

Metal Matters

Your Weekly Update on the Global Metal Markets

Week In Review

The Dow Jones, S&P, and Nasdaq were all up 0.51%, 0.7%, and 0.88% respectively at the end of the week as Johnson and Johnson and big tech stocks led gains after a week of deepening concerns about rising inflation. A record high of 4.4M workers quit their jobs in September as the US suffers its worst labor shortage in decades – this is the third consecutive month that this record has been broken. By contrast, just half as many had quit during the early stages of the pandemic.

On the back of a Twitter poll, Elon Musk sold nearly \$7B of Tesla stock, taking advantage of a breakneck rally that saw Tesla become the only automotive company valued at over \$1T – as a result, the stock was down 2.8%, snapping an 11-week winning streak.

As the pandemic stimulus is phased out, the US budget deficit shrank a staggering 42% to \$165B in October from \$284B in the same month last year. The deficit could fall sharply this year but is dependent on whether Congress passes the Biden administration's 'Build Back Better' plan that could add up to several trillion dollars in spending in the next decade.

Metals in the News

UBS Global Wealth Management chief investment office strategists Wayne Gordon and Giovanni Staunovo have lifted Gold forecasts by between \$50/oz and \$100/oz after the release of US inflation data. The CPI rose 6.2% in October, the highest in nearly 3 decades and caused the gold price to rally above the technical barrier of \$1,835/oz. They added that hawkish comments by the Fed also caused a flattening of the US yield curve, further buoying Gold prices – temporary price movements above \$1,900/oz also cannot be ruled out, they said.

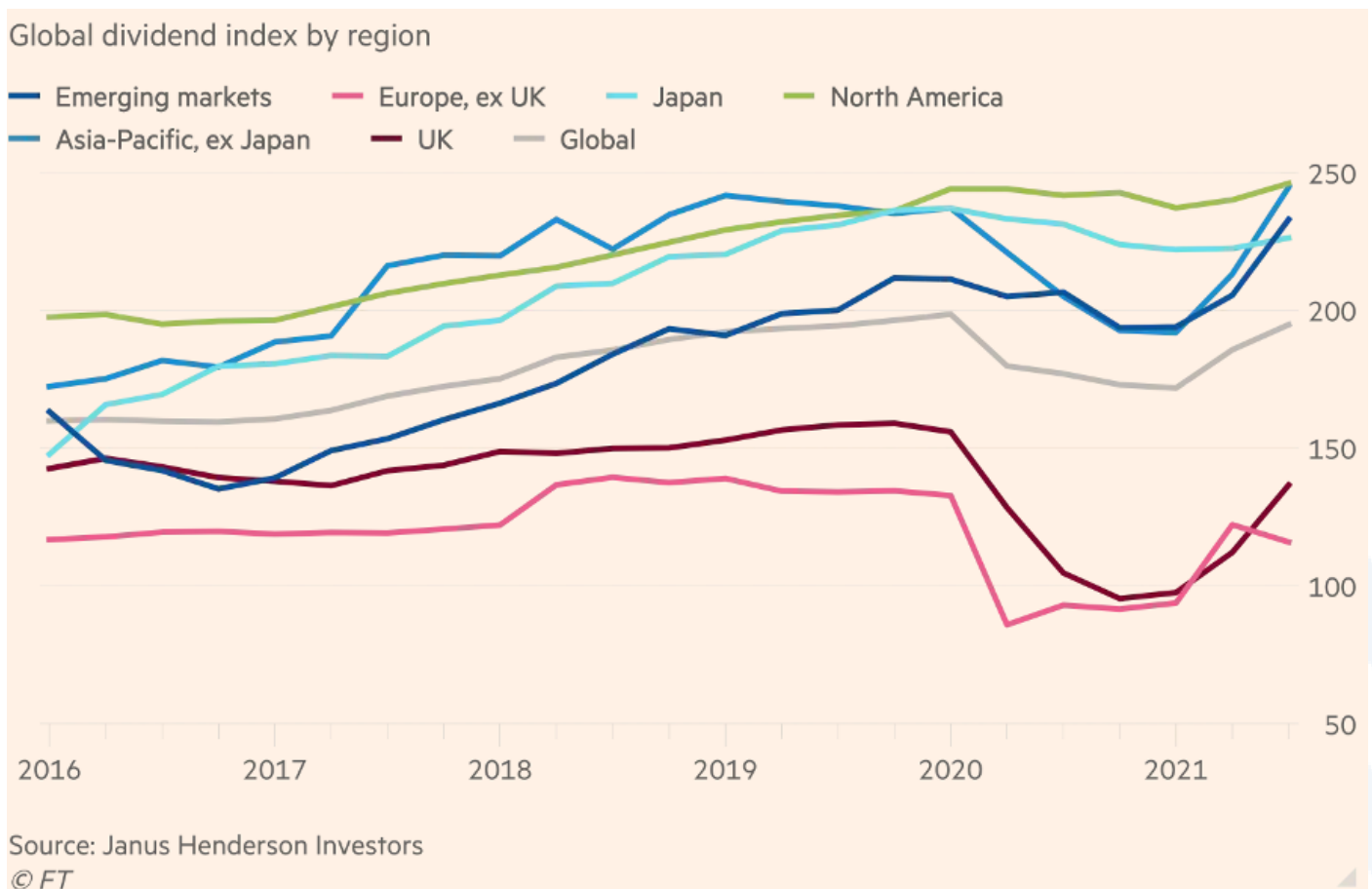
Silver enjoyed a bullish momentum last week, trending to its highest levels since August in a choppy range above \$25.00/oz. Now oscillating around \$25.20/oz, Silver bulls are watching the 200-DMA line of \$25.35, a break of which becomes necessary for Silver buyers to keep hopeful.

