

# PRECIOUS METAL update

28. August - 03. September 2017

	Au	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
GOLD	High	1.329,55	1.118,61	35,96	4 September 2017	54.756.566	1,68%
	Low	1.291,50	1.078,83	34,69	28 August 2017	53.853.533	

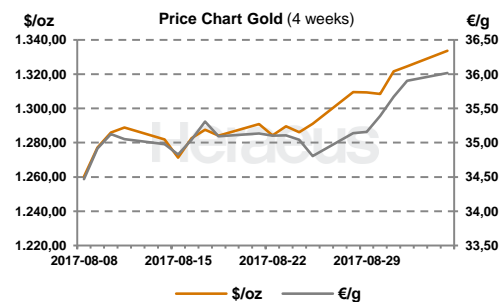
## Gold continues upward trend

Following last week's upward trend, gold started the trading week at 1,291 \$/oz., and the price rose to 1,317 \$/oz. by the middle of the week. There is apparently a psychological barrier at 1,320 \$/oz. and gold has not breached it in recent weeks. Gold closed at a weekly high of 1,325 \$/oz. The prices were supported by a weak dollar against the euro.

In a period of geopolitical tensions, gold continues to be considered a safe haven. North Korea's missile tests over Japan were the most notable event in the past week, and additional tests are planned in the Pacific. Hurricane Harvey continues to be a cause for concern in the US, and reports from Texas are estimating that 125 billion \$ in federal aid will be needed.

Whether this is approved depends on the current discussions on fiscal and budgetary issues in the US Congress. The markets are concerned about avoiding a government shut down and a debt ceiling. The question of the debt ceiling should be resolved by the end of September. Gold ETFs recorded their highest daily inflow since the beginning of June at about 10 tons (321 thousand ounces).

For the upcoming trading week, we see technical support at 1,325 \$/oz and resistance at 1,350 \$/oz.



	Ag	\$/oz	€/oz	€/kg	Date	ETF oz (abs.)	ETF (rel.)
SILVER	High	17,79	15,00	482,22	4 September 2017	634.683.148	-0,58%
	Low	16,99	14,22	457,26	28 August 2017	638.368.500	

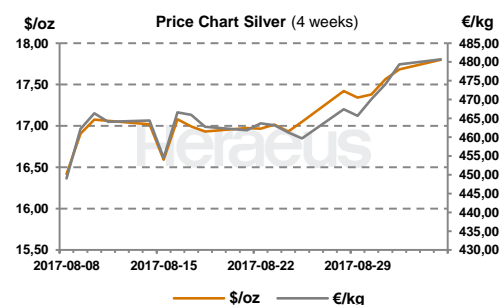
## Silver remains stable overall

After silver stagnated the week before last, this trading week was marked by greater movement. Silver opened the week at \$16.95/oz., its lowest price of the week.

The price rose to \$17.44/oz. towards the end of the week. Silver had reached a three-week-high of 17.79 \$/oz by the close of the trading week.

The jump in the price gave credence to the assumption that investors still have faith in the metal, despite various uncertainties in the market. The gains are therefore mainly due to speculative and demand-related purchases.

Based on the gains in the last week and also taking into account the developments in gold, we expect a similarly stable price level in the coming trading week at 17.50 \$/oz (average of last week).

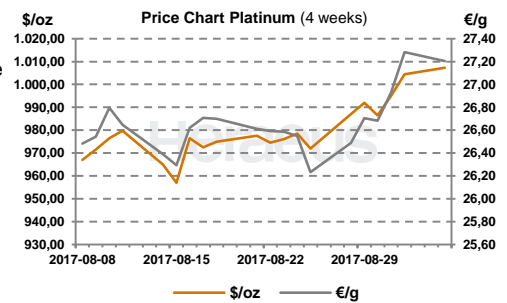


	Pt	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
PLATINUM	High	1.013,50	854,63	27,48	4 September 2017	2.186.257	-2,68%
	Low	969,50	811,37	26,09	28 August 2017	2.246.510	

## A good week for Platinum

Following the sideways movement during the week before last, platinum posted gains once again last week. Having opened the reporting week at 980 \$/oz, by Friday platinum had risen by 29 \$, closing the week at 1,009 \$/oz.

