

PRECIOUS METAL update

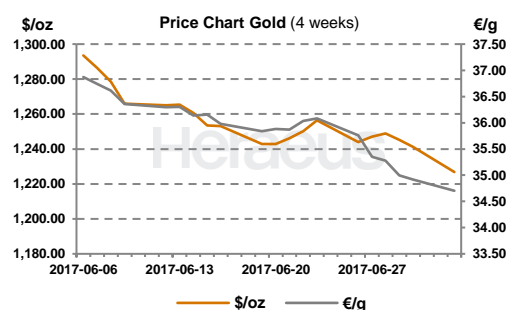
26 June - 02 July 2017

	Au	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
GOLD	High	1,258.81	1,123.79	36.13	3 July 2017	55,253,364	0.30%
	Low	1,236.46	1,085.46	34.90	26 June 2017	55,087,209	

Positive Outlook for Gold

The reporting week for gold started off with a bang: There was a flash crash at around 10 AM on Monday. Financial markets refer to a flash crash when there is a sharp decline in prices that often only lasts a few minutes. In our case, gold shed 1.6% of its value within one minute, falling from 1,255 \$/oz to 1,236 \$/oz. The main trigger for this decline was a "fat finger" incident that drove the volume of gold future contracts up on the COMEX commodities exchange. Interestingly, gold managed to recover from this shock only slowly over the course of the week. On Tuesday, ECB President Mario Draghi signaled in a speech that current monetary policy would be changed soon, leading to strong reactions on the financial markets. Among other things, the Euro reached a 10-month high of 1.14 USD/EUR on Wednesday morning. Consequently, the price of gold in Euros fell to a 6-month low of 1,090 €/oz.

On the physical side, Chinese imports fell to only around 45 t in May after reaching 75 t in April. ETF stocks are currently by 200K oz higher than they were last month, while long positions on the COMEX slid to a five-week low. However, the general market sentiment remains positive, confirmed in particular by the high demand at the current price level. Analysts at Goldman Sachs even corrected their previous 12-month forecast during the reporting week, from 1,150 \$/oz to 1,250 \$/oz. In particular, they based their assumption on the potential for disappointment in the stock market, rising GDPs in emerging markets and a limited mine supply. However, this week is expected to be a calm trading week due to the Independence Day holiday in the US.

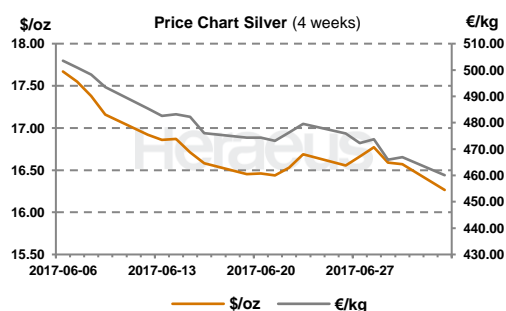


	Ag	\$/oz	€/oz	€/kg	Date	ETF oz (abs.)	ETF (rel.)
SILVER	High	16.95	15.01	482.52	3 July 2017	642,827,747	-0.01%
	Low	16.39	14.44	464.12	26 June 2017	642,919,136	

Silver continues to be well supported

Silver opened the reporting week at 16.74 \$/oz. After the price of gold dropped, silver followed suit, falling to 16.39 \$/oz and it only stabilized again as the week progressed. It closed the reporting week at 16.65 \$/oz.

There were significant imports of silver to China. The volume of imports increased by more than one-third year-on-year, to the highest amount since December 2010. Industrial demand is expected to increase in the short term as well. Another factor pointing to this is mine production, which has remained flat compared to 2016 figures. For these reasons, silver may unshackle itself from the price of gold. We expect technical support at 16.45 \$/oz (Fibonacci retracement) and resistance at 17.00 \$/oz for the coming trading week.

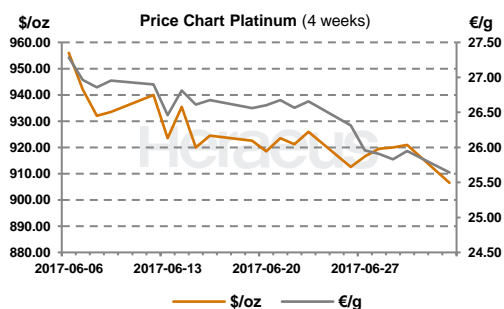


	Pt	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
PLATINUM	High	936.50	836.76	26.90	3 July 2017	2,215,217	-1.04%
	Low	905.25	794.01	25.53	26 June 2017	2,238,454	

Platinum jewelry driving hopes

Platinum opened the beginning of last week at 924 \$/oz and trended sideways without much price volatility. It closed the end of the reporting week at 921 \$/oz.

The price of platinum has remained at a low level because of stagnant demand in the European automobile sector. In addition, Platinum ETFs tracked by Bloomberg posted outflows of around 40,000 ounces on Monday, the largest intraday outflow since November 2015. However, some market participants think that the price decline is overstated and anticipate that particularly demand for platinum jewelry will increase in the future. This will be driven not only by changing overall customer preferences for jewelry, but in particular by economic growth and the urbanization of China as well. For example, platinum is already the preferred metal for diamond and wedding jewelry. However, the extent to which increased platinum jewelry demand in the future will offset the imminent substitution of this metal in the automobile market remains to be seen.

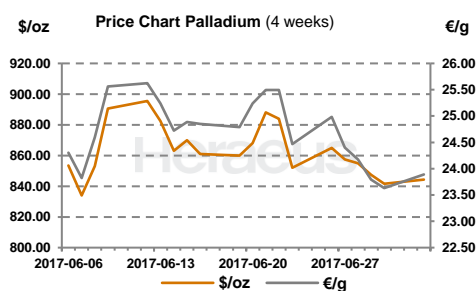


	PD	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
PALLADIUM	High	879.60	787.00	25.30	3 July 2017	1,382,590	-1.07%
	Low	831.75	729.00	23.44	26 June 2017	1,397,479	

Slight downward trend for Palladium

Last week was a comparatively weak period for palladium. It opened the reporting week at 856 \$/oz before gradually declining over the week. At Friday's close, palladium stood at 841 \$/oz. Palladium ETFs have also seen outflows since the beginning of the month of more than 65,000 ounces. Nevertheless, palladium ETFs were among the top performers among exchange traded funds in June.

Therefore, the expectation remains that palladium will exceed all other exchange traded precious metals this year (an increase of 28% since the beginning of the year). In addition, NYMEX Palladium Future Margins increased by 20% for the third week in a row on Monday, driven once again by price volatility.



RHODIUM, RUTHENIUM, IRIDIUM		Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)
	Bid	990	60	920
Ask	1,090	70	1,020	

Rhodium remains stable; Ruthenium still lackluster; Strong interest in Iridium continues

High demand for **Rhodium** continued throughout the week, which increased by 30\$ in price due to strong sales. Purchases were made by all users and consumers as well as from the hedging side. As is almost always the case, the automotive and chemical industries were particularly significant. The market was somewhat quieter by the end of the week and supply was significantly higher than in the previous days. The market may consolidate due to the start of the holiday period; therefore the price could move either sideways or lower. There is still little to report on **Ruthenium**, which is rather showing a lack of direction for the time being. The market appears to be waiting for news that is not (yet) available. The **Iridium** situation remains unchanged and physical purchases continue to face a somewhat limited supply. If the current situation persists this will also be reflected in the price in the medium and long term, and the price will continue to rise accordingly.

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