

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

Initial US jobless claims fell to an all-time pandemic low of 348,000 last week, signifying that the labour market is still recovering amid surging Covid-19 cases. However, US stocks slid, and the dollar rose in Asia after the Federal Reserve agreed last month they could start slowing the pace of bond purchases later this year, with the S&P and NASDAQ indices ending the week down 0.45% and 0.38% respectively. The FTSE 100 also ended the week 1.81% lower on the back of Covid-19 spikes, signs of Chinese economic weakness, and the Taliban's takeover of Afghanistan: AJ Bell investment director Russ Mould called it "a cocktail of worries" across financial markets. The IMF cut off the new Taliban government from using fund reserve assets days before the country was set to receive \$500 million, depriving the Taliban of key resources. Meanwhile, former Afghan president, Ashraf Ghani, has said he has fled the country to avoid being hanged.





Metals in the News

The US Futures Commodity Trading Commission recently discovered that a mysterious figure who opened an account in Honk Kong has more than \$117 bn in his trading account – setting a new international record. In 2003, he opened an account on the HKSE to engage in gold spot trading. In the past 18 years, his income was as high as 145,000 times using the miracle of compound interest. In the past 20 years, gold has enjoyed a jaw-dropping 543.84% return.

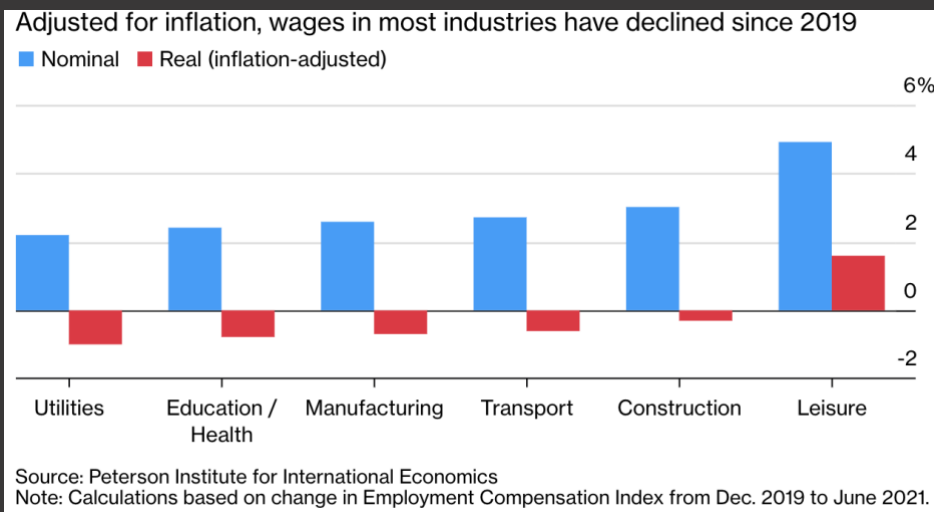
CPM group released a market overview about how a stronger economy and the reduced need for monetary accommodation would affect gold and silver prices, manifesting mostly in higher interest rates. CPM expects prices to drop in the short-term on *fears* of an interest rate spike, but claims that in the long run interest rates would not rise enough to have a negative impact on prices, especially in the increased demand environment.

The LBMA released their precious metals market volume turnover figures for July, with platinum and palladium prices suffering as a result of ongoing semiconductor shortages that have prevented automakers from completing the manufacture of vehicles. The poor state of the semiconductor market meant that palladium underperformed platinum for the final three weeks in July. The loan/lease/deposit platinum market posted volumes that were 23% higher than the first 6 months of the year – coinciding with a sharp drop in price – which suggests that auto manufacturers were offloading material or there may have been some hedging from the supply side. Palladium volumes did rally in the last few days of the month, however, coinciding with a price rally under lively swap/forward activity, suggesting industrial users taking some forward over as a \$2,600 support price proved effective.

The Week Ahead

The week ahead is rife with economic data releases, with IHS Markit releasing their Manufacturing PMI for the UK on Monday – in July it dropped to 60.4 from 63.9 in June. The EA is also releasing their consumer confidence figures on Monday: in June it had hit a 3-year high of -3.3, only to drop to -4.4 in July on the back of Covid-19 surges throughout the area. On Wednesday the US releases their month-on-month durable goods order for July, with consensus estimates down 0.2% from an increase of 0.8% in June. On Friday the US will also release their month-on-month figures for July on personal income and spending, with consensus estimates predicting an increase of 0.2% and 0.3% increase, respectively.

Chart of the Week



Metals – Spot Price

Metal	Price 20 Aug USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA
Gold	1,781	0.1%	-1.8%	-6.2%	-0.7%	-1.7%
Silver	23	-3.0%	-9.7%	-12.8%	-9.2%	-11.1%
Platinum	997	-3.4%	-5.2%	-7.0%	-6.6%	-11.2%
Palladium	2,277	-14.1%	-14.5%	-7.0%	-14.5%	-11.4%
Copper	9,044	-5.2%	-6.8%	16.7%	-3.9%	1.7%
Nickel	18,569	-5.5%	-6.7%	12.3%	-0.7%	5.7%

Note: All performance data to 20th 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	0.120
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 YLVL0	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.