After PGM forecasts were slashed in a Reuters poll in October on the back of a semiconductor shortage, platinum broke its 6-week losing streak to gain 5% last week on the back of the gold-charged precious metals rally due to inflationary risks. Fundamentally, PGM prices could continue rising if auto output recovers, having been dented by broken supply chains and materials shortages.

Metals in the News

On Tuesday, the UK releases its unemployment rate for September after being in line with market expectations of 4.5% in August, the lowest in a year and signs that the labour market continues to recover – however, the rate still remains 0.5 percentage points higher than in the pre-pandemic era. The US will also release retail sales figures for October after beating expectations in September and increasing unexpectedly by 0.7%, in another sign of US consumer resilience as the market has battled with supply constraints and shortages. The UK will be releasing much awaited yearly inflation figures on Wednesday after hitting a 9-year high in August of 3.2%. On the back of the staggering increase in US CPI, analyst consensus is that there will be a further rise in October of 3.9% after edging slightly down in September to 3.1%. Amid concerns over food and fuel shortages, the UK will release its GfK consumer confidence figures on Friday after falling for a third straight month in October to -17 – the lowest reading since February. Inflationary pressures, threats of interest rate hikes, and rising Covid-19 infections has analyst consensus pushing it even lower to -18 in November.

Graph of the Week - Dividends are on Track to Exceed Pre-Pandemic Levels



Metals - Spot Price

Metal	Price 11 th November USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA
Gold	1,865	2.6%	2.8%	-1.8%	4.5%
Silver	25.1	4.1%	5.2%	-4.8%	7.1%
Platinum	1,090	5.2%	7.3%	1.6%	7.9%
Palladium	2,134	4.6%	-13.6%	-12.9%	5.2%
Copper	9,841	0.9%	3.3%	27.0%	2.1%
Nickel	19,950	3.5%	2.2%	20.6%	2.5%

Note: All performance data to 11th November. 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	A3GQOQ	TCOP	BMYLVM1	TCUS	BMYLVL0	TCOP	TCOP	112161508
GPP Physical Nickel ETC	XS2314660700	USD	0.75%	OIIF	A3GQOR	TNIK	BMYLQ5	TNIS	BMYLVN2	TNIK	TNIK	112161525
GPF Physical Gold ETC	XS2265368097	USD	0.12%	OIIA	A3GNPX	TGLD	BMYCKG1	TAU5	BKQMVS4	TGLD	TGLD	58961848
GPF Physical Silver ETC	XS2265369574	USD	0.20%	OIIB	A3GNP0	TSLV	BMYCKH2	TAG5	BKQMT5	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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