

Metal Matters

Your Weekly Update on the Global Metal Markets



Upcoming:

**The Rise of Metal ETCs:
Aiding in the Green
Transition** Thursday 26th
August @ 11.00am BST

Week in Review

During the week, the US senate passed the \$1trillion infrastructure spending bill. This bill signifies the the largest commitment made to the net-zero carbon campaign seen to date. With \$76 billion being spent on the production of clean energy, including: updating the current power grid, new power lines, charging ports and the electrification of public transport. Although the bill has passed the senate, it still needs to be approved by the House of Representatives before implementation. This progression in the Infrastructure Bill offers optimism for the industrial metals market, as the consumption of metals like copper, nickel, platinum and palladium are vital to the production of sustainable energy.

In the European equity market, confidence in the recovery due to declining COVID infection rates drove weekly gains across the board. The STOXX600, CAC40, DAX, FTSE MIB and FTSE100 gained 1.25%, 1.16%, 1.37%, 2.51% and 1.34% respectively. In the US, the S&P 500, DJIA, NYSE Comp and BCOM all experienced gains, by 0.88%, 1.11%, 1.01% and 1.91% respectively.



in



B



Metals in the News

Brazil's central bank purchased over 62 tons of gold raising the nation's physical reserves by 92.4%, marking the first substantial adjustment to reserves since 2012. Brazil has become the 3rd largest buyer of gold, after Thailand and Hungary in 2021. Gold closed the week at \$1,776/oz, rebounding from an early August sell off. Silver closed at \$23.53/oz, struggling to extend the largest daily gain in 3 months. These gains were driven by US inflation data and a decrease in the US Dollar Index.

Since mid 2018, palladium has almost tripled in price, from \$842/oz in August 2018 to \$2,626/oz at the end of last week. Leading automakers suggest palladium's strong run may soon come to an end, since they started using platinum as a more cost-effective substitute. Additionally, with a rise in EV production, the outlook for palladium has become less and less optimistic. As the palladium content in ICE vehicles decreases, the lower demand is likely to bring its fundamental supply deficit in to balance. However, the near term, post-covid growth/recovery in the automobile industry looks to support palladium pricing. Platinum closed down at \$1,006/oz, a seven month low. A global resurgence in COVID tarnished the outlook for industrial metals, as well as a shortage in computer-chips and curbed EV production.

Following threats of a labor strike in Escondida, the world's largest copper mine, a new contract has been signed, quashing any near term supply chain disruptions. Whilst the evacuation of a British Columbian copper mine due to wildfires and labor strikes at Codelco's Andina copper mine in Chile offered little relief for the copper market. Copper ended the week at \$9,429/t, 1.1% higher than the week before. Nickel surged, closing at \$19,650/t, continuing on from a strong week. This performance was partly due to demand for stainless steel soaring from Chinese industrial demand.

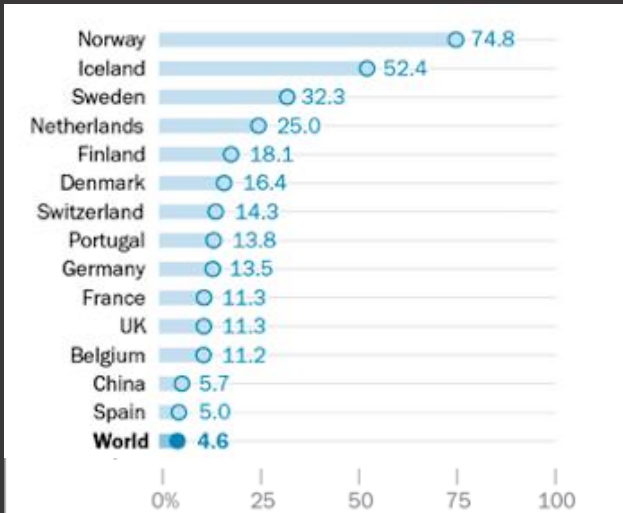
The Week Ahead

Many important events are upcoming this week, starting with the release of UK's ILO Unemployment rate and Claimant count, as leading indicators for the UK economy, these events usually coincide with a volatile GBP. Additionally, the UK CPI will be released toward the end of the week. In Europe, Eurostat is releasing the quarterly GDP and Employment numbers.

