

# Metal Matters

## Your Weekly Update on the Global Metal Markets

### Week In Review

The US CPI rose 7% from December 2020, signifying the highest rise in inflation since 1982. Price increases in housing and used cars and trucks were the highest contributors with a 0.4% and a 3.5% increase compared with November, respectively. Consequently, US consumer sentiment fell to a near 10-year low on the back of inflation worries and the threat of Omicron. Earnings season kicked off last week, dragging the Dow lower on Friday as Q4 results from major US banks such as JP Morgan, Wells Fargo, and Citi failed to impress investors. The Nasdaq and S&P regained lost ground in afternoon trading to close 0.59% and 0.08% higher, respectively. US markets will remain shut on Monday as the country celebrates Martin Luther King Jr. Day.

### Metals in the News

Gold is steadying above \$1,800/oz after dropping for the first time in 3 years in 2021 as investors start to price in tighter monetary policy. Yeap Jung Rong, strategist at IG Asia Pte. stated that headwinds for Gold could be rising Treasury yields and a recovery in the US dollar from its recent sell-off.

Demand for Platinum, which is used as a key component in the automotive sector in catalytic converters, is forecast to grow another 19% in 2022 to 3.2 million oz.

However, a rising supply surplus as a result of a recovery in South African mine output could be a strong headwind for the metal.

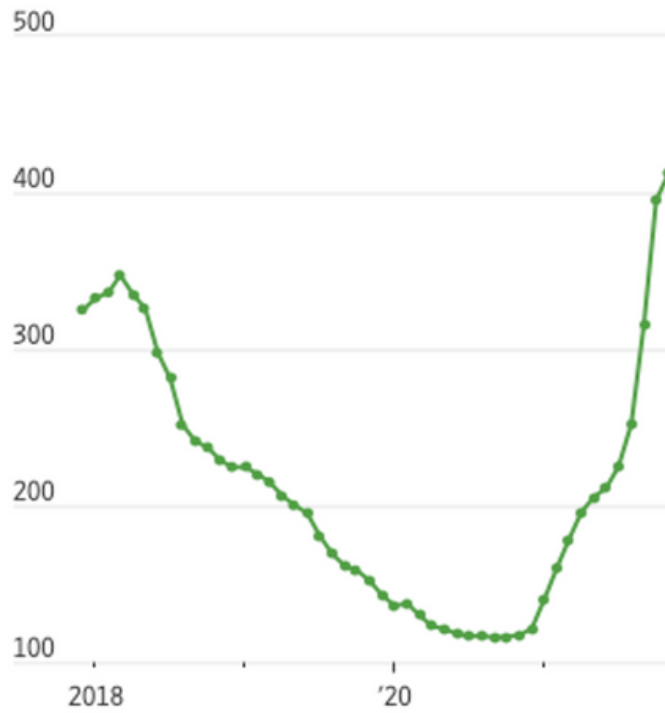
Nickel prices surged to their highest level on the LME since 2011 on Friday to \$22,205/tonne, up about 7% for the week on the back of a supply deficit eating into stockpiles and investors looking ahead to rising demand for electric vehicles. Prices have doubled since March 2020 but are well short of a record high of \$51,800/tonne reached in 2007.

### The Week Ahead

Economic data for the week ahead starts on Monday with China's GDP Growth rate for Q4, rising 4.9% in Q3 of 2021. On Tuesday, UK figures for the November unemployment rate will be released – consensus suggests this figure will remain unchanged from October at 4.2%. On Wednesday the UK will release their YoY CPI for December after November's rise to 5.1% - the highest since 2011 and above market expectations of 4.7%. Although consensus is only suggesting a 5.2% rate, US CPI data does not bode well for UK inflation figures. UK retail sales will also be released on Friday after rising 1.4% in November, only the second increase in 6 months. The market is suggesting a contraction of -0.06% as Omicron fears persuade people to stay at home

## Graph of the Week - Lithium Prices Soar on EV Demand and Scant Supply

**Benchmark Mineral Intelligence monthly index of lithium prices**



Note: Includes prices for lithium carbonate and lithium hydroxide

Source: Benchmark Mineral Intelligence



## Metals - Spot Price

Metal	Price 14 <sup>th</sup> January USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA
<b>Gold</b>	1,818	1.2%	0.2%	-4.2%	0.6%
<b>Silver</b>	23.0	2.7%	-3.9%	-13.0%	-0.9%
<b>Platinum</b>	975	1.3%	-4.1%	-9.1%	-0.7%
<b>Palladium</b>	1,882	-2.8%	-23.9%	-23.2%	-0.8%
<b>Copper</b>	9,730	0.4%	2.1%	25.6%	0.8%
<b>Nickel</b>	22,850	10.3%	17.1%	38.1%	12.4%

Note: All performance data to Monday 17th January. 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	BMYLVQ5	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	BMYKCKJ4	TPTS	BKQMW03	TPLT	TPLT	58847471

### Trading

AP: Flow Traders

MM: GHCO, Peel Hunt, Winterflood

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