



METAL MATTERS

Talking About Talking About Tapering

Upcoming BrightTalks

- **June 30th, 09.30** - Beyond the Frontier: Quantamental Emerging Markets

Featured Articles

- Rare Earth Metals - Widely Used, Strategically Important
- The RICI 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

Fed Policy meeting and comments from Bullard drove sharp moves in the market during the week. The Fed's "talking about talking about tapering" and more hawkish comments from Bullard on a faster pace of tightening caused the USD to rally and the US yield curve to flatten. A flatter yield curve is negative for the economy as it depresses lending activity.

Over in Europe, the ECB committed to continue its bond buying program and Greek 5yr government bond yields turned negative for the first time. Whilst, UK gilt yields closed up on the week on expectations that the BOE would start to tighten policy soon.

In an interesting development, the BOJ announced a measure to support climate-change initiatives and will be providing funds for banks to lend to climate friendly businesses. If other CBs follow suite this should be very positive for industries and metals vital for the transition to a zero-carbon economy.

Officials at 2021 China Association of Automobile Manufacturers predicted that the share of new energy vehicles would increase from 20% of the Chinese market to 30% within 5-8yrs.

Metals in the news

Metals sold off sharply following the Fed taper talk with high single digit losses on the week to take year-to-date performance into negative territory for most precious metals. Whilst, base metals sold off during the week, copper and nickel are still positive on the year.

In a mile stone development for the industry, Global Palladium Fund launched physically-backed copper and nickel ETCs on the London Stock Exchange and Boersa Italiana during the week, which gives

Week Ahead

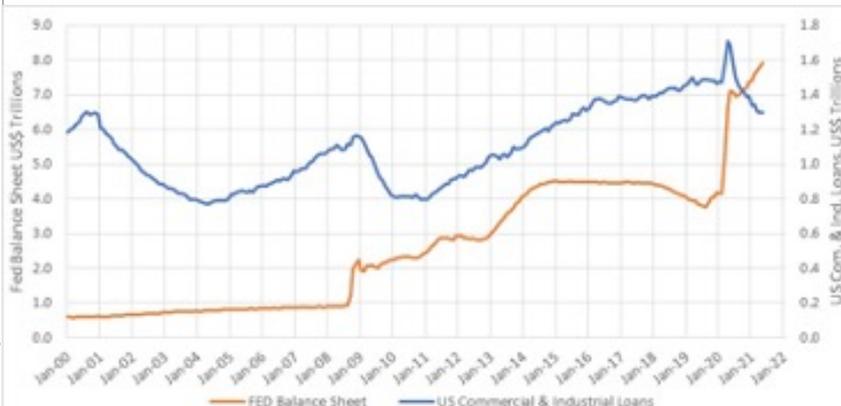
On Tuesday Chairman Powell will testify on the FED's response to the Corona pandemic and traders will be watching closely to see if he elaborates further on expectations of tightening policy earlier than expected. Over in the UK, the BOE will be watched closely on Thursday for its decision on interest rate policy. Expectations are mixed given higher than expected recent inflation and jobs data versus growing Covid delta variant numbers. Core US PCE data should be released on Friday to close the week.

investors access to the spot performance of copper and nickel and allows them to participate in the global zero-carbon transition trend. The launch comes on the heels of industrial metals making big headlines over the last year with Goldman Sachs predicting demand growth for the metals to accelerate as the world transitions to zero-carbon.

The mining industry is watching the Peru closely as the 2021 general election remains in dispute, with the threat of nationalisation of the industry hanging in the balance if Pedro Castillo is declared the winner. Nationalisation of the industry is expected to disrupt supply and increase risk premiums on mining companies.

BHP averted a strike at its second largest copper mine in Chile after agreeing a wage deal with striking staff. With Chile responsible for close to a third of mined copper supply, the aversion of striking mining workers reduces supply risks in a tight market.

Chart of the Week – Commercial and Industrial loans down to 2015 levels



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Metals - Spot Price

Metal	Price 18 Jun USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA	Change in Futures positioning
Gold	1,764	-6.0%	-7.5%	-7.1%	-3.7%	-4.0%	0.0%
Silver	25.8	-7.6%	-8.0%	-2.3%	-4.6%	0.2%	0.0%
Platinum	1,043	-9.3%	-12.3%	-2.7%	-12.6%	-3.6%	0.0%
Palladium	2,475	-10.9%	-12.6%	1.1%	-12.5%	-0.8%	0.0%
Copper	9,120	-8.6%	-11.0%	17.7%	-7.3%	9.9%	0.0%
Nickel	17,320	-5.4%	-2.8%	4.7%	-0.1%	3.4%	-174.3%

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 needed.

Note: All performance data to 18 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, Xetra, SIX and Borse Italiana

Name	LSE Ticker	Xetra Ticker	Borsa Italiana Ticker	SIX Ticker	ISIN	TER
GPF Physical Gold ETC	TGLD / TAUS	OIIA	TGLD	TGLD	XS2265368097	0.145%
GPF Physical Silver ETC	TSLV / TAGS	OIIB	TSLV	TSLV	XS2265369574	0.200%
GPF Physical Platinum ETC	TPLT / TPTS	OIIC	TPAL	TPAL	XS2265369731	0.200%
GPF Physical Palladium ETC	TPAL / TPDS	OIID	TPLT	TPLT	XS2265370234	0.200%
GPF Physical Copper ETC	TCOP / TCUS	OIEG	TCOP		XS2314659447	0.850%
GPF Physical Nickel ETC	TNIK / TNIS	OIFG	TNIK		XS2314660700	0.750%

Trading

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

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