

PRECIOUS METAL update

06. November - 12. November 2017

	Au	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
GOLD	High	1.288,95	1.111,57	35,74	13 November 2017	55.567.953	0,06%
	Low	1.266,01	1.091,29	35,09	6 November 2017	55.532.849	

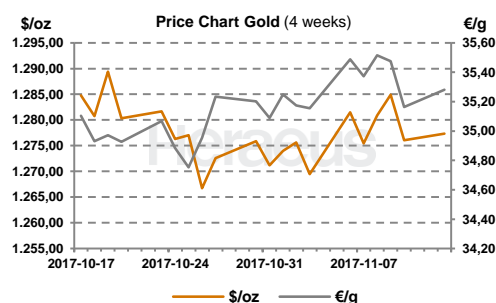
Rising bond yields drive down the price of gold

The price of gold fluctuated significantly last week. A weak US dollar at the beginning of the week provided a tailwind that was buttressed by sinking equity prices, but the price of gold plummeted within a very short period of time on Friday afternoon. Rising bond yields caused the most active gold contract with delivery in December to lose more than 1% of its value. Gold closed at 1,276 \$/oz, 14 \$/oz less than the three-week high gold had reached on Thursday.

With so few noteworthy events this week, the weak US dollar, which has lost value due to speculation regarding a delay in the introduction of US tax reform, explains the early price increase. Republicans are considering a year-long delay of tax reform. Analysts believe this will decrease the Fed's leeway to increase interest rates in 2018, which supports the price of gold.

Data on third-quarter gold demand published last week by the World Gold Council (WGC) shows a 915 ton decrease during July and September. That is the lowest gold demand since 2010, which can mainly be explained by lower sales in the jewelry industry.

We expect technical support at 1,263 \$/oz (100-day moving average) and resistance at 1,290 \$/oz for the coming trading week.

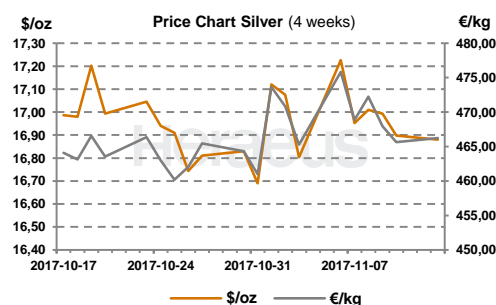


	Ag	\$/oz	€/oz	€/kg	Date	ETF oz (abs.)	ETF (rel.)
SILVER	High	17,32	14,92	479,71	13 November 2017	617.473.640	-0,74%
	Low	16,78	14,40	462,92	6 November 2017	622.087.983	

Highs and lows in the silver market

Silver, which opened the week at 16.91 \$/oz, became volatile as the week wore on. The price increased to 17.32 \$/oz on Tuesday but lost value over the course of the week before closing on Friday evening at 16.91 \$/oz. Silver will continue to profit in coming years from robust industrial demand. Without substitutions, the photovoltaic industry will continue to grow in the near future, and demand for new ethylene oxide will require ten million more ounces every year. The currently limited investment demand is nevertheless driving down the price of silver, which may be due to the strength of the stock market in 2017 and Friday's rise in interest rates. Current sales of the US Silver Eagle are down almost 50% in comparison with last year.

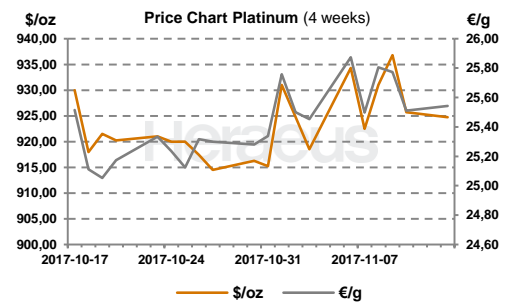
We expect technical support at 16.60 \$/oz and resistance at 17.21 \$/oz for the coming trading week.



	Pt	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
PLATINUM	High	946,50	813,06	26,14	13 November 2017	2.220.205	-0,46%
	Low	913,00	786,32	25,28	6 November 2017	2.230.364	

EU regulations continue to weigh on the price of platinum

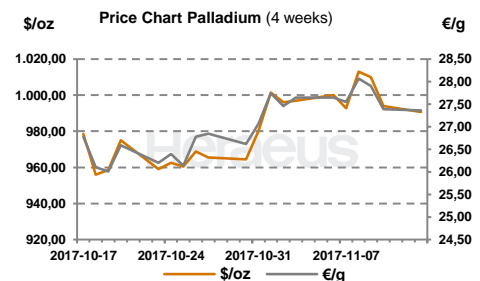
The current price of platinum reflects the sentiments of European automobile manufacturers. While platinum has climbed slightly in recent weeks, this was mainly due to its correlation with the price of gold, which has seen gains because of the weak US dollar and pulled other metals along with it. There is still no significant amount of demand for platinum that would justify a higher price. Platinum was trading at around 930 \$/oz. this morning. This is hardly surprising given the latest news in the automobile industry: Two days before the start of the climate summit in Bonn, the European Commission proposed a 30% reduction in automobile emissions by 2030. The European Automobile Manufacturers' Association (ACEA) asked for a reduction of 20% because—according to ACEA—the costs would only be feasible at this level. The German automobile industry additionally criticized the EU regulations as onerous, noting that they would make the European automobile industry much less competitive internationally. The share of diesel models among new car registrations in Germany has already fallen below the 35% mark for the first time.



	Pd	\$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
PALLADIUM	High	1.030,15	887,00	28,52	13 November 2017	1.449.087	-1,38%
	Low	990,50	851,00	27,36	6 November 2017	1.469.318	

New records for palladium

Palladium's success story continues apace. The metal continues to trade higher and impresses with a remarkable price trend. It has risen by a spectacular 50% this year. Palladium showed strong gains over the previous reporting week as well. It reached a weekly high of 1,030 \$/oz. last week before closing on Friday at 999 \$/oz. As a result, palladium reached a price level that it last saw at the beginning of 2001. At the same time both sponge premiums as well as financing costs are still on a fairly high level backing up such price hikes. In contrast to platinum, however, there are plenty of reasons that justify the price increase. In fact, as we have already noted several times, drivers are increasingly turning to gas engines—which is good for palladium and bad for platinum. We anticipate that global demand for palladium will exceed supply by more than 8 million ounces, thus, analysts remain bullish about the outlook for the price of palladium.



	Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)	
RHODIUM, RUTHENIUM, IRIDIUM	Bid	1.200	120	925
	Ask	1.325	150	1.025

Rhodium price erosion comes to a halt; Ruthenium shows a moderate price increase; Increased demand for iridium

The strong interest in selling **rhodium** endured through the entire trading week, even though consumers and users have definitely shown an interest in buying. The surplus, however, was still too strong to stave off a higher price level. There was nevertheless greater demand at the end of the reporting week. The pressure to sell on the part of potential sellers who previously had to operate in an illiquid market has noticeably abated. It currently appears as if the price has hit a floor. For this reason, we envision sideways movement for the moment - and in the medium term even fixed rates once again. On the financing side, the situation remains tense and rates remain at a very high level.

Ruthenium settled down over the course of the week as a very high price deterred buyers from their previous easy access. The slightly higher availability certainly also contributed to the improved situation. However, should previously unconfirmed reports of new applications be proven correct, market demand could increase and bring further price increases.

Iridium once again experienced higher demand than during the previous reporting week. A price increase in the near future still seems premature, but it could happen in the medium term should this trend continue.

Even though there has been little price-side movement for quite some time, the generally very positive economic climate for this particular highly used metal should not be underestimated.

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