

Metal Matters

Your Weekly Update on the Global Metal Markets

Week In Review

A repeat story in equities over the last week as inflation continues to rise prompting investors to flock to safe haven assets. Also in the news, the Russia-Ukraine dispute seemed to be deescalating among reports of troop withdrawals, however short lived as comments from officials indicated a different story on ground. In the US equity market, the S&P500, DJIA and NASDAQ all reported losses of -1.44%, -1.77%, -1.60% respectively. In Europe, the FTSE100, CAC40, DAX and FTSE MIB reported returns of -0.44%, 0.15%, -1.05% and -2.09% respectively.

Metals in the News

As suggested, gold outperformed both stocks and bonds following not only continued inflationary concerns – but the Ukraine crisis and expected US growth slowing as the Fed is forced to act aggressively to get inflation under control. Citigroup analyst Aakash Doshi who believes gold will surpass its August 2020 high of 1,950/toz has stated “the potential for an inflation-induced monetary policy error and elevated recession risks are providing support (for gold)”.

The US bank has also said that the relationship between gold and inflation-adjusted real interest rates were starting to weaken amid concerns of rising prices and the pessimistic economic outlook. Although real rates tend to be negatively correlated with gold, this year gold has remained resilient. Gold ended the week 2.22% higher at \$1897.85/toz. Similar to gold, silver rised over the week closing at \$24.10/toz.

In PGMs, palladium’s price is set to extend as tensions between Ukraine and Russia continue to fuel supply chain disruption fears. Rising car sales in China has also contributed to palladium demand due to a growing middle-class. As Palladium is a by-product of other metals, typically nickel, separation and purification needs to happen before it is distributed. This supply lag has supported the price of palladium for years now. Tensions with Russia are expected to be largely inconsequential to the long-term of the precious metal.

In base metals, copper ended the week at \$10,012/tonne as nickel ended the week at \$24,609/tonne.

The Week Ahead

Into the next week, expect manufacturing and services figures to be released in the US, as well as consumer confidence numbers. Towards the end of the week, New Zealand are expected to report their interest rate decisions followed by the BoE's monetary policy report hearings.

Graph of the Week



Metals - Spot Price

Metal	Price 18 Feb USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA
Gold	1,898	2.1%	4.7%	0.0%	4.4%
Silver	23.9	1.4%	0.1%	-9.4%	3.9%
Platinum	1,072	4.0%	5.6%	0.0%	7.6%
Palladium	2,351	1.8%	-4.9%	-4.0%	14.5%
Copper	10,010	1.2%	5.1%	29.2%	2.6%
Nickel	24,500	3.4%	25.6%	48.1%	11.4%

Note: All performance data to Monday 21st February. 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	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

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