

Metal Matters

Your Weekly Update on the Global Metal Markets

Week In Review

On Friday, the WHO assigned the new Covid-19 variant, dubbed 'Omicron' as a variant of concern. This led the UK, the US, and other EU countries to impose a travel ban on South Africa, the place where the strain was first identified. As the strain has the highest number of mutations seen in a variant, there are worries that this strain could also evade vaccine immunity. Stocks took a hit as a result, with the Dow Jones falling 900 points and oil plummeting 11% in trading on Friday. Wall Street's 'fear index' – a measure of implied volatility – surged by the most in 10 months, jumping nearly 40% as new variant worries plague the markets.

Metals in the News

The metals market was not immune from market turmoil due to the Omicron variant, with Gold and industrial metals dragging the Bloomberg Commodity Spot Index down the most since June, with Copper taking the lead and dropping 1.7%. However, US Equity futures climbed over the weekend with Nickel rising more than 2% to lead a rally across base metals. Jinrui Futures Co said in a note that if the Omicron's death rate and symptom severity is limited, "then the impact on capital markets will be controllable."

Gold popped above the resistance line at \$1835/oz in the beginning of November but dropped before it could test the \$1900/oz mark – after rallying \$150 in six weeks, Gold lost more than half that gain in merely 3 days. Until there is a stock market correction, it is becoming increasingly clear that Gold will not test the \$1900 mark – however, it has held steady amidst a rising dollar. Gold Miners remain in a downtrend as the rally has reversed below the 200-day MAs.

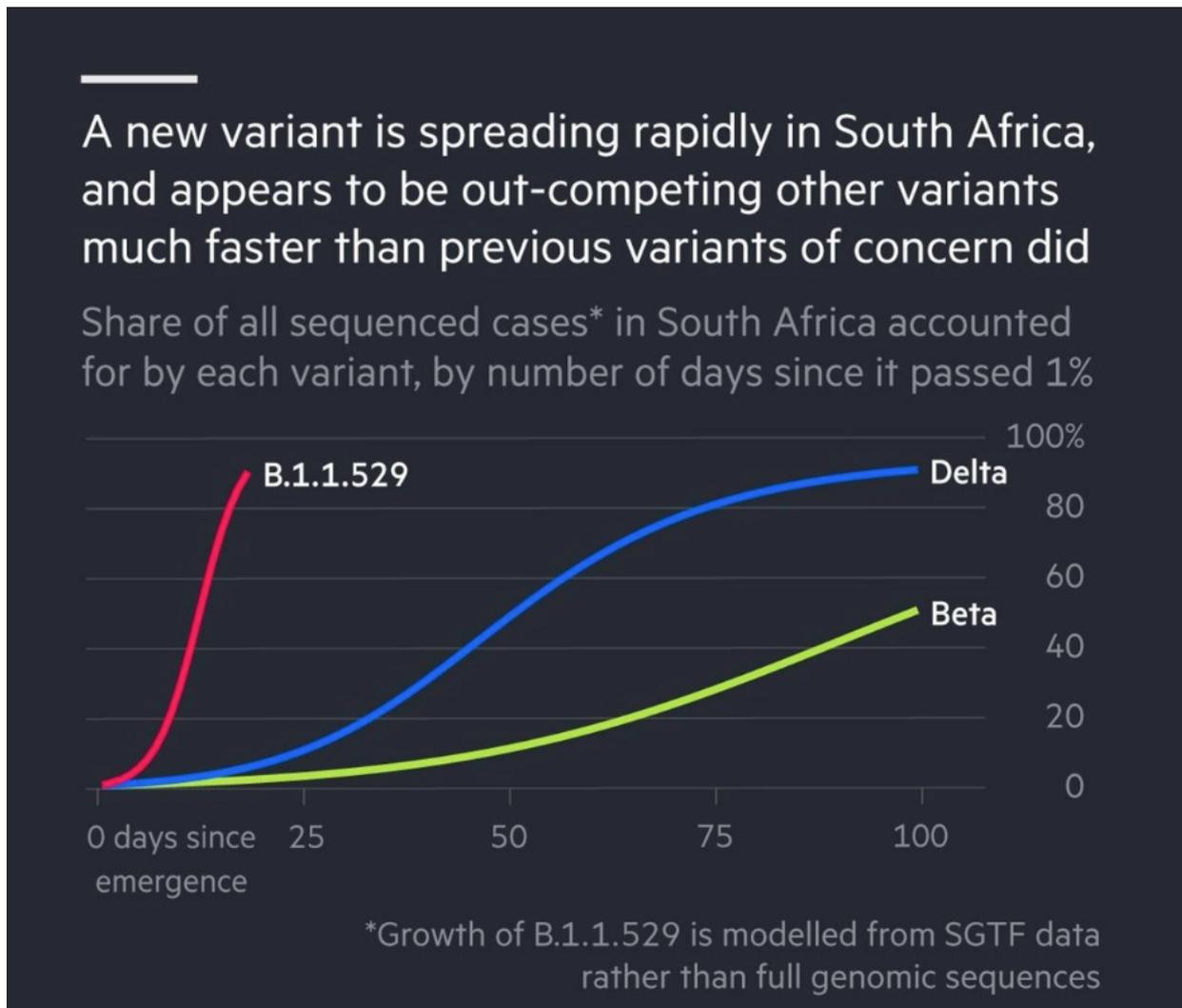
The World Platinum Investment Council said last week that the Platinum market is heading for the biggest supply surplus in years. The roughly 8 million tonne a year market would be oversupplied by 769,000 oz this year – the most since data started in 2013 – and 637,000 oz next year. In Q3 of this year alone, the market was oversupplied by 592,000 oz, the biggest quarterly surplus since at least 2013.

