



METAL MATTERS

Yields? What Yields?

Featured Articles

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

Recorded Webinars

- Beyond the Frontier: Quantamental Emerging Markets
- A Composite View of Commodity Indices: A RIC Comparison
- China Fixed Income - An Untapped Market?
- Green Mining - How can Miners be More Sustainable?
- [Spotlight on Metals] - Series

Week in Review

Stocks were mixed as US Treasury yields closed the week lower with the 10-year Treasury hitting February lows of 1.36%. Economic data whilst strong surprised on the downside relative to expectations during the week, with Jobless claims higher and ISM data lower than expected. The spread of the Covid delta variant may have also weighed on investors' minds.

Over in Europe, Covid infection rates continued to increase and growing fears that the continent is facing a fourth wave weighed on markets. In a telling development, the ECB amended its inflation target from "below but close to 2%" to a 2% inflation target over the medium term implying more tolerance for inflation overshoots.

In China, the PBC open the stimulation taps with its announcement to cut its reserve requirement ratio which will unleash CNY 1 trillion of liquidity into the economy.

Metals in the news

In welcome news, the Bank of England's Prudential Regulatory Authority announced that banks can apply for an exemption of tighter capital rules on gold clearing under Basel III net stable funding ratio (NSFR) rules. As [discussed by us in March](#), without the capital relief, the rules which are due to be implemented in January 2022 would have required bullion banks to hold significant capital buffers and could be highly disruptive, increase costs and reduce liquidity in the interbank gold trading market. Whilst gold clearing is exempted under the new PRA direction, precious metal loans and leases will still require high capital buffers.

In a trend set by Tesla earlier in the year to secure production supply of the metals critical to the EV rollout. GM has followed suit with a multi-million dollar investment in a California geothermal brine project to

Week Ahead

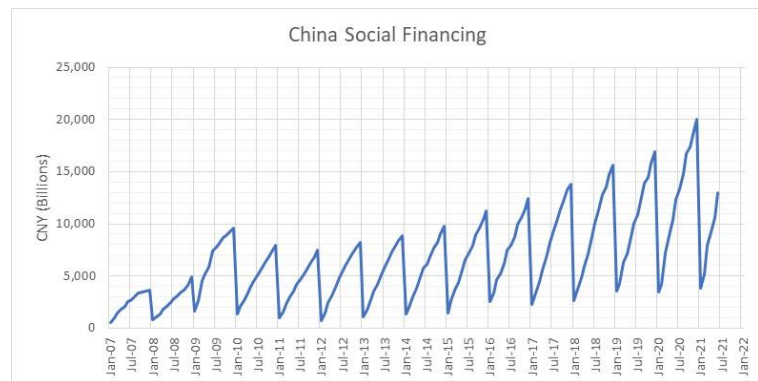
The week ahead will be important check on gauging whether the global economy is at (or reaching) peak inflation with a host of inflation related data to be released. On Tuesday US CPI data will be released. On Wednesday UK CPI data and US PPI data will be released. Whilst on Thursday China's Q2 GDP data will be released and US Philly Fed and Industrial Production will be released.

secure US sources of lithium for its EVs. During the week, Chinese battery maker EVE also said it will take a stake in a lithium producer.

We previously highlighted the increasing risks to the mining industry from enjoying bumper profits at a time government coffers are severely stretched due to pandemic initiatives. This trend of governments wanting to share in the profits seems to only be getting stronger with the nationalist agenda in Peru, temporary higher taxes in Russia, and now a proposed mining royalty bill in Chile.

During the week China announced plans to increase use of scrap steel by 23% to 320m tonnes by 2025 in an effort to meet it Paris climate commitments.

Chart of the Week – China Social Financing ramping up in 2021



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Metals - Spot Price

Metal	Price 9 Jul USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA
Gold	1,808	1.2%	-5.2%	-4.7%	-1.5%	-1.0%
Silver	26.1	-1.4%	-6.9%	-1.1%	-3.6%	1.1%
Platinum	1,105	1.0%	-7.2%	3.0%	-4.7%	0.7%
Palladium	2,812	0.8%	-0.7%	14.8%	0.5%	11.3%
Copper	9,482	1.4%	-7.5%	22.4%	-3.4%	11.6%
Nickel	18,673	2.9%	4.8%	12.9%	4.6%	9.8%

Note: All performance data to 9 July. 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

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.

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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.

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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