

PRECIOUS METAL update

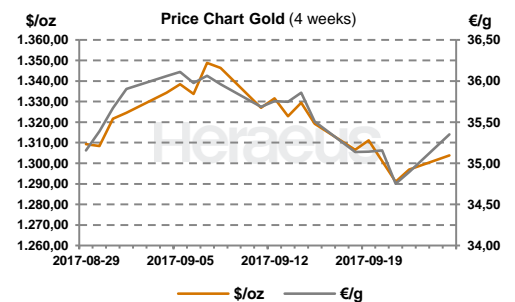
18. September - 24. September 2017

	Au	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
GOLD	High	1.320,36	1.107,59	35,61	25 September 2017	55.375.828	1,03%
	Low	1.287,61	1.079,52	34,71	18 September 2017	54.813.873	

Possible interest hikes by the US Fed put pressure on the price of gold

Gold opened the week at 1,320 \$/oz and then dropped sharply over the course of the week. This was mainly because of the Fed's statement that it would increase rates in December. On Wednesday alone, the price for the yellow metal fell by more than 10 \$/oz. It ended the week at 1,298 \$/oz and was thus 4.5 % below its 2017 high of 1,358 \$/oz from the beginning of the month.

In its statement, the Federal Reserve said that 12 of its 16 members anticipate a rate hike by the end of the year. Another three rate hikes were forecasted for 2018. While gold fell appreciably on Wednesday and Thursday, the yields on US government bonds rose sharply and the dollar rose against the euro as well, climbing to a two-week high. In addition, the Fed announced that its balance sheet for October had declined, pointing to a potential tightening of its monetary policy. However, we continue to believe that the price of gold over the next several weeks will continue to be influenced positively by geopolitical risks and that statements by Trump, such as his threat at the UN General Assembly to "totally destroy" North Korea, will be the norm. For the coming week, we see technical support at 1,280 \$/oz and resistance at 1,350 \$/oz.

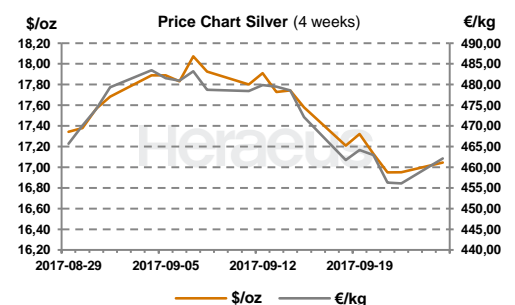


	Ag	\$/oz	€/oz	€/kg	Date	ETF oz (abs.)	ETF (rel.)
SILVER	High	17,65	14,79	475,48	25 September 2017	623.802.316	-0,31%
	Low	16,80	14,10	453,25	18 September 2017	625.715.960	

Stronger US dollar puts pressure on silver

Silver opened the reporting week at 17.60 \$/oz and lost 3.2% in value throughout the week. A closing price of 17.03 \$/oz was published on Friday evening; 6.7% less than the annual high of 18.25 \$/oz on September 8. The strength of the US dollar played a significant role in the poor performance of silver, with the gold/silver ratio—which had stabilized at 75 from the beginning of September—increasing to 76.2.

For the upcoming trading week, we expect technical support at 16.88 (100-day moving average) and 16.71 \$/oz (50% Fibonacci retracement).

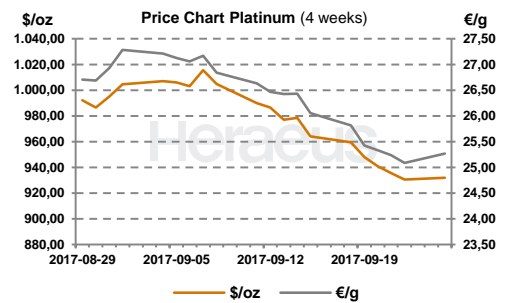


	Pt	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
PLATINUM	High	975,50	817,25	26,28	25 September 2017	2.188.055	-0,11%
	Low	925,00	775,44	24,93	18 September 2017	2.190.401	

South African platinum mines in financial crisis

Platinum gradually shed value over the past reporting week after opening at 972 \$/oz on Monday. The metal was mainly carried along by gold, which – as noted above – was affected by the Fed's announcements and the US dollar. Platinum closed the week at 936 \$/oz.

