

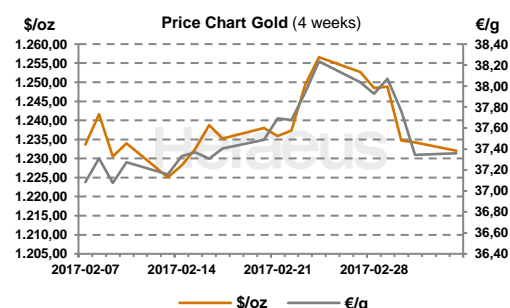
# PRECIOUS METAL update

27 February - 5 March 2017

	Au	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
<b>GOLD</b>	High	1.263,80	1.190,78	38,28	6 March 2017	54.754.155	0,04%
	Low	1.230,58	1.158,77	37,26	27 February 2017	54.731.900	

## Gold: An increase of interest rates in March results in price correction

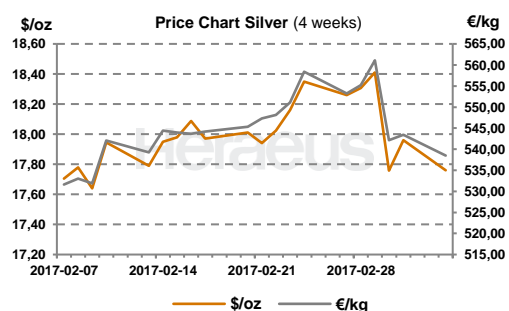
Because Gold has seen a sharp increase of almost 10% since the beginning of the year, it has been revised to about 35 \$/oz last week, this is nearly 3% of the actual price. The downward trend was reinforced by the speech of the US President and his confirmation of the planned investment programs. Another factor was the very good labor market data from the USA. The "Initial Jobless Claims" were at the lowest level since March 1973 on Thursday, marking a 44-year low. As a result, the chart support was breached at 1,236 \$/oz, and Gold went down to 1,222.75 \$/oz on Friday. ETF holdings continued to grow over the week. In particular, the now more attractive price level will be used by pre-sensitive buyers to stock up again. This is also reflected in the fact that Bitcoin was more valuable than an ounce of Gold for the first time last week. This is, however, likely to reverse soon. Chart support for Gold sits at 1,219 \$/oz, while the upward trend is at 1,264 \$/oz, the high of last week.



	Ag	\$/oz	€/oz	€/kg	Stock/oz	ETF (abs.)	ETF (rel.)
<b>SILVER</b>	High	18,52	17,55	564,15	3 March 2017	625.919.724	-0,36%
	Low	17,60	16,67	535,90	24 February 2017	628.159.212	

## Healthy correction in Silver

On Thursday evening, Silver broke through the technical support of the 200-day line of 17.95 \$/oz, and closed with a loss, the first week since the beginning of the year. After a rallying ascent, however, one can speak of a healthy correction in comparison to recent times. The pricing of a rate hike at the next Fed meeting on March 15 was the main driver of a renewed US Dollar reevaluation. While the market rated this at a probability of only 20% last week, it rose to more than 90% after Yellens' last speech on Friday before the interest rate decision. Trump also provided for euphoric markets and rising risk after the announcement of a trillion state budget with investments in infrastructure and military, while at the same time providing substantial tax relief for companies and private individuals. Accordingly, the stock markets cheered, while demand for safe havens remained subdued. However, the financing of the state budget is still amiss, and Gold and Silver are likely to experience much more backwind soon despite the rate hike cycle. Support has been shown at 17.65 \$/oz.

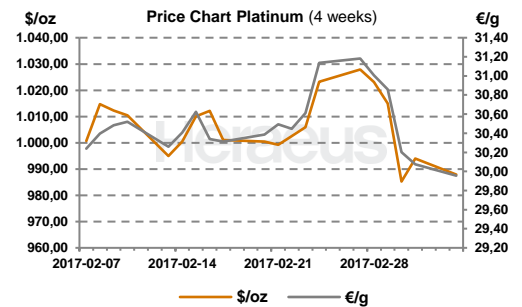


	Pt	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PLATINUM	High	1,050,50	989,06	31,80	4 March 2017	2.116.889	0,05%
	Low	978,75	927,27	29,81	27 February 2017	2.115.736	

## Platinum starts with a 5-month high, crashes after

At the beginning of the week, Platinum was able to rise again in value in line with Gold and increase its prices to a 5-month-high at 1,045 \$/oz. Poor "New Home Sales" in the US were the reason for the first sales of the day before the metal depreciated again. It even dropped below the 1,000 \$-mark at the end of the week, finding support at 987 \$/oz. Main reasons are the rising expectations of a near-term Fed rate hike, which also led to a stronger dollar. Moreover, profit taking after the strong rise caused a price decrease later.

