

PRECIOUS METAL update

24 July - 30 July 2017

| | Au | \$/oz | €/oz | €/g | Date | ETF oz (abs.) | ETF (rel.) |
|------|------|----------|----------|-------|--------------|---------------|------------|
| GOLD | High | 1.271,59 | 1.082,12 | 34,79 | 31 July 2017 | 53.276.957 | -1,32% |
| | Low | 1.243,41 | 1.068,72 | 34,36 | 24 July 2017 | 53.990.625 | |

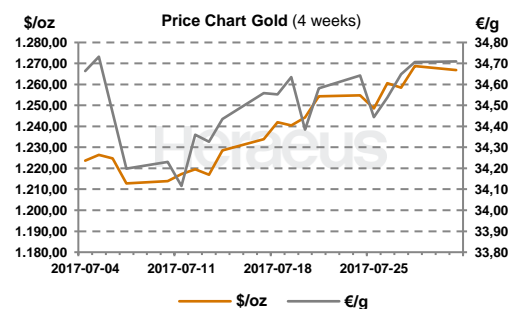
Gold still rising

Gold opened the reporting week at 1,255 \$/oz. and was able to maintain the positive upward trend of the past few weeks. After the closing bell on Friday, the board showed a price of 1,269 \$/oz, after the 7-week high had been reached a few hours before.

We expect that the FED will bring a halt to interest rate increases over the summer months, and most analysts are not expecting the next interest rate increase of 25 base points until December. The combination of political uncertainty in the USA, potential negative surprises from the economy, low inflation, and a possible correction in the equities market are strengthening the opinion among market participants that there will be no further interest rate increases in 2017.

The prospect of a continuing low interest rate level and the currently weaker USD have spurred on the price of gold during the last week. The trend has been supported by the good fundamental data coming in from China: According to Chinese reports, physical demand for gold has increased by almost 10% in China during the first six months of the year to 545 tons.

From a technical viewpoint, the trend is expected to continue. We see resistance at 1,275 \$/oz. and support at 1,250 \$/oz.

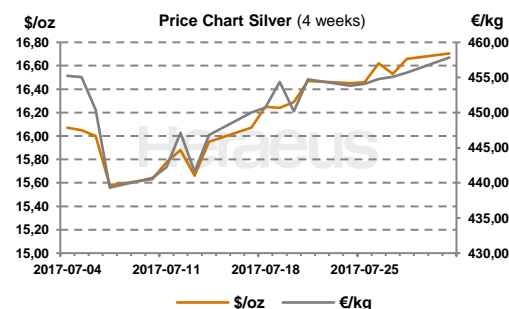


| | Ag | \$/oz | €/oz | €/kg | Date | ETF oz (abs.) | ETF (rel.) |
|--------|------|-------|-------|--------|--------------|---------------|------------|
| SILVER | High | 16,86 | 14,42 | 463,70 | 31 July 2017 | 652.399.228 | -0,50% |
| | Low | 16,23 | 13,92 | 447,60 | 24 July 2017 | 655.650.419 | |

Silver in gold's slipstream

Silver is currently displaying a very high level of correlation in relation to gold and has managed a value gain by 0.34 \$/oz during the past week. The closing price was at 16.75 \$/oz.

Demand for silver from industry accounts for a little more than 50% of total amount and is displaying stable growth in comparison with last year, at a current level of almost 500 million ounces. The forward market continues to be characterized by net short positions that potentially have to be covered by purchases during the week. We are therefore continuing to assume that in the current positive environment for gold and silver the price of silver could increase significantly past 17 \$/oz. In comparison with gold, silver remains a cost effective alternative for investors. The gold-silver ratio now stands at 76 and is therefore just slightly short of the 15-month high of 82 on July 7.

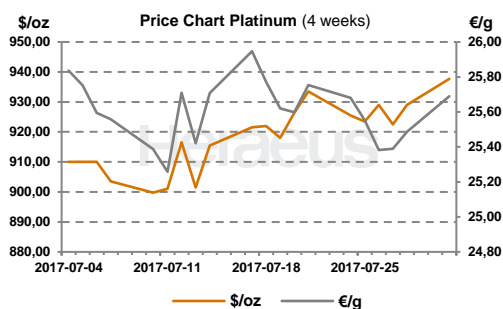


| | Pt | \$/oz | €/oz | €/g | Date | ETF oz (abs.) | ETF (rel.) |
|----------|------|--------|--------|-------|--------------|---------------|------------|
| PLATINUM | High | 946,00 | 811,74 | 26,10 | 31 July 2017 | 2.247.826 | 1,10% |
| | Low | 913,00 | 783,05 | 25,18 | 24 July 2017 | 2.223.372 | |

