

Metal Matters

Your Weekly Update on the Global Metal Markets

Week In Review

With another tumultuous week in the markets, the S&P 500 narrowly averted a bear market on Friday, pairing losses to finish flat after trading solidly below the 20% drawdown threshold from its recent peak on Jan 3rd. All three benchmarks, however, recorded another week of straight losses with the Dow Jones suffering an eight-week losing streak – its longest losing streak since April 1932. In other news, President Biden gave Finland and Sweden full backing for their NATO application. McDonald's announced that it will be selling all its Russian operations to Alexander Govor, a current licensee in Serbia that will operate the new restaurants under a different brand – he already owns over 200 franchises. Similarly, Zurich Insurance has announced they will also stop operating in Russia over the Ukraine War. The WHO called an emergency meeting as rare monkeypox cases hit over 100 in Europe on Friday, with more cases in the US, Canada, and Australia – as a result, Danish pharmaceutical company Bavarian Nordic saw its shares surge as it received an order for its vaccine to treat the disease.

Metals in the News

Gold prices saw their first weekly gain since mid-April as safe haven demand was boosted by concerns over economic growth amid high inflation. A weaker USD has also boosted investor appetite.

Silver is picking up bids to \$21.85/oz as buyers reverse the week-start pullback – also keeping bulls hopeful is the recovery in RSI as prices rebound during today's Asian session.

Platinum lease and exchange for physical (EFP) rates have shot up to over 10% and sank below -\$20/oz in the past fortnight. This suggests that there is a shortage of readily available metal in the spot market, possibly due to logistical challenges in the supply chain.

The Week Ahead

The week's economic data kicks off with UK Manufacturing PMI on Tuesday – April's figures were up from a 13-month low of 55.2 in March. US new home sales data for April is released on Wednesday, after dropping 8.6% in March to a seasonally-adjusted 763,000 – 2,000 below expectations. The May FOMC Minutes will be released on Thursday, expectations confirm that the Fed will follow with 50bps rate hikes in the June and July meetings.

Graph of the Week



Source: Ned Davis Research

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