



Precious Metal Market Report

Market Overview

Monday 3rd January — Friday 7th January



Gold

Gold prices start 2022 in decline, losing over 1% since trading began this year on tighter monetary policy expectations



Silver

Silver's first trading week this year sees a 3% loss as Silver tracks losses in Gold from higher bond yield expectations



Platinum

Platinum suffers from higher US benchmark yields this week but remains in a tight trading range



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 = 80.50

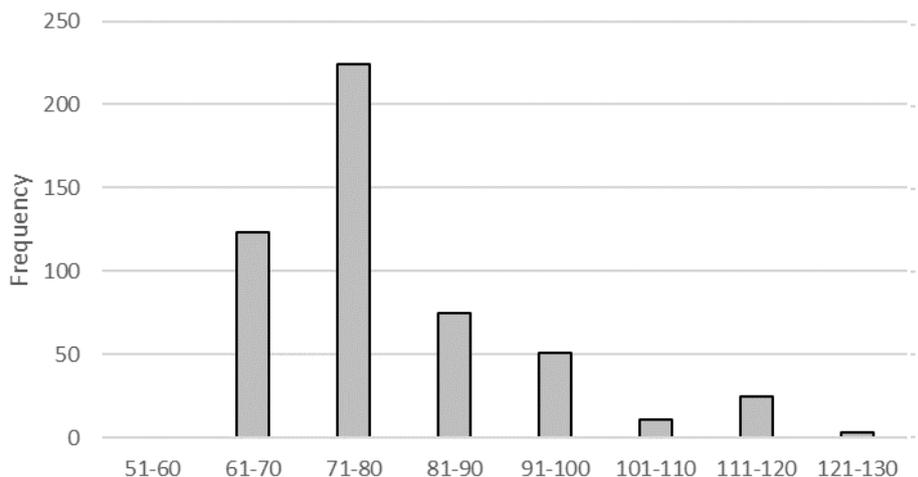
The bars show how many sessions the Gold/Silver ratio has spent in each of the ranges over the past 550 session

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

1 Year Gold/Silver Ratio Distribution



Commentary

Gold is back down against Sterling at prices not seen since early November 2021 as two market developments go against bullion. The Federal Reserve's minutes from the December meeting was released on Wednesday, unveiling discussions between officials on shrinking the Central Bank's asset holdings as well as raising interest rates sooner than first proposed to contain consumer prices. Current consensus is that the bond buying will reduce to nothing by end of March. US jobs data was released on Friday and missed consensus by 201,000 jobs. Analysts forecast 400,000 new jobs but actual data showed that 199,000 jobs were added in the US during December

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

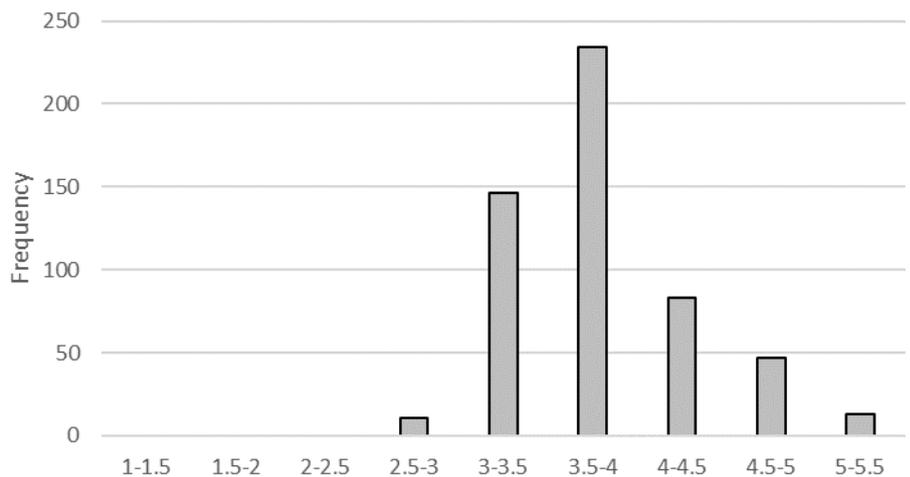
Current Ratio = 4.17

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

1 Year Gold/FTSE 100 Ratio Distribution



Gold Pair	7-Dec-21	04-Dec-21	△ ↓	Week-on-Week		Year-on-Year		
				△	% Change	10-Dec-20	△	% Change
GBP/Gold	£1,321	£1,340	▲	19.28	1.4%	£1,410	-88.71	-6.7%
USD/Gold	\$1,795	\$1,815	▲	20.00	1.1%	\$1,912	-117.94	-6.6%
EUR/Gold	€ 1,580	€ 1,607	▲	26.45	1.6%	€ 1,558	21.81	1.4%
Silver/Gold Ratio	80.50	78.79	▼	-1.71	-2.2%	70.56	9.94	12.3%
Oil/Gold Ratio	21.97	22.68	▲	0.72	3.2%	35.17	-13.20	-60.1%
FTSE 100/Gold Ratio	4.17	4.14	▼	-0.04	-0.8%	3.59	0.59	14.0%

Overview

Bullion has been pressured by this week's comments from the Federal Reserve and was unable to gain from the mixed US jobs data on Friday. A stronger than expected print would have solidified the market's expectations of a sooner than expected rate hike, however, the weaker than expected number that was posted today changed little, hence why the report was mixed for Gold. Notwithstanding the jobs miss, 10-year US Treasury yields reached 1.8% during Friday's trading, a figure not seen since the onset of the pandemic. The 10-year yield opened the week at 1.531% and rose through the week as market participants sold bonds knowing the Federal Reserve's huge bond buying will come to an end by Q2. Bond yields can rise without direct action from the Federal Reserve and with bond prices falling over the week, interest rates on US Treasuries have risen thus pressuring the Gold price. The rise in bond yields also pressured stocks, with technology and growth shares bearing the main brunt due to the opportunity cost of owning shares that may not receive revenues until a later date

