



# METAL MATTERS

## Upcoming BrightTalks

- **June 16th, 09.30** - A Composite View on Commodity Indices: A RICl Comparison
- **June 30th, 09.30** - Beyond the Frontier: Quantamental Emerging Markets

## Featured Articles

- Rare Earth Metals - Widely Used, Strategically Important
- The RICl Index - Tapping the Dynamics of Worldwide Commodity Consumption
- Basel III - Gold's Journey to the Moon and Back
- Tsingshan's Nickel Plan

## Recorded Webinars

- China Fixed Income - An Untapped Market?
- Green Mining - How can Miners be More Sustainable?
- [Spotlight on Metals] - Series

## Week in Review

Stocks ended in the green for the week on Friday, as optimism over the post-pandemic recovery pushed investor sentiment ahead of the Memorial Day Weekend - despite a 0.7% increase in the core personal consumption price (the biggest monthly gain since October 2001). Instead, more focus fell on the consumer, with goods and services purchases rising only by 0.5% in April, down from a 4.7% jump in March. The CDC stated that half of the adult US population (128 million people) have been vaccinated, and 9 states have inoculated 70% of their adult population with at least one dose. Meanwhile, Joe Biden proposed a \$6 trillion budget on Friday that would see the US push spending to its highest level since WWII as he seeks funding for a far-reaching economic agenda that plans large investments into education, transportation, and greener energy solutions. This would take the federal budget deficit to a jaw-dropping \$1.8 trillion in 2022.

### *Metals in the news*

Gold propelled past the \$1,900/oz mark on Friday, which saw the yellow metal gain approximately 8% during the month - the highest monthly return in 10 months. Usually, inflationary pressures are positive for gold returns – however, the dollar and US bond yields have rallied on signs of an inflationary environment as investors believe the Fed will ramp up interest rates faster than announced. This speculation will test gold's highs in the coming months.

Silver, on the other hand, was trading lower on Friday as it struggles to push through the resistance level of \$28.30. The metal has been trading higher than 50, 100, and 200 days' moving averages but lower than 5 and 20 days' on the daily chart. The

## Week Ahead

Tesla will hold a much-anticipated event this upcoming week; showcasing its new Model S Plaid, while the whole tech industry will have its eye on the COMPUTEX show, Facebook's developer conference and Taiwan Semiconductor Manufacturing's annual symposium (especially with the recent semiconductor shortage in recent weeks). This week's macro reports include an update on US construction spending and the release of the Purchasing Manufacturer's Index on Tuesday. Furthermore, the May jobs report is being released on the 4th of June, which could make bond investors to be apprehensive if the numbers disappoint for a second consecutive month.

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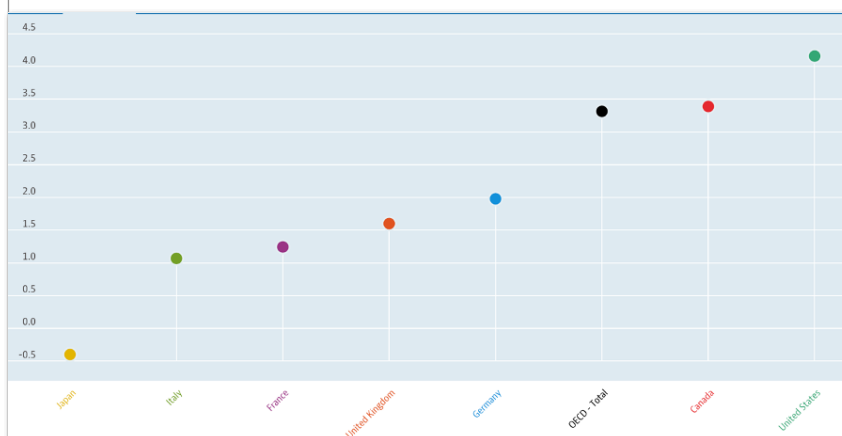
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- <https://metal.digital/>
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Relative Strength Index stands at 52.16, which indicates expected sideways price movements in the near future. Chinese crackdown on rising raw material prices is also dampening the upwards trajectory of the precious metal.

Norilsk Nickel came out with their metals market review this past week, stating that after a COVID-induced downturn in 2020 they continue to see a strong recovery in the PGM and nickel markets, although they claim the virus' influence is still not entirely over. As experts see an impressive recovery in the automotive market, NorNickel expects a palladium deficit of 0.9 Moz in 2021, while they expect the platinum market to be in a surplus of 1Moz as demand is not expected to be high enough to consume all the metal units hitting the market. Nickel expectations have also been revised by experts for the next two years on the back of Tsingshan's nickel announcement (see our article, 'Tsingshan's Nickel Plan', for more details). Although the nickel surplus is now expected to be lower in 2021 (52 kt vs 75 kt previously), experts believe that the post-COVID recovery of primary nickel demand by 15% year-on-year in 2021 will be offset by the massive expansion of the Indonesian nickel pig iron (NPI) capacities. Experts now predict a 100 kt surplus in 2022 as a result of continuing expansion of low-grade nickel – however, they warned that accelerated growth in the battery sector and ever-tightening ESG regulations could greatly mitigate the surplus.

## Chart of the week – Total Annual CPI (%), April 2021



Source: <https://data.oecd.org/price/inflation-cpi.htm#indicator-chart>

## Risk Factors

Investment in the ETC Securities will involve a significant degree of risk. Investors may lose the value of their entire investment or part of it. Each prospective purchaser of, or investor in, ETC Securities should be familiar with instruments having characteristics similar to the ETC Securities and should fully understand the terms of the ETC Securities and the nature and extent of its exposure to risk of loss.

Performance and capital loss: Past performance is not a reliable indicator of future results. The value of an investment may go down as well as up and can result in losses, up to and including a total loss of the amount initially invested.

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Potential investors should refer to the section entitled "Risk Factors" in the Prospectus relating to the GPF Physical Metal ETC Securities Programme for further details of these and other risks associated with an investment in GPF ETCs and consult their financial advisers as needed.

## Metals - Spot Price

Metal	Price 28 May USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA	Change in Futures positioning
Gold	1,904	1.2%	7.6%	0.3%	6.4%	3.3%	7.9%
Silver	27.9	1.3%	7.8%	5.8%	6.4%	8.7%	-1.0%
Platinum	1,184	1.0%	-1.6%	10.5%	-1.9%	11.2%	-11.0%
Palladium	2,825	1.4%	-4.0%	15.4%	1.3%	15.0%	-11.0%
Copper	10,248	3.9%	4.3%	32.3%	7.1%	27.8%	-39.2%
Nickel	17,811	4.5%	1.9%	7.7%	5.6%	7.7%	51.7%

Note: All performance data to 28 May. 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

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