Over in the US, Retail Sales numbers and industrial consumption forecasts will be released followed by a speech from the Federal Reserve Chairman, Jerome H. Powell.



Diagram of the Week



The percentage of EVs vs Total Car Sales – Scandinavia dominates EVs sold as a percentage of total car sales.

Metals – Spot Price

Metal	Price 13th Aug USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA	Change in Futures positioning
Gold	1,780	0.9%	-1.9%	-6.2%	-1.4%	-1.9%	-14.2%
Silver	23.7	-2.4%	-6.8%	-10.0%	-7.9%	-8.3%	-32.3%
Platinum	1,032	4.9%	-1.9%	-3.7%	-4.8%	-7.8%	-33.9%
Palladium	2,650	0.8%	-0.5%	8.2%	-1.8%	3.2%	-33.9%
Copper	9,543	1.0%	-1.6%	23.1%	0.5%	7.9%	-17.2%
Nickel	19,650	0.6%	-1.2%	18.8%	5.7%	12.3%	14.4%

Note: All performance data to 13th August. 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

Product	LSE (USD)	SEDOL	LSE (GBX)	SEDOL	Xetra (EUR)	WKN	Borsa Italiana (EUR)	SIX (CHF)	Valor	ISIN	TER %
GPF Physical Gold ETC	TGLD	BM YCKG1	TAUS	BKQMV54	OIIA	A3GNPX	TGLD	TGLD	58961848	XS2265368097	0.145
GPF Physical Silver ETC	TSLV	BM YCKH2	TAGS	BKQMV55	OIIB	A3GNP0	TSLV	TSLV	58847211	XS2265369574	0.200
GPF Physical Platinum ETC	TPLT	BM YCKJ4	TPTS	BKQMW03	OIIC	A3GNPZ	TPLT	TPLT	58847471	XS2265369731	0.200
GPF Physical Palladium ETC	TPAL	BM YCKK5	TPDS	BKQMV21	OIID	A3GNPY	TPAL	TPAL	58847495	XS2265370234	0.200
GPF Physical Copper ETC	TCOP	BM YLVM1	TCUS	BM YLVLO	OIIE	A3GQ0Q	TCOP	TCOP	112161508	XS2314659447	0.850
GPF Physical Nickel ETC	TNIK	BM YLVQ5	TNIS	BM YLVN2	OIIF	A3GQ0R	TNIK	TNIK	112161525	XS2314660700	0.750

Trading:

AP: Flow Traders

MM: GHCO, Peel Hunt, Winterflood



Disclaimer

For professional clients and eligible counterparties only.

NTree International Limited (“NTree”) is an appointed representative of Messels Ltd. which is authorised and regulated by the Financial Conduct Authority. This document does not constitute an offer to buy or sell or a solicitation of an offer to buy securities in any company.

This document is not intended for distribution to any other country where such distribution or use would be contrary to local law or regulation. Specifically, this document is not intended for general distribution in the United States or Canada. Investing in financial markets involves a substantial degree of risk. Nothing described herein is intended to imply that an investment is “safe”, “conservative”, “risk free” or “risk averse”.

This document does not consider the specific investment objective, financial situation or particular needs of any potential investor and is intended only for those investors who are capable of understanding the risk of loss of all or a substantial part of their monies. Potential investors in the UK are reminded that they will not benefit from the UK investors compensation scheme.

Nothing contained herein constitutes investment, legal, tax or other advice nor is to be relied upon in making an investment or other decision. No recommendation is made positive or otherwise, regarding individual securities or investments mentioned herein. Any summary list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in ETC Securities. Prospective clients must consult with their own legal, tax and financial advisers before deciding to invest.

This document contains the opinions of the author, and such opinions are subject to change without notice. The source of data is NTree unless otherwise stated. No guarantee is made to the accuracy of the information provided which has been obtained from sources believed to be reliable. This document and the information contained herein is intended only for the use of persons (or entities they represent) to whom it has been provided.

NTree is the distribution partner for the GPF range of physically backed metal Exchange Traded Commodities (“ETC” or “ETC Securities”).

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.