

Metal Matters

Your Weekly Update on the Global Metal Markets

Week In Review

The S&P, Nasdaq, and Dow Jones finished October at record highs on Friday, adding gains for the month despite weak results from Amazon and Apple – instead, they were lifted by earnings news from Microsoft and hopes for a congressional spending deal. The FDA authorised Pfizer's COVID-19 vaccine for kids aged 5-11 for emergency use: these kid-sized doses are just a third of what is given to teens and adults. Up to 28 million more US children could be eligible for inoculation as early as next week. The core personal consumption expenditures price index, the Federal Reserve's preferred measure of inflation, was up 3.6% from a year ago and gained 0.3% since September. This marks the highest level that the inflation measure has reached in 30 years.

Metals in the News

Gold consumption in the Chinese market proceeded to rebound in the first nine months of 2021, led by stable recovery of the domestic economy, data showed. Their gold consumption up until September this year increased 48.44% YoY, said the China Gold Association. Gold jewelry increased 54.21% from a year earlier, while gold coins and bars saw a growth of 50.25%. Growth for industrials and other uses also grew by 12.66%. China also produced 26.18 less tonnes of gold than versus the same period a year earlier.

Silver is currently oscillating around the \$24 mark after a sluggish daily session on Friday. However, Thursday's bullish Doji candlestick and firmer RSI line, not overbought, is keeping silver bulls hopeful. Therefore, recovery moves towards the weekly resistance line near \$24.30 can't be excluded. Any further advances will be challenged by the \$24.80 area – highs that were hit in September and October. Meanwhile, the 10-DMA limits the immediate downside around \$24.00.

Traders and analysts sharply revised their price forecasts downward for platinum and palladium after a chip shortage forced auto makers to cut production of vehicles containing these PGMs, a Reuters poll showed on Thursday. Automakers account for about 40% of platinum and 80% of palladium demand, installing them into catalytic converters to reduce harmful emissions. The shortage worsened over the summer and is expected to continue into next year. This chip shortage caused platinum to crash from a 7-year high of \$1,336.5/oz in February to a low of \$901.30, while palladium sank from an all-time high of \$3,000/oz in May to \$1,841.93/oz. Both metals have regained some ground, however, with Platinum trading around \$1,010 and palladium around \$2,000.

The Week Ahead

The US ISM PMI is released on Monday to kick off economic data for the week. In September, it increased to 61.1 – up for a second straight month and above market expectations of 59.6.

This signaled one of the strongest rates of expansion since 1983, buoyed by solid increases in production and new orders, as well as a slight increase in employment levels. The Fed will also announce their interest rate decision on Wednesday: they are on track to begin tapering but Fed Chair Powell said it would be premature to raise rates. Still, Powell added that if they see serious risk of inflation expectations persistently rising, the Fed will use their tools. They left the Fed rate steady at 0.25% and bond-buying at the \$120 billion monthly pace during the September meeting but policymakers have agreed that the tapering of pandemic support should start either mid-November or December. The Bank of England releases its interest rate decision as well on Thursday after leaving it unchanged at a record low of 0.1% and its bond buying program steady at GBP 895 billion by the end of the year. However, policymakers stated that inflation could persist above 4% well into 2022 – reflecting that view, two policymakers voted for an early end to bond purchases in September, compared with only one in August.

Graph of the Week - Microsoft shares hit an all-time high, helping market overcome Apple losses



Metals - Spot Price

Metal	Price 27 th October USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA
Gold	1,783	0.9%	-1.7%	-6.1%	0.1%
Silver	23.9	2.5%	0.0%	-9.5%	2.2%
Platinum	1,022	-3.4%	0.6%	-4.7%	2.3%
Palladium	2,004	-3.6%	-18.9%	-18.2%	-5.2%
Copper	9,809	-6.9%	2.9%	26.6%	2.8%
Nickel	19,480	-1.9%	-0.2%	17.8%	0.6%

Note: All performance data to 27th 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	BMYLQ5	TNIS	BMYLVN2	TNIK	TNIK	112161525
GPF Physical Gold ETC	XS2265368097	USD	0.12%	OIIA	A3GNPX	TGLD	BMYCKG1	TAUS	BKQMVS4	TGLD	TGLD	58961848
GPF Physical Silver ETC	XS2265369574	USD	0.20%	OIIB	A3GNP0	TSLV	BMYCKH2	TAGS	BKQMV5	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

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