Despite its poor prospects on the demand side, resulting predominantly from Dieselgate as well as lower demand from the industrial and jewelry sectors, reports from South Africa should give the prices of platinum group metals a bit of a boost in the near future. The second-largest platinum producer, Impala Platinum, has commenced negotiations with the government and unions. Among other issues, the negotiations will look at the possible layoff of up to 2,500 miners. The South African mining industry has been in a deep crisis since 2012 because of price volatility, rising production costs and social unrest. Some 13% of the workforce has been let go since 2012, which in the past led to long mine strikes and production disruptions. Current developments could support the price of platinum if there actually is a new round of layoffs in the near future that result in production disruptions. We currently see technical support at 925 \$/oz and resistance at 1,020 \$/oz.

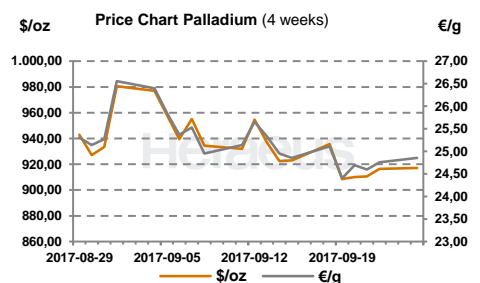


	Pd	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
PALLADIUM	High	945,20	791,00	25,43	25 September 2017	1.521.991	-0,10%
	Low	900,00	750,00	24,11	18 September 2017	1.523.470	

Robust fundamentals for palladium

After reaching 1,001 \$/oz at the beginning of September, its highest price in several years, palladium began a downward trend and it continued to lose value over the past week, falling to 922 \$/oz on Friday evening.

Despite its short-term downward movement, however, palladium continues to be very well supported. The metal has seen a total increase in value this year of around 35%. This appreciation is supported by stable fundamental data. This data is based on a favorable combination of robust global demand for the use of palladium in gas engines and persistent supply shortages. In the past year alone, there was a supply shortage of 37 tons, mainly as a result of production disruptions in South Africa. According to GFMS, the palladium deficit will increase to around 43 tons this year, while demand is expected to increase during the same period, meaning that palladium prices will continue to be well supported. We currently see technical support at 900 \$/oz and resistance at \$950 \$/oz.



	Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)	
RHODIUM, RUTHENIUM, IRIDIUM	Bid	1.110	62	920
	Ask	1.210	72	1.020

Rhodium - Sales of rhodium strong – price remains at a high level; Ruthenium - Industrial purchasers continue to focus on ruthenium; Iridium - Increased sales of iridium

The assumption we made in our last report has been confirmed: Although the **rhodium** price has barely moved over the past two weeks, turnover remains at a high level. As in recent weeks, demand continues to be very high mainly as a result of physical purchases in the automobile and chemical sectors. Some hedging was also observed. Naturally, the sideways movement of the price led to a highly competitive market and the ranges were correspondingly lower. While mines and secondary producers are helping to keep the price from rising further at present, we do not think the price will decline in the medium term even if larger sales positions fail to materialize. Purchases by industrial users continue unabated. In addition to the chemical industry, there was also sharply higher demand for **ruthenium** in recent weeks for the production of magnetic data storage devices. So far, current stocks have met increasing demand and therefore the price has only responded marginally. However, if this situation persists, there will likely be a reaction on the price side as well.

Following the last significant price rise for **iridium** back in July, on the whole the market has been somewhat more balanced of late. Supply, particularly from primary production, has improved significantly, which is surely due to the high price. However, demand for this rarest of metals remains at a very good level and there should continue to be stable consumption in a wide variety of application areas.

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