

Metal Matters

Your Weekly Update on the Global Metal Markets



Upcoming:

[The RICI Architect:
A Discussion with Jim Rogers](#)
[Wed, 28th July '21, 9.30am BST](#)

Week in Review

Inflation data continued to stay in the spotlight over the week. US Consumer prices (excluding energy and food) increased by 0.9% in June whilst food prices increased by 0.8% and gasoline prices rose by 2.5%. This follows the Fed reporting the highest inflationary expectations since 2013, at 4.8%. US equity markets sold off on the data after reaching intraday highs during the week. The DJIA, NASDAQ, S&P500 and NYSE Composite sold off by 0.86%, 0.80%, 0.75% and 0.81% respectively.

In Europe, fears of another Covid wave threatened to disrupt economic recovery, with major equity indexes all closing lower, the STOXX Europe 600, CAC40, FTSE100, DAX and FTSE MIB slipped 0.64%, 1.06%, 1.60%, 0.94% and 1.03% respectively. Additionally, in the lead up to UK's 'freedom day', the CPI increased to 2.5% in June, from 2.1% in May, the highest level seen since 2018.

The LinkedIn logo, consisting of the lowercase letters 'in' in white on a blue square background.



A white capital letter 'B' on a green square background.



Metals in the News

Basel III continued to be the *talk of the town*, especially given the implications to gold clearing by the bullion banks. The BOE's Prudential Regulation Authority granting gold clearing capital relief under Basel III regulations was a welcome relief to the industry and likely supported gold's recent performance. Gold continued on its four week winning streak closing just shy of \$1,812/oz on growing inflationary expectations. On the opposite side of the coin, despite inflationary expectations hitting a 13-year high, silver performed poorly – closing the week at \$25.65/oz, a decrease of 1.60%.

Following political unrest in South Africa spurred by the arrest of former president, Jacob Zuma, riots saw the closure of the Durban and Richards Bay ports. The disruptions caused to the supply chain included closure of trains, roads and ports. Although threatening PGM supply, as South Africa supplies 70% of platinum and 36% of palladium global production, however the affected areas are predominantly focused on the transportation of coal and oil. Concerns over a PGM shortage were short-lived as in their raw form, they are transported via plane, not over sea. Platinum prices remained steady over the week, closing at \$1,107/oz with a 0.14% weekly gain. On the other hand, palladium experienced a poor week, closing at \$2,637/oz, a decline of 6.49% on the week following a UBS report on automakers looking to substitute cheaper platinum for palladium.

In base metal news, nickel approached its early-2021 high, closing at \$18,896/tonne following strong Chinese demand for stainless steel. While Copper slipped, closing at \$9,396/tonne as China continued to ensure stable commodity prices and ease cost pressure for firms.

The Week Ahead

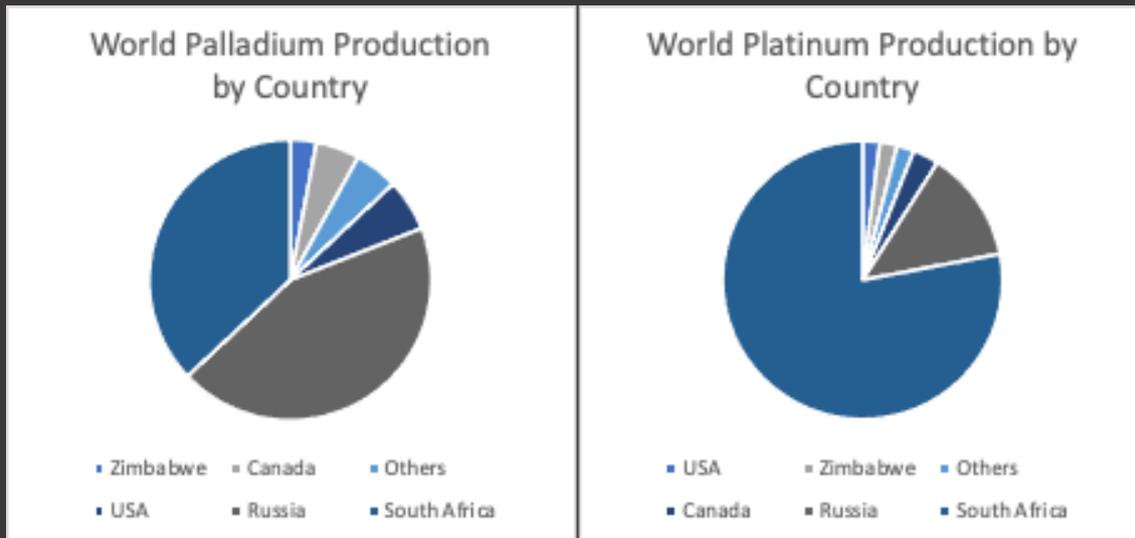
Early in the week, the PBoC are announcing their interest rate decision, which is expected to share their hawkish views about the inflationary outlook. Additionally, the Reserve Bank of Australia (RBA) are publishing the minutes of their monetary policy meeting held two weeks prior.

Midweek, the European Central Bank (ECB) are announcing their interest rate decision and deposit rate.

Other releases to watch during the week includes US retail sales for June, and EU and UK Manufacturing Purchasing Managers Index (PMI) data.



Graph of the Week



Source: Seeking Alpha, U.S Global Investors

Metals – Spot Price

Metal	Price 19 th July USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA
Gold	1,808	0.2%	2.4%	-4.5%	-1.4%	-0.7%
Silver	26.1	-1.7%	-1.8%	-2.8%	-4.9%	-0.8%
Platinum	1,105	0.0%	2.7%	3.1%	-3.6%	0.2%
Palladium	2,812	-6.4%	-5.5%	7.4%	-5.3%	3.7%
Copper	9,482	-1.0%	0.4%	21.2%	-3.6%	9.6%
Nickel	18,673	1.2%	2.4%	14.2%	5.3%	10.4%

Note: All performance data to 19th July. Future 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 & 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	OIIEG	TCOP		XS2314659447	0.850%
GPF Physical Nickel ETC	TNIK / TNIS	OIIFG	TNIK		XS2314660700	0.750%

Trading:

AP: Flow Traders

MM: GHCO, Peel Hunt, Winterflood



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