

# PRECIOUS METAL update

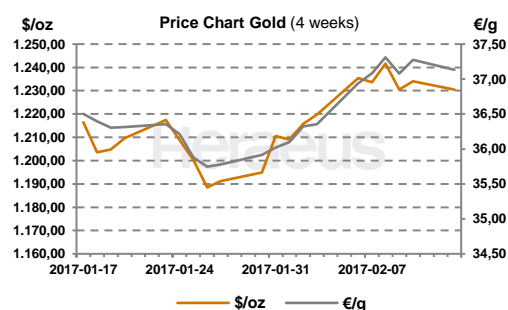
06 February - 12 February 2017

	Au	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
GOLD	High	1.244,67	1.163,74	37,42	13 February 2017	54.079.939	1,23%
	Low	1.207,10	1.128,71	36,29	6 February 2017	53.420.478	

## Trump's tax plans weigh on Gold

Investor's appetite for risk is returning and puts Gold under pressure. The price of the metal dropped to 1,234 \$/oz towards the weekend. The move was triggered by positive economic data on the one hand and the - described as "phenomenal" - tax plans of the US president Donald Trump on the other hand. According to his spokesman, he is working on the largest tax reform since the Reagan era without providing, however, any details so far. These statements were sufficient to fuel the stock markets and for market participants to withdraw liquidity from the "safe haven" Gold. The metal had previously traded at 1,246 \$/oz, the highest level since mid-November. Interest of private investors in Germany had already slowed down in parallel to the rising price. However, we expect interest to pick up again as soon as the Gold price approaches the 1,200 \$/oz mark.

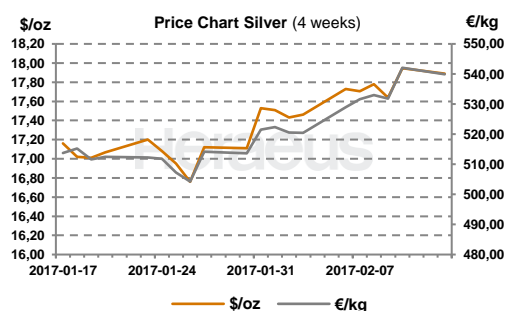
The relocation of the Bundesbank's Gold reserves to Germany is progressing faster than expected. Last year 216 tons were transported to Germany, thereof 111 tons from New York and 105 tons from Paris. In the French capital, 91 tons of Gold still remain, which are due to be brought to Frankfurt this year. The Bundesbank decided in 2013 to bring about half of the 3,380 tons of Gold reserves to Germany by 2021.



	Ag	\$/oz	€/oz	€/kg	Stock/oz	ETF (abs.)	ETF (rel.)
SILVER	High	18,04	16,95	544,96	10 February 2017	627.026.625	-0,04%
	Low	17,42	16,16	519,40	2 February 2017	627.280.013	

## Silver breaks through technical resistance levels

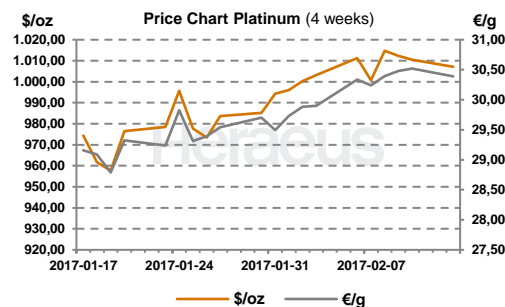
Silver appreciated by another 2.8% last week and tested the 18 \$/oz mark for the first time in three months. The metal surpassed not only the 200-day average at 17.88 \$/oz, but also the upper level of the downward trend which we have witnessed since July 2016. Closing the week above this mark, leaves Silver in a very strong technical position. The entry of trend-following investors into the market could now push Silver even higher. Based on good fundamentals, Silver (as well as Palladium) currently enjoys the best sentiment among the precious metals. It benefits from greater global economic growth, the still low interest rate environment, the ecological trend with the expansion of photovoltaic capacities and last but not least the demand by investors for "safe havens". In relation to Gold, it is still low priced in historical terms. The Gold-Silver ratio fell below 69 last week, but the average of the past 8 years is below 63. The outlook remains bullish.



