

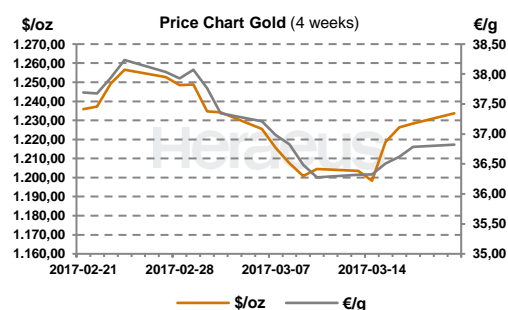
PRECIOUS METAL update

13 March - 19 March 2017

	Au	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
GOLD	High	1.233,13	1.150,73	37,00	20 March 2017	54.371.214	0,67%
	Low	1.194,55	1.125,43	36,18	13 March 2017	54.009.738	

Gold: Unusual reaction to US rate hike

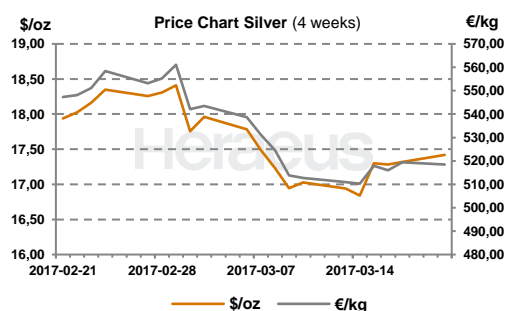
Interest rates are up and so is Gold: At a first glance, the reaction of the precious metal to the US interest rate increase is unusual. A rate hike tends to be more of a burden for the Gold price. The trigger for this reaction were the statements issued by the US central bank regarding the interest rate decision: Chairman Janet Yellen signalled another two interest rates for the current year. However, she did not provide any evidence that the Fed will raise key interest rates faster or more aggressively. Yet, this was what market participants had expected based on respective economic data such as the US inflation rate which in February was 2.7% higher compared to last year. Apart from the fact that Gold generally benefits from the expectation of rising inflation, this inflation rate keeps the real interest rate, i.e. nominal interest adjusted for inflation, in negative territory. Investors reacted accordingly: The US Dollar depreciated, as well as yields in long-running US government bonds while equities, oil and Gold benefitted. The precious metal climbed to 1,234 \$/oz on Thursday before closing the trading week at 1,228.40 \$/oz. From a technical perspective the outlook has respectively brightened up again. A rise to 1,238 \$/oz and then 1,499 \$/oz seems conceivable. German investors are currently reacting to the price increase with purchases. Both the interest in ETFs but also in direct physical investment has increased significantly.



	Ag	\$/oz	€/oz	€/kg	Stock/oz	ETF (abs.)	ETF (rel.)
SILVER	High	17,61	16,43	528,29	17 March 2017	624.456.260	0,27%
	Low	16,80	15,80	507,93	10 March 2017	622.785.035	

Silver in line with Gold

Following the Fed's interest rate decision and a respective moderate outlook, Silver was able to sustainably climb beyond 17 \$/oz on Thursday and closed the week with a positive overall performance of + 1.7%. The ETF investors returned and increased stocks by more than 50 tons again following last week's year-to-date lowest level. With an unchanged Gold-Silver ratio of just above 70, Silver moved in line with Gold but could not develop a positive momentum of its own. On the other hand, the prospects for Silver should be better than for Gold as mine supply is decreasing while industrial demand is steadily growing, especially in the photovoltaic sector and the ethylene oxide industry (e.g. plastics, clothing and catalysts). From a technical point of view Silver moves between the 100-day and 200-day moving average at 17.14 \$/oz (support) and \$ 18.02 \$/oz (resistance).

