



METAL MATTERS

Upcoming BrightTalks

- **June 16th, 09.30** - A Composite View on Commodity Indices: A RICl Comparison
- **June 30th, 09.30** - Beyond the Frontier: Quantamental Emerging Markets

Featured Articles

- Rare Earth Metals - Widely Used, Strategically Important
- The RICl Index - Tapping the Dynamics of Worldwide Commodity Consumption
- Basel III - Gold's Journey to the Moon and Back
- Tsingshan's Nickel Plan

Recorded Webinars

- China Fixed Income - An Untapped Market?
- Green Mining - How can Miners be More Sustainable?
- [Spotlight on Metals] - Series

Week in Review

The highly anticipated US Labour Market Report for May was published on Friday. The US economy added 559,000 jobs, causing the unemployment rate to drop to 5.8%, a 14-month low. Continuing from the positive news, US Average Hourly Earnings increased by 15 cents (0.5%). With more job gains, the economy is on track to beat the deficit created by the pandemic. Central bank officials, such as Patrick Harker, were previously hinting towards a contractionary shift in monetary policy. However, US 10-year Treasury bond yields fell by 0.23%, indicating this may not be the case, as the job gains still fell below expectations.

Sterling rebounded as the dollar weakened on the back of the forecasted US jobs report. European shares were little changed in response to the report, US stock futures rose with the S&P 500 and Nasdaq rising more than 0.4%, and UK stocks continued to fall.

Additionally, Joe Biden made a big statement against China on Thursday by sensationally banning American investors from investing in 59 Chinese companies on national security grounds. This included China's largest chipmaker and a dominant semiconductor manufacturer. Lastly, it was a dominant week for UK construction, with output growth nearing a 7 year high, smashing predictions by rising to 64.2.

Metals in the news

It's been an excellent week for commodities, with the GSCI commodity index realising a 35% increase, its highest percentage deviation since March 2008.

Gold's negative performance throughout the week slightly recovered, closing at \$1,890 an ounce, amid growing demand in response to the disappointing labour market data. Investors are attempting to predict future economic growth and pricing pressures through comments made by the Fed. The latter stated that they will slowly reduce bond purchases at a suitable time.

Week Ahead

On Tuesday, the US will release their Balance of Trade, which is forecasted to give an improved deficit from - \$74.4B to -\$69B. The UK will also release its Balance of trade on Friday, which is predicted to worsen from a - £2B to £3.2 Billion. Importantly, on Thursday the US's Department of Labor Inflation Rate report for May is published. Last month a rate of 4.2% was observed, with investors believing we will see a small jump to 4.7%, which will be key for continued investment in commodities for hedging purposes.

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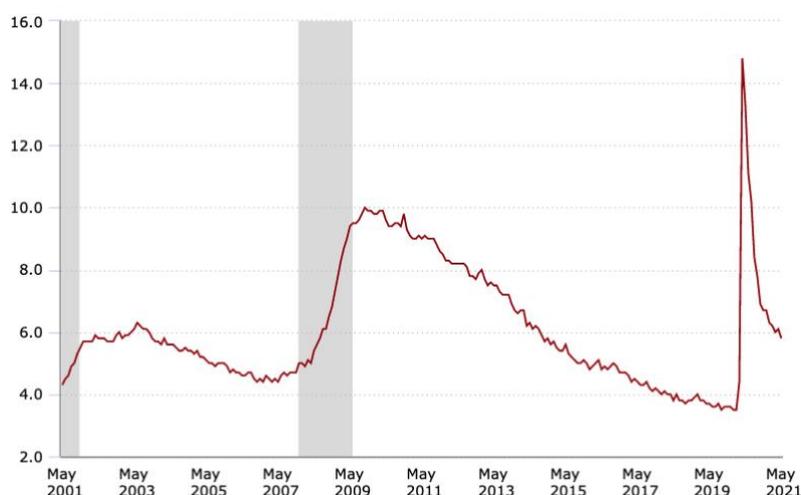
The Beige Book survey showed the US recovery's pace has picked up over the last 2 months. This along with the Labour Report has created inflation uncertainty, leading to greater inflows into the rare commodity.

Silver rallied with Gold prices on Friday, continuing from its 5 day winning streak to close week at \$27.60. The 20,50,100 and 200 moving averages all suggest positive price growth, with more investors appearing to be buying into the silver bull market.

Platinum ended the week at \$1,156. The rare metal's critical news was that Russian banks VTB and VEB will finance a \$7.8 billion project to develop the Chernogorskoye Siberian platinum mine. The project is backed by Russian mining giant Nornickel, who are responsible for the sales of metals and offering access to infrastructure. The announcement however coincided with no significant change in price. The other essential PGM metal, Palladium, marginally changed by +0.53%.

Copper prices continued to fall for a third day on Thursday to close at \$10,002 a tonne due to weakening demand in China after reaching record highs in early May. By Friday, it had pared back some of the losses and settled at \$9,940.

Chart of the week – US Unemployment Rate



Source: US Bureau of Labour Statistics

Risk Factors

Investment in the ETC Securities will involve a significant degree of risk. Investors may lose the value of their entire investment or part of it. Each prospective purchaser of, or investor in, ETC Securities should be familiar with instruments having characteristics similar to the ETC Securities and should fully understand the terms of the ETC Securities and the nature and extent of its exposure to risk of loss.

Performance and capital loss: Past performance is not a reliable indicator of future results. The value of an investment may go down as well as up and can result in losses, up to and including a total loss of the amount initially invested.

Generic risks: Investments in ETCs involve numerous risks including, but not limited to, metal market risks, foreign exchange risks, interest rate risks, and liquidity risks.

Potential investors should refer to the section entitled "Risk Factors" in the Prospectus relating to the GPF Physical Metal ETC Securities Programme for further details of these and other risks associated with an investment in GPF ETCs and consult their financial advisers as

Metals - Spot Price

Metal	Price 4th June USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA	Change in Futures positioning
Gold	1,892	-0.6%	-0.8%	-0.4%	4.7%	2.7%	-0.4%
Silver	27.8	-0.5%	-0.8%	5.3%	4.8%	8.1%	-5.9%
Platinum	1,169	-1.3%	-1.7%	9.1%	-3.2%	9.1%	4.6%
Palladium	2,846	0.7%	0.5%	16.2%	1.2%	15.0%	4.6%
Copper	9,940	-3.0%	-3.0%	28.3%	2.7%	22.0%	-21.9%
Nickel	17,922	0.6%	0.6%	8.4%	5.1%	7.9%	-76.8%

Note: All performance data to 4 June. Futures positioning based on CFTC and SHFE data. Past performance is not an indicator of future performance and the value of an investment may fall as well as rise. Investors take on currency risk when taking unhedged exposure to commodities. Source: Bloomberg, NTree

GPF ETC Listings on LSE and Xetra

Name	LSE Ticker	Xetra Ticker	ISIN	TER
GPF Physical Gold ETC	TGLD	OIIA	XS2265368097	0.145%
GPF Physical Silver ETC	TSLV	OIIB	XS2265369574	0.200%
GPF Physical Platinum ETC	TPLT	OIIC	XS2265369731	0.200%
GPF Physical Palladium ETC	TPAL	OIID	XS2265370234	0.200%

Trading

AP: Flow Traders MM: GHCO, Peel Hunt, Winterflood

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