	Pt	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PLATINUM	High	1.033,75	967,39	31,10	10 February 2017	2.095.759	0,23%
	Low	985,75	924,43	29,72	3 February 2017	2.091.047	

## Platinum is flying high

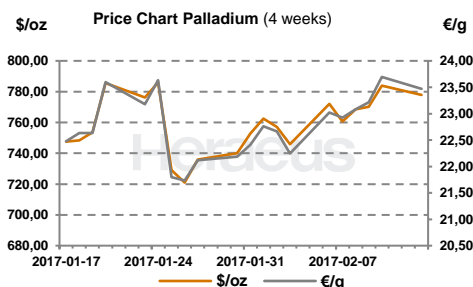
2017 was so far a very good year for Platinum: The clear upward trend persists (+14% since the beginning of the year) and apparently nothing will put an end to it. On Thursday the metal briefly tested the 12-week high at 1,025 \$/oz, but did not exceed it sustainably. Trump's announcements about potentially new tax regulations triggered the move. Latest reports on the production capacity of South African mines imply that the production of PGMs is safe to reach last year's level due to the still weak Rand-USD exchange rate. It is nevertheless expected that the deficit of recent years will not be eliminated. The European demand for (diesel) cars - and for Platinum for their catalysts - was stronger in January than in previous months. Often discussed is the future of fuel cell powertrains in this regard, as they require Platinum and could secure demand in the long term. Investors may cause some short-term price corrections due to profit-taking, but the metal appears to have strong support at 987 \$/oz. 1,040 \$/oz could well represent the next major hurdle this week.



	PD	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PALLADIUM	High	789,90	743,00	23,89	10 February 2017	1.456.288	-0,42%
	Low	743,97	690,00	22,18	3 February 2017	1.462.484	

## Palladium - Positive outlook

Since Palladium had briefly dropped to 711 \$/oz at the end of January, we could witness a steady recovery and the metal is currently back trading just below 780 \$/oz. Physical demand continues to be stable, but markets and companies remain cautious as long as the US government provides no clear statements on economic policies. The 800 \$/oz mark is still a major target and a reaching this level sustainably could further strengthen Palladium in the medium term. Last week, the CME / NYMEX recorded the largest long position with 1.86 million ounces since May 2015, which confirms the expectation of rising prices. We expect that several attempts are needed to overcome the psychological price limit of 800 \$/oz. Overall Palladium had been quite volatile again last week, finding good support at 755 \$/oz, while reaching its highest level with 784 \$/oz on Friday. The premium for sponge remains on the same level as in the past weeks.



	Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)	
RHODIUM, RUTHENIUM, IRIDIUM	Bid	790	34	675
	Ask	890	42	775

## Rhodium trading sideways; Ruthenium unchanged with little turnover; Iridium still sought-after

**Rhodium** has been somewhat lethargic after the Chinese New Year festival, and has been trading sideways in a very narrow range for 2 weeks. Buying interest, especially from industrial players and less from investors, persists, but is responded to by equally available sellers. The latter are continuing to benefit from the high price, which is still close to an 18-month high. In this relatively liquid and very competitive market, we currently do not expect the price to make any substantial moves in either direction.

There is little news regarding **Ruthenium**. The New Year celebrations in Asia, however, were certainly also responsible for the little demand in the last 2 weeks.

Demand for **Iridium** has picked up again but the market remains very illiquid and particular. The few available price indications do not quite reflect the current market, however, and actual transactions are partly executed on substantially higher prices than indicated. In our opinion, this market environment will continue for a while, and a price increase is only a matter of time.

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