Challenging forecast for Platinum

Overall, platinum's price performance has been in sharp contrast to that of its sister metal palladium since the beginning of 2017. Platinum is one of the losing precious metals, with a 5% loss in value since the start of the year. Last week, we again reported on the current situation in the diesel vehicles market, which is expected to have a negative effect on the price of platinum in the long term. On Friday, it was announced that the "Deutsche Umwelthilfe (DUH)" (German Environmental Relief) had won its lawsuit for better air pollution control in Stuttgart, bringing driving restrictions in the city center for certain diesel cars starting in January 2018. Analysts expect that the proportion of diesel vehicles in Europe could fall by up to 35% by 2025. At the same time, both the platinum jewelry industry, which we have reported on before, and fuel cells business are far from being significant enough to form the basis of a bullish price outlook for platinum at this stage.

Over the past few weeks, platinum has tracked gold and has gained in value somewhat at the beginning of the week. Platinum opened the reporting week 942 \$/oz, closing the week somewhat lower at 939 \$/oz. We are currently seeing chart support at 898 \$/oz and resistance at around 935 \$/oz.

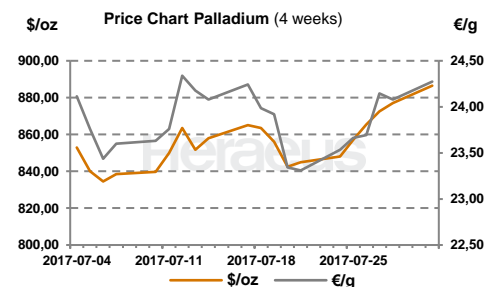


| | Pd | \$/oz | €/oz | €/g | Date | ETF oz (abs.) | ETF (rel.) |
|-----------|------|--------|--------|-------|--------------|---------------|------------|
| PALLADIUM | High | 889,70 | 760,00 | 24,43 | 31 July 2017 | 1.369.089 | -0,22% |
| | Low | 837,50 | 719,00 | 23,12 | 24 July 2017 | 1.372.155 | |

Little Change for Palladium

Palladium has experienced a price increase of almost 30% since the beginning of the year, making it one of the top performing precious metals. After a significant price increase since the end of May this year, palladium is currently trading within a range between 830 and 915 \$/oz after a level of around 748 \$/oz in the middle of May.

From a technical perspective, we are currently seeing palladium moving sideways. Palladium opened the reporting week at \$849/oz., made some gains during the week, and closed at 883 \$/oz. Currently all precious metals are also being supported by a weak US dollar. At the same time, however, improved US economic data, as well as the hawkish undertones of the Federal Reserve are providing momentum for a recovery in the US dollar. The latter could take the wind out of the sails of the precious metals business again. It remains to be seen, however, whether palladium will then continue in its own unique direction and whether there is any room for further price gains.



| RHODIUM, RUTHENIUM, IRIDIUM | | Rhodium (\$/oz) | Ruthenium (\$/oz) | Iridium (\$/oz) |
|-----------------------------|-------|-----------------|-------------------|-----------------|
| | Bid | 940 | 60 | 930 |
| Ask | 1.040 | 70 | 1.030 | |

Rhodium continues to fall; Ruthenium keeps waiting on further impulses; Slightly increased turnover from Iridium

The market witnessed continued investor interest in buying **Rhodium** throughout the week. As a result of the somewhat more quiet summer holidays, demand was slightly lower and the price therefore fell again by approximately 30 \$. At the current level, however, initial inquiries are again being placed, which could shore up the market if the transactions are concluded. We are cautiously optimistic that the current significantly lower prices will be able to produce a corresponding level of demand. We therefore do not expect the price to drop much lower when the aforementioned purchases begin to take place. **Ruthenium** has been somewhat more active despite the summer break and demand has been higher than in the past two weeks. This will definitely not, however, have any effect on the overall situation. The availability of **Iridium** has been noticeably better in the past week, which promptly led to a significant increase in turnover. The improved liquidity situation also eased prices, although currently this can by no means be considered a sign that prices will fall much further in the medium term. It is more likely a sign that potential purchasers were able to stock up when the price was attractive.

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