The Week Ahead

On Monday the Euro Area will release Economic Sentiment data from November, with the numbers rising by 0.8 points to 118.6 in October – the highest since the pandemic began. However, increased inflationary pressures have consensus predictions sinking to 117.5. On Tuesday the Euro Area will also release the YoY Flash Inflation rate after reaching the highest level in more than a decade in October.

Suffering with increased energy prices as supply shortages last, November's consensus is for a further rise in inflation, increasing 0.3% to 4.4%. On Wednesday the US will release employment changes in the private sector, with employers adding 571,000 jobs last month. Consensus forecasts believe that the sector will add 525,000 this month as the labour market battles with shortages.

Graph of the Week - Omicron Variant Speed



Metals - Spot Price

Metal	Price 27 th October USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA
Gold	1,797	-2.7%	-0.9%	-5.4%	0.3%
Silver	22.9	-7.0%	-4.2%	-13.3%	-2.9%
Platinum	942	-8.9%	-7.2%	-12.1%	-7.6%
Palladium	1,768	-14.2%	-28.4%	-27.8%	-11.6%
Copper	9,663	-0.9%	1.4%	24.7%	-0.4%
Nickel	20,350	1.9%	4.3%	23.0%	3.9%

Note: All performance data to Tuesday, 30th 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	BMYLVLD	TCOP	TCOP	112161508
GPP Physical Nickel ETC	XS2314660700	USD	0.75%	OIIF	A3GQOR	TNIK	BMYLVQ5	TNIS	BMYLVN2	TNIK	TNIK	112161525
GPF Physical Gold ETC	XS2265368097	USD	0.12%	OIIA	A3GNPX	TGLD	BMCKG1	TAUS	BKQMV54	TGLD	TGLD	58961848
GPF Physical Silver ETC	XS2265369574	USD	0.20%	OIIB	A3GNP0	TSLV	BMCKH2	TAGS	BKQMV75	TSLV	TSLV	58847211
GPF Physical Palladium ETC	XS2265370234	USD	0.20%	OIID	A3GNPY	TPAL	BMCKK5	TPDS	BKQMV21	TPAL	TPAL	58847495
GPF Physical Platinum ETC	XS2265369731	USD	0.20%	OIIC	A3GNPZ	TPLT	BMCKK4	TPTS	BKQMW03	TPLT	TPLT	58847471

Trading

AP: Flow Traders

MM: GHCO, Peel Hunt, Winterflood

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