



## Week in review – Shifting Patters

On Thursday, the U.S Labor Department released jobless claims data which rose unexpectedly to 744,000 for the week ending 3<sup>rd</sup> of April versus 728,000 for the prior week. Although the government reported last week that the economy created the most jobs in seven months (916,000 in March) and job openings increased to a two-year high in February, the employment level remains 8.4 million below the February 2020 peak. However, after Biden’s \$1.9 trillion rescue package and the accelerated pace of COVID19 vaccinations, U.S central bank officials see an improvement in labor market conditions and expect “strong job gains to continue over coming months and into the medium term.” Similarly, expectations of increased economic and industrial activity are pushing investors to be wary of inflation which is driving portfolio reallocations to real assets including energy, commodities and industrial metals at the expense of fixed income exposure. Given the inflationary expectations, Credit Suisse has warned clients that those sticking to a 60:40 portfolio model will earn less than 2% on an annualized basis over the next 20 years.

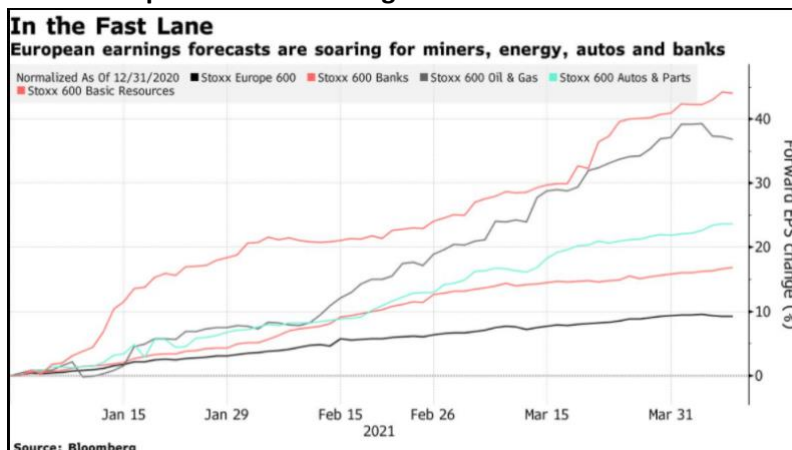
## Metals in the news

Gold climbed to a one-month high on Thursday, the spot price rising to \$1,758.45 per ounce by midday, having hit an earlier high of \$1,751 on 18<sup>th</sup> of March. This came moments after the Fed’s latest policy meeting, which reassured investors that interest rates will remain low throughout 2021, putting downward pressure on the US Dollar and bond yields. Davis Hall, head of capital markets in Asia at Indosuez Wealth Management, reiterated that “Gold’s retreat from last year’s peak is a ‘mini-correction’ in a longer bull market”.

Silver also momentarily rose past its previous two-week peak of \$25.48 per ounce on the back of increased industrial demand as the economic recovery gathers pace: the IMF raised its outlook for global economic growth again, forecasting a rise of 6% this year, a rate not seen since the 1970s. However, Silver slid back into bearish territory on Friday and is tracking sideways at \$25/oz. It seems that there are two opposing markets right now: the physical market is seeing unprecedented demand in both March and February, whereas silver ETF investors have been lightening their positions which is putting downward pressure on prices.

Barclays released its positive outlook on the European mining sector for the remainder of 2021 after raising its price forecasts for PGMs and Copper as the “relatively cheap ‘value’ sector” is “exposed to growing demand”. It raised its’ forecasts for platinum and palladium prices by 18% and 13% respectively and revised its forecast for copper 11% higher despite noting that the copper market is vulnerable to potentially significant supply growth in 2022-23.

## Chart of the week – European Profits Starting to Soar





## Week ahead

The week ahead will be rich with economic data releases: The U.S Federal Budget should be released on Monday along with Euro Area Retail Sales. The US Core Consumer Price Index will also be released on Tuesday, a much-anticipated figure as investors eye growing inflationary pressures– the previous rate was 1.3% and consensus is expecting a 1.5% print. On Thursday, the NAHB Housing Market Index will be released for April amid hitting a 7-month low of 82 points last month. Consensus expectations is for an increase of 2 points for the month of April as Biden attempts to push through his infrastructure plan and ease the housing shortage with a \$5 billion fund.

## Metals - Spot Price

Metal	Price 2 Apr USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA	Change in Futures positioning
Gold	1,744	0.9%	2.1%	-8.1%	-0.9%	-6.2%	13.1%
Silver	25.3	1.0%	3.5%	-4.3%	-3.7%	0.6%	11.5%
Platinum	1,205	-0.6%	1.5%	12.4%	0.5%	19.1%	7.0%
Palladium	2,644	-1.0%	0.6%	8.0%	7.7%	13.6%	7.0%
Copper	8,935	1.6%	1.7%	15.3%	1.9%	19.7%	-2.0%
Nickel	16,629	3.9%	3.3%	0.5%	-3.8%	4.2%	-27.5%

Notes. All performance data to 9 April, 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 14 April, Hamad Ebrahim and Mark Copley from Warwick University discuss “EV Battery Technology – An Industry of the Future”. Please [click here](#) to register.

On 24 March, Tim Harvey and Hamad Ebrahim discussed the case for “Silver - Nature’s Ancient Wonder Material”. Please [click here](#) to view.



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