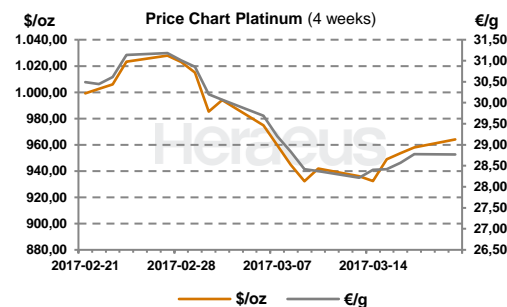


	Pt	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PLATINUM	High	976,85	910,76	29,28	17 March 2017	2.123.233	0,40%
	Low	927,00	872,39	28,05	10 March 2017	2.114.696	

Platinum reaches 11-week-low

After the heavy losses in previous weeks, Platinum could initially stabilize around 940 \$/oz until the intraweek and the 11-week low of 932 \$/oz was reached. All eyes were then set on the FED's rate decision on Wednesday. The expected rate hike of 0.25%, the respective move of the other precious metals and the depreciating US Dollar were essential drivers for Platinum, pushing it to a level of 971 \$/oz. So far, however, the metal did not climb higher - In order to make the 1,000 \$/oz mark feasible again, Platinum needs to break through resistance at 985 \$/oz. Furthermore, the gross short positions at NYMEX stand at "only" 19% of the all-time high, so that more short positions may be looming and a price decrease could be possible.

Last week, the World Platinum Investment Council (WPIC) and SFA Oxford released their latest quarterly report, in which they reiterate that there is still a surplus in Platinum. Adding, however, the investment demand of 505 koz, we are actually dealing with a deficit. The PGM output in South Africa increased by 3% y-o-y (to its highest level since January 2014). However, higher prices could still help producers to increase their output and most notably to improve their profitability a little.

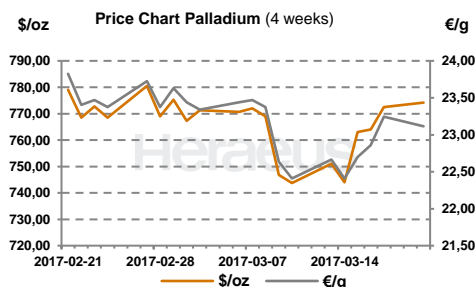


	PD	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PALLADIUM	High	782,75	729,00	23,44	17 March 2017	1.474.341	-0,45%
	Low	738,35	694,00	22,31	10 March 2017	1.481.062	

Palladium's recovery

After finding support at 740 \$/oz, Palladium had settled in a range between 740 \$/oz and 750 \$/oz, in order to quickly appreciate by 20 \$/oz in the wake of the FED's rate announcement. By the weekend, the metal traded at the week's highest level at 780 \$/oz. Palladium was further supported by the continuously growing long positions at NYMEX. ETF investors, on the other hand, became wary after the recent losses and liquidated some of their holdings.

Nevertheless, Palladium is well set to return to previous highs. As such, market expectation is still optimistic and in the medium term the 800 \$/oz mark remains the defined target. Palladium sponge is still in particular demand for autocatalysts. Due to the lower price level, even demand has picked up, pushing sponge to a premium level. Short-term liquidity is particularly limited so that lease and forward rates for the metal reacted considerably.



	Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)	
RHODIUM, RUTHENIUM, IRIDIUM	Bid	910	36	725
	Ask	1.010	44	825

Unchanged Rhodium environment, Ruthenium in demand, Iridium climbing higher

Rhodium's environment, as described in last week's report, has not changed since. The price rose by another 30 \$/oz and is on its way to overcome the 1,000 \$/oz mark. It is interesting to note that Rhodium - albeit only slightly - now trades on a higher level than Platinum. The buying interest still persists among nearly all Rhodium consumers. Even though potential sellers are using the higher level as an opportunity to sell positions, the impact is insufficient to stop the rally. The trend for Rhodium prices is therefore still positive.

For a few days now, there has been some nervous activity in **Ruthenium**. Turnover reached a level we have not seen in a long time. It appears that traders and smaller investors are trying to position themselves while there are only few industrially driven transactions. Even though the price has risen slightly, there is by no means a shortage in the market. It remains to be seen, whether the current situation persists and whether prices may after all move a little more.

In line with Rhodium, **Iridium** climbs higher every week and there is still no end in sight. Due to the evenly dispersed interest from all industries we are witnessing a sustainable performance, which in our view will continue to last. The positive economic environment will ensure demand from Iridium buyers. Because of the low liquidity, there is hardly any speculative interest as it is extremely difficult to build up and reduce positions.

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