Though the US car sales declined in February, they are still on a high level. Truck and SUV sales remain constant. Furthermore, the demand of the Chinese jewelry industry recovered a little. The following weeks are being watched in suspense as Platinum is likely to have a strong reaction to the development of monetary policies, like Gold. Nevertheless, the metal has to overcome 1,030 \$/oz in order to rise to higher prices in the long term.

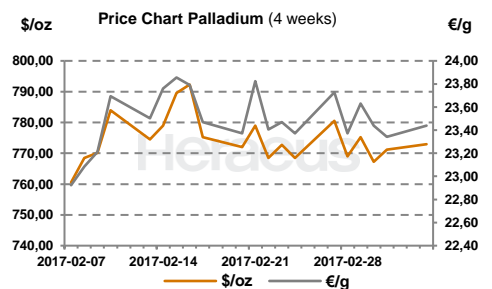


	PD	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PALLADIUM	High	793,00	747,00	24,02	4 March 2017	1.482.151	0,29%
	Low	752,72	712,00	22,89	27 February 2017	1.477.836	

## Palladium follows the trend

Palladium started the week with a high of 790 \$/oz. In the following days it developed in line with the other precious metals and the price fell again. On Friday, the metal was being traded around 755 \$/oz, which was a week's low.

Palladium struggled, like its sister metal, due to profit taking of previous gains. The metal, with the most industrial character (75% of demand is absorbed by the automobile industry), is likely to recover fast from macroeconomic impacts because of the expected strong industrial demand. Investors have raised their net long positions on the NYMEX, which correlates with the opinion of the market on the rise in prices. However, the failure of the 800 \$/oz mark proves that the high expectations that lots of analysts have had have not yet been fulfilled.



	Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)	
RHODIUM, RUTHENIUM, IRIDIUM	Bid	875	34	700
	Ask	975	42	800

## Rhodium resists the general negative trend; Physical demand for Ruthenium continues to rise and Iridium still runs positively

With **Rhodium**, there was a short breather during the report week - but the break was recorded and shown in the price, which accordingly only moved sideways. The turnovers were at a very high level. The industry is still the big consumer of Rhodium. Due to the high price, however, various potential suppliers were more willing to sell metal than they were a few weeks ago. The significantly weaker prices in Platinum and Palladium at the end of the week have not yet been able to pull down the Rhodium price. Another reason for high and stable prices could be the somewhat more limited liquidity, which is also reflected in the interest rate. There is currently no reason to expect falling prices in the short or medium term.

The physical demand for **Ruthenium** is still growing, but this will certainly not affect the price as there is sufficient liquidity.

The trend in **Iridium** is continuing and some prices are significantly higher than the market indicators suggest. This is a similar situation as we recorded at the end of January / beginning of February. Iridium again shows that it is more a metal with an industrial character than a precious metal with a classical trading background, since the continuous demand directly influences the price. Because the metal's supply is still limited, the price will continue to rise sooner or later.

Heraeus Metals Germany GmbH & Co. KG  
Tel: + 49 (0) 6181 / 35 2760  
E-Mail: edelmetallhandel@heraeus.com

Heraeus Metals New York LLC  
Tel: + 1 212 752 2180  
E-Mail: tradingny@heraeus.com

Heraeus Metals Hong Kong Ltd  
Tel: + 852 2773 1733  
E-Mail: tradinghk@heraeus.com

Heraeus Metals Shanghai Ltd  
Tel: + 86 21 3357 5679  
E-Mail: tradingsh@heraeus.com

This document is not for the use of private individuals and solely aimed at professional market participants in the precious metals markets. It is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Heraeus has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; Heraeus makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. Expressions of opinion are those of Heraeus only and are subject to change without notice. Heraeus assume no warranty, liability or guarantee for the current relevance, correctness or completeness of any information provided within this Report and will not be held liable for the consequence of reliance upon any opinion or statement contained herein or any omission. Furthermore, we assume no liability for any direct or indirect loss or damage or, in particular, for lost profit which you may incur as a result of the use and existence of the information provided within this Report. By embedding a link to an external Internet web site ("hyperlinks"), Heraeus does not adopt such an external Internet website or its content as its own because Heraeus is unable to control the contents of such websites constantly. Heraeus will also not assume any responsibility for the availability of such external Internet websites or their contents, and any visit by the user of such external Internet websites and their contents via hyperlink is at the user's own risk. Heraeus does not assume liability for any direct or indirect damage arising to the user from the use and the existence of information on these Internet websites, and Heraeus does also not assume any liability that the information called by the user is virus-free. All prices shown are interbank market bid prices, all charts unless stated otherwise are based on Thomson Reuters.