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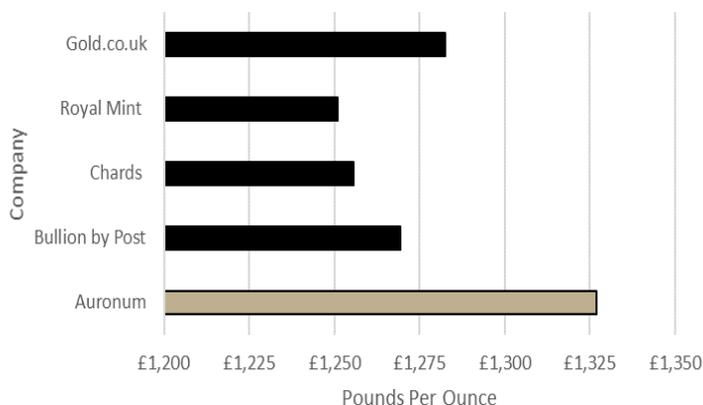


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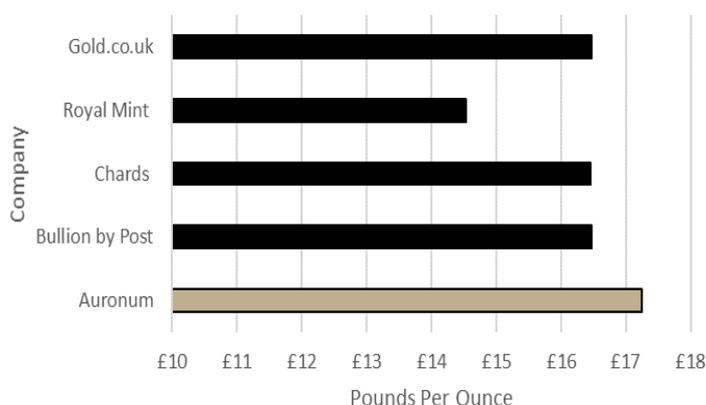
Physical Market Overview

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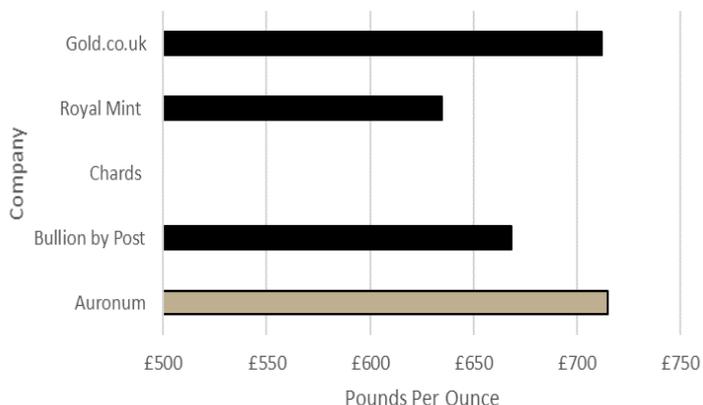
1oz Gold Bar Prices Paid



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 **£1,326.88 per ounce**

Auronum is paying the highest rates for buying Silver bars from UK investors, offering **£17.24 per ounce**

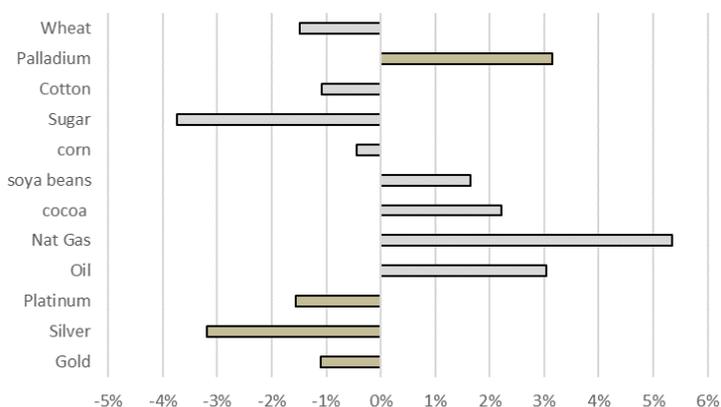
Auronum is paying the highest rates for buying a Platinum bars from UK investors, offering **£715.03 per ounce**

Note: All prices correct at Friday's close

Commodity Analysis

Commodity	7-Dec-21	04-Dec-21	Δ	Week-on-Week	Commodity	7-Dec-21	04-Dec-21	Δ	Week-on-Week
			↓	Δ				↓	Δ
Gold	£1,795	£1,815	▼	-1.1%	Cocoa	\$1,705.00	\$1,668.00	▲	2.2%
Silver	\$22.29	\$23.03	▼	-3.2%	Sugar	\$18.05	\$18.75	▼	-3.7%
Platinum	\$956.43	\$971.64	▼	-1.6%	Cotton	\$115.12	\$116.39	▼	-1.1%
Palladium	\$1,929.02	\$1,870.29	▼	3.1%	Soya beans	\$1,401.50	\$1,378.75	▲	1.7%
Oil	\$81.70	\$80.00	▲	2.1%	Corn	\$606.75	\$609.50	▼	-0.5%
Nat Gas	\$3.92	\$3.72	▲	5.4%	Wheat	\$758.50	\$770.00	▼	-1.5%

Calendar Year Performance



Gold Vs Commodity Performance in 2022

