



Week in review – Idioms in Charge

Harold Wilson, once quipped “a week is a long time in politics” yet these days a week seems an even longer time in markets. Whilst today we are not grappling with a Sterling crisis, it seems there is an ever-increasing number of worries to climb and markets didn’t disappoint. The US 10yr continued to sell-off during the week with yields reaching 1.625%, a level last seen in January 2020, yet equity markets continued to rally and closed up 3% (MSCI World). In response, equity volatility drifted lower and ended the week at 20.69, its lowest closing level in The USD Index started the week strong but gave back all gains to end the week essentially flat.

Bank of America Flow data shows that investors have been selling bonds and gold and buying EM stocks and value stocks. Whilst following the smart money has sometimes proved to be smart, one has to wonder how long those flows will last once WallStreetbets are recharged with additional stimulus cheques due to hit accounts over the coming days and weeks.

Metals in the news

Metals gained during the week with Platinum standing out after rising over 6% to over \$1,200/oz, whilst Nickel continued to slide as the market continues to digest the announcements from Tsingshan, a pioneer in Nickel Pig Iron production. Whilst the potential to increase the supply of battery-grade nickel has many nickel investors worried, a moderation in pricing will likely delay the drive to find alternatives for nickel in EV batteries and benefit the industry in the long-term. In related news, sales of Tesla's Model 3 cars powered by 55 kwh LFP batteries (Lithium-Iron-Phosphate) have been doing well, however according to Torquenews.com some customers in Germany complained of the range and charging problems during cold weather. Tesla uses NCA (nickel-cobalt-aluminium) batteries in its high-end cars, which although more expensive provides superior range and charging compared to LFP batteries.

The World Platinum Investment Council (WPIC) forecasts for 2021 was released last week showing a 60 koz deficit for the year. WPIC expects demand to be driven by strong growth in auto sales, jewellery and industrial demand. Investor demand (ETCs, bars, coins) is expected to continue to be strong driven by Platinum’s role in the hydrogen economy (green hydrogen production and fuel cell electric vehicles).

Chart of the week – Spot Platinum





Week ahead

Investors are likely to hold their breath ahead of a couple of key meetings during the week; on Wednesday the Fed's Policy Meeting takes place and investors are expected to hear more on the Fed's response to the sell off in the bond markets, likely policy responses in the face of inflation expectations and also its decision on whether to extend the temporary capital relief it gave to banks at the outset of the pandemic last year. On Thursday the US and China meet in Alaska to discuss areas of cooperation which would be a welcome relief to markets from the confrontational megaphone politics of the last few years.

Metals - Spot Price

Metal	Price 12 Mar USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA	Change in Futures positioning
Gold	1,727	1.6%	-0.4%	-9.0%	-4.7%	-7.2%	-7.6%
Silver	25.9	2.7%	-2.8%	-1.8%	-2.1%	6.4%	-8.8%
Platinum	1,206	6.4%	1.1%	12.5%	4.3%	23.8%	-8.2%
Palladium	2,376	1.5%	2.1%	-3.0%	0.7%	5.2%	-8.2%
Copper	9,104	2.1%	-0.4%	17.5%	8.6%	27.2%	-22.2%
Nickel	16,158	-1.2%	-13.2%	-2.3%	-9.9%	3.5%	-9.9%

Notes. All performance data to 12 March, futures 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

GPF ETC Listings on LSE and Xetra

Name	LSE Ticker	Xetra Ticker	ISIN	TER
GPF Physical Gold ETC	TGLD	OIIA	XS2265368097	0.145%
GPF Physical Silver ETC	TSLV	OIIB	XS2265369574	0.200%
GPF Physical Platinum ETC	TPLT	OIIC	XS2265369731	0.200%
GPF Physical Palladium ETC	TPAL	OIID	XS2265370234	0.200%

Trading

AP: Flow Traders

MM: GHCO, Peel Hunt, Winterflood

BrightTALK webinars

On 24 March, Tim Harvey and Hamad Ebrahim discuss the case for "Silver - Nature's Ancient Wonder Material". Please [click here](#) to register.

On 10 March, Tim Harvey and Hamad Ebrahim discussed the case for Gold. Please [click here](#) to view.



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