Platinum was carried along in the wake of gold, with demand for gold as a safe haven increasing once again after the latest reports about North Korea and Hurricane Harvey. According to the *World Platinum Investment Council (WPIC)*, the demand for platinum in the automobile industry remains robust. It also reports that the Dieselgate could even present an opportunity for platinum. There is the possibility that, instead of coming up with a substitute for metal, actually increasing the amount of platinum in diesel vehicles is being considered as a possible solution. At the same time, it is estimated that platinum supply will fall by 2% in 2017 compared with last year. The reason given for this is the high production costs in South African mines. The signs on the investor side point to a price increase for platinum, too: global ETF stocks increased by 65,000 ounces (2,089 kg) in the first quarter of the year, and are now at the highest level since the fourth quarter of 2015.

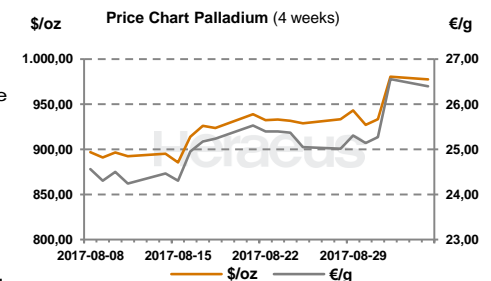


	Pd	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
PALLADIUM	High	986,52	832,00	26,75	4 September 2017	1.508.105	-0,62%
	Low	923,50	773,00	24,85	28 August 2017	1.517.548	

## Palladium hits 16-year high

Palladium opened at 929 \$/oz and peaked on Friday at 986 \$/oz. That means that this high performer among the precious metals hit a 16-year high during the past reporting week. At Friday's close, palladium reached 985 \$/oz. These price jumps are thanks to particularly the US Automobile industry where numerous car brands like GM, VW and Toyota report positive sales figures. Additionally analysts report that there may even be an increase in demand in the US automobile market in the coming months due to the vehicle damage caused by Hurricane Harvey.

We are still of the opinion that there is plenty of support for the palladium price, primarily as a result of Dieselgate and the ensuing boom in demand for palladium. What is more, Norilsk Nickel, the world's leading palladium producer, reports that palladium production in the first six months of 2017 is down by roughly 1.3 million ounces (41,795 kg) or 2% compared with the previous year. According to Norilsk Nickel, increased palladium demand could lead to a deficit of 1 million ounces, which could in turn provide extra support for the price. This means that the recycling industry could therefore still be a deciding factor.



RHODIUM, RUTHENIUM, IRIDIUM		Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)
	Bid	1.100	62	920
Ask	1.200	72	1.020	

## Rhodium - Continuing Industrial Demand; Ruthenium – Physical buying interest persists; Iridium - increasing demand, but price moving only sideways

**Rhodium's** soaring flight continues. As a result of ongoing strong industrial demand, the price rose by a further 50 \$/oz over the reporting week. Buyers are currently being found in a variety of industries, with the automotive industry clearly being the main driver of this movement. The chemical industry continues to be active with various areas of application and is contributing to the rising price. Mines and secondary producers are understandably among the sellers, although the available quantities are limited, which in turn justifies the rising price. In principle, these circumstances lasted throughout the week, so there was no change at all in the current market environment. To date, investors have made practically no appearance as buyers.

Our experience tells us it is becoming less likely that this scenario will continue for a long time, because the price has already risen for the fourth consecutive week without any counter-movements. However, at the moment there is still a very good level of physical demand despite the high price. Buyers continue to focus on **Ruthenium**, and demand continues to be strong. Following the very strong movement from the end of March through mid-April, which came with a price increase of over 60%, the price has remained constant, although it initially appeared as if potential sellers could again put the market under some pressure. However, there has been renewed heavy demand over roughly the last three weeks, which has allowed the price to react only slightly. Nonetheless, with demand unchanged, the price should have upward potential in the medium term. **Iridium** appears to have settled down somewhat for the medium term, after going in only one direction this year. The upward curve has flattened out noticeably compared with the first four months of the year, however. Demand is very stable and continues to be spread across a number of industries, but the improved supply could cause the market to wind down considerably. However, we must point out here that the size of the iridium market means that the scenario can change quickly based on changes in either supply or demand.

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