



Week in review – Another Brick in the Wall

With another tumultuous week of trading, the U.S 10-year treasury closed at 1.685% on Friday having rallied from 1.72% at the end of the previous week. Although rates declined over the week, the bond market still appears to expect higher inflation and the need for the FED to hike rates sooner rather than later. Consequently, these expectations have hit growth and momentum stocks which drove up the S&P 500 (and Nasdaq in particular) throughout the pandemic. Tesla was one of the worst performers this past week closing down 5.52%. In other news, reports are surfacing of a large fund unwinding its positions on Friday with a number of prime brokers including Morgan Stanley and Goldman Sachs believed to have issued margin calls on Archegos and have been liquidating its positions. The fall-out is expected to continue this week with a number of other firms caught in the \$20bn stock fire sale including Nomura which is reporting a record loss of \$2bn from “transactions with US client”.

Commodities have broadly continued their winning streak due to stimulus and pandemic recovery expectations, however oil has still been struggling to recover from its 6% pull back during the previous week, with Brent closing flat on the week at \$64.57. Despite the blockage of the Suez Canal, oil markets continued to be soft on concerns over the 3rd wave of Covid lockdowns being rolled out across Europe.

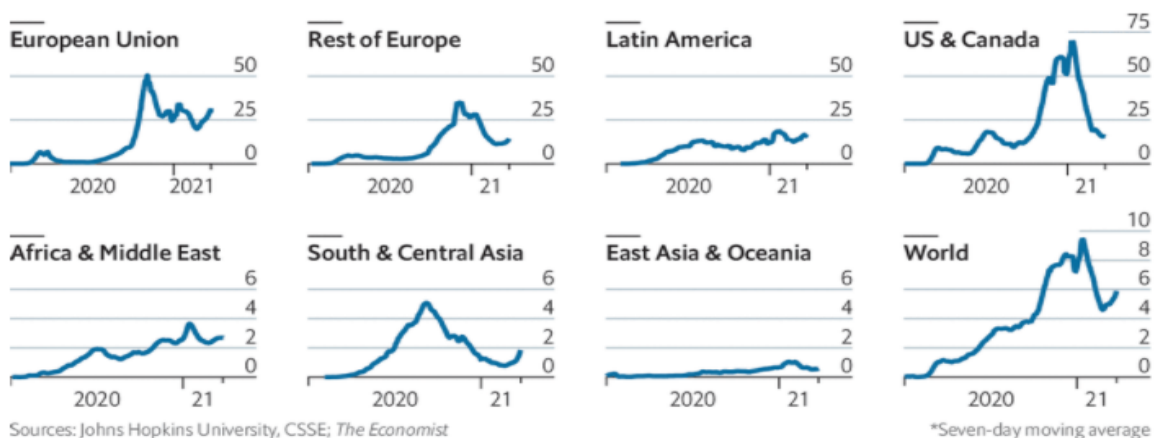
Metals in the news

Precious metals had a tough week, with both Gold and Silver selling off 0.7% and 4.5% respectively, due to talk of Fed tapering and short-term economic pullbacks. Palladium continued its winning streak by rallying 1.5% to \$2,679/oz, albeit a modest rise from last week’s 11% rally over supply concerns.

Whilst Nickel has been struggling this month, down 12.6% mtd., EV demand has prompted more action in nickel briquettes after a quiet start to the year. Norilsk also recently updated the market on its flooded mines and said it would take at least 3-4 months to fully restart them.

Chart of the week – Resurging Covid cases driven by new variants

Covid-19 cases per 100,000 population



Week ahead

The The week ahead could be volatile, as the first quarter winds down ahead of the long Easter



Holiday weekend. The increase in bond yields this quarter sets up fund managers to rebalance portfolios and shift their holdings driving further market volatility. Furthermore, the March employment report is released on Good Friday and analysts expect 630,000 jobs added in March and unemployment decreasing by 0.2% to 6%. Stronger employment numbers are expected to catalyse further selloffs in bond markets.

Joe Biden is also expected to unveil details of his \$3-4 Trillion infrastructure plan on Wednesday in Pittsburgh, which could lead to price impacts on key metals. Blake Gwinn, NatWest’s head of US rates strategy believes that Biden’s plan is the biggest risk for Treasury markets but has yet to be priced in. The rotation into cyclicals and value stocks is also expected to extend into next quarter, as rising interest rates threaten growth stocks.

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	1,733	-0.7%	-0.1%	-8.7%	-2.9%	-6.9%	-3.4%
Silver	25.1	-4.5%	-6.0%	-5.1%	-5.1%	1.2%	-7.5%
Platinum	1,189	-0.8%	-0.4%	10.9%	1.0%	19.7%	-3.9%
Palladium	2,679	1.5%	15.1%	9.4%	11.8%	17.0%	-3.9%
Copper	8,967	-1.2%	-1.9%	15.7%	4.5%	22.5%	-2.1%
Nickel	16,255	0.8%	-12.6%	-1.7%	-7.8%	3.0%	3.5%

Notes. All performance data to 26 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 14 April, Hamad Ebrahim discuss “Battery Gigafactories – 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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