

# Metal Matters

## Your Weekly Update on the Global Metal Markets

### Week In Review

Following the end of Golden Week, the Chinese equity market experienced an optimistic week, with the Shanghai Composite closing 0.67% higher, Shenzhen Composite up higher at 0.74% and the CSI 300 closed the week at 1.31% higher. Succeeding Evergrande's debt woes, analysts at ANZ Research stated "With the markets reopening today, investors are likely to focus on issues in the Chinese property market. With property developers struggling with high debt levels, the spectre of strong demand for steel and iron ore remains low."

The US equity market also recorded gains over the week with the S&P500, DJIA and NASDAQ Composite experiencing increases of 0.8%, 1.0% and 1.1% respectively. Stocks hit highs with the announcement of the debt ceiling compromise which will avoid any unprecedented defaults for now.

Additionally, oil prices hit a 7-year high in the US over the week following supply chain bottlenecks. Energy Consultancy, Rystad, have forecast an extra 1 million barrels per day in oil demand throughout winter due to the switch from gas to oil in power generation and heating in some sectors, where economically feasible. This transition sees US Crude futures and Brent Crude futures up 1.42% and 1.39% respectively.

### Metals in the News

Nornickel, the world's largest palladium miner, revised their palladium deficit expectations from 0.9 million ounces in 2021 and 0.7 million ounces in 2022 to 0.3 million ounces in 2021 and 2022. This follows weakened demand from automakers for its use in catalytic converters caused by the ongoing chip shortage. Anton Berlin, Head of Sales at Nornickel expects the auto market, which consumes around 83% of all palladium yearly, to return to normal by 2023. Although the revision, Nornickel's palladium and high-grade nickel sales remain unchanged throughout 2021. Berlin had also stated, "In 2021 we had unsold metal due to the pandemic and we pushed back sales to this year in anticipation of economic recovery... We had excess stockpiles which, amid lower production this year, came in handy." Adding that sales from Nornickel's Global Palladium Fund had assisted in meeting contractual obligations through buying palladium from the Russian Central Bank and other holders, before selling into the global market. Lastly, Nornickel does not expect a substantial impact on the market caused by China's power crunch caused by a coal shortage.

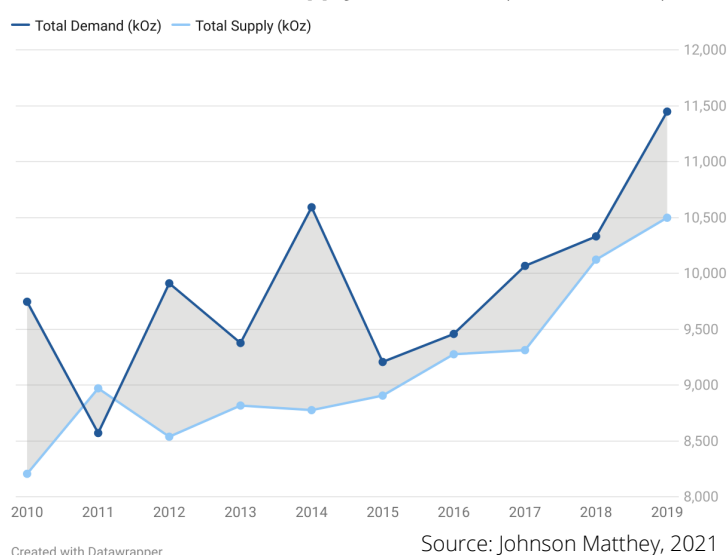
In gold, gold-backed ETFs experienced net outflows of \$830 million through September, led by Europe and North America, leading global Gold ETF holdings to fall to fall to \$201 billion, the lowest since April. The World Gold Council suggested that the gold sell-offs in September were spurred by changes in interest rates, changes in futures positioning and a stronger US dollar.

## The Week Ahead

Further this week, Britain's Claimant Count will be released, an increase in applications is a signal of a worsening economy and a looser economic policy, or vice versa. A higher than expected amount of applications will be GBP-bearish. Additionally, the ILO will be releasing the unemployment rate. Towards the middle of the week the US will release their Consumer Price Index ex Food and Energy.

## Graph of the Week - Palladium Supply vs Demand

World Total Palladium Supply vs Demand ( 2010 - 2019)



## Metals - Spot Price

Metal	Price 8 <sup>th</sup> October USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA
Gold	1,757	-0.2%	-3.1%	-7.4%	-1.3%
Silver	22.7	0.6%	-5.1%	-14.1%	-3.5%
Platinum	1,029	5.3%	1.3%	-4.1%	3.7%
Palladium	2,079	8.2%	-15.9%	-15.1%	-8.4%
Copper	9,388	2.8%	-1.5%	21.1%	0.6%
Nickel	18,870	4.1%	-3.3%	14.1%	-1.4%

Note: All performance data to 8th October. 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 International

## GPF ETC Listings

Name	ISIN	Base Ccy	TER	Exchange listings and trading currencies									
				Xetra		London Stock Exchange				Borsa Italiana		SIX	
				Ticker EUR	WKN	Ticker USD	Sedol	Ticker GBX	Sedol	Ticker EUR	Ticker CHF	Valor	
GPF Physical Copper ETC	XS2314659447	USD	0.85%	OIIE	A3GQ0Q	TCOP	BMYLVM1	TCUS	BMYLVL0	TCOP	TCOP	112161508	
GPP Physical Nickel ETC	XS2314660700	USD	0.75%	OIIF	A3GQ0R	TNIK	BMYLVS5	TNIS	BMYLVN2	TNIK	TNIK	112161525	
GPF Physical Gold ETC	XS2265368097	USD	0.12%	OIIA	A3GNPX	TGLD	BMYCKG1	TAUS	BKQMV54	TGLD	TGLD	58961848	
GPF Physical Silver ETC	XS2265369574	USD	0.20%	OIIB	A3GNP0	TSLV	BMYCKH2	TAGS	BKQMV75	TSLV	TSLV	58847211	
GPF Physical Palladium ETC	XS2265370234	USD	0.20%	OIID	A3GNPY	TPAL	BMYCKK5	TPDS	BKQMVZ1	TPAL	TPAL	58847495	
GPF Physical Platinum ETC	XS2265369731	USD	0.20%	OIIC	A3GNPZ	TPLT	BMYCKK4	TPTS	BKQMW03	TPLT	TPLT	58847471	

## 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.