSE 100 Ratio Distribution



Gold Pair	21-Jan-22	17-Jan-22	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	21-Jan-21	△	% Change
GBP/Gold	£1,352	£1,333	▼	-19.46	-1.5%	£1,361	-8.67	-0.6%
USD/Gold	\$1,833	\$1,819	▼	-14.25	-0.8%	\$1,870	-36.67	-2.0%
EUR/Gold	€ 1,616	€ 1,594	▼	-21.97	-1.4%	€ 1,536	79.72	4.9%
Silver/Gold Ratio	75.66	79.09	▲	3.43	4.3%	72.07	3.59	4.7%
Oil/Gold Ratio	20.86	21.03	▲	0.18	0.8%	33.33	-12.47	-59.8%
FTSE 100/Gold Ratio	4.09	4.18	▲	0.10	2.3%	3.59	0.50	12.1%

Overview

A cocktail of geopolitical tension and consumer price inflation growth has supported bullion prices this week with the industrial linked precious metals posting strong gains. US 10-year Treasury Bond yields began the week strongly and hit 1.9% which is the highest yield on the 10-year since January 2021. Yields spent the week in decline and closed the week at 1.772%. The Federal Reserve's next policy meeting is to be held on Tuesday and Wednesday next week which will duly set the tone for the next meaningful moves for the precious metals. Markets are anticipating a more aggressive approach to tightening and anything short of this is likely to push Gold and, by extension, silver prices higher. Markets expect the Fed Funds rate to be increased three times this year with the first hike expected in March. The Federal funds rate is expected to be 1% by close of 2022. Many economists have questioned whether interest rates of 1% will be sufficient to abate runaway inflation that has now seen its largest rise in 40-years in the US by increasing 7% year-on-year

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Physical Market Overview

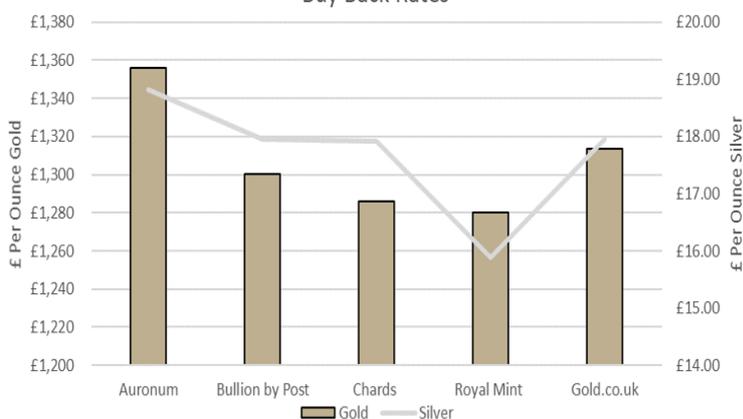
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GOLD SOVEREIGNS YEAR SPECIFIC PREMIUMS PAID



1oz Bar Gold and Silver Buy Back Rates



Guidance For Investors Selling Bullion

Auronum is paying the highest rates for buying Gold bars from UK investors, offering **£1,355.95 per ounce**

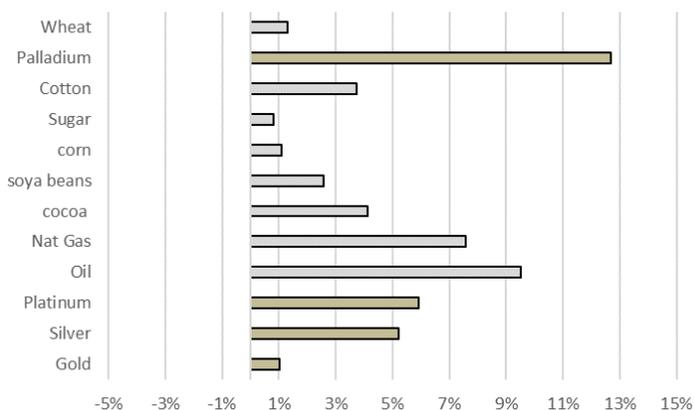
Auronum is paying the highest rates for buying Silver bars from UK investors, offering **£18.82 per ounce**

Note: All prices correct at Friday's close

Commodity Analysis

Commodity	21-Jan-22	17-Jan-22	Δ	Week-on-Week	Commodity	21-Jan-22	17-Jan-22	Δ	Week-on-Week
			↓	Δ				↓	Δ
Gold	£1,833	£1,819	▲	0.8%	Cocoa	\$1,737.00	\$1,769.00	▼	-1.8%
Silver	\$24.23	\$23.00	▲	5.3%	Sugar	\$18.90	\$18.66	▲	1.3%
Platinum	\$1,029.20	\$971.50	▲	5.9%	Cotton	\$120.75	\$121.08	▼	-0.3%
Palladium	\$2,107.34	\$1,875.50	▲	12.4%	Soya beans	\$1,414.25	\$1,361.25	▲	3.9%
Oil	\$87.89	\$86.48	▲	1.6%	Corn	\$616.25	\$599.50	▲	2.8%
Nat Gas	\$4.00	\$4.26	▲	-6.2%	Wheat	\$780.00	\$769.00	▲	1.4%

Calendar Year Performance



Gold Vs Commodity Performance in 2022

