

# PRECIOUS METAL update

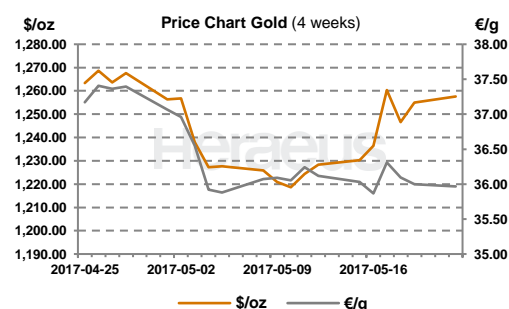
15 May - 21 May 2017

	Au	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
GOLD	High	1,265.04	1,136.09	36.53	22 May 2017	55,011,520	0.03%
	Low	1,224.05	1,113.62	35.80	15 May 2017	54,996,526	

## Gold benefits from weak US dollar

Gold gained new momentum in the wake of US President Donald Trump's Russia affair. On Monday, the Washington Post reported that Trump may have revealed highly classified information to Russian Foreign Minister Sergey Lavrov. On Wednesday, the Justice Department appointed a special counsel to investigate contacts between Trump's campaign team and Russian operatives. In the wake of this news, Gold briefly poked through the chart's significant 200-day-moving-average to reach a 3-week-high of 1,265 \$/oz. At the end of the reporting week, risk tolerance in the markets rose again, with Gold closing at 1,255 \$/oz.

At the macroeconomic level, the euro continued to strengthen, climbing to 1.12 US dollar by the end of the trading week. This can be attributed not only to political uncertainties in the United States, but also primarily to positive signals from Angela Merkel and her new French counterpart Emmanuel Macron regarding the EU, as well as a possible ECB interest rate hike in 2018. In the short term, Gold can be expected to continue moving in the ascending channel that has prevailed since December.

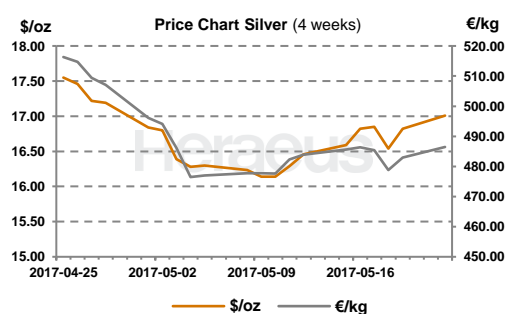


	Ag	\$/oz	€/oz	€/kg	Stock/oz	ETF (abs.)	ETF (rel.)
SILVER	High	17.08	15.36	493.91	22 May 2017	646,937,577	1.38%
	Low	16.40	14.78	475.16	15 May 2017	638,141,586	

## Silver trades in parallel with Gold

Silver followed in the wake of Gold during the reporting week, recovering from its lows at the start of the month and reaching a high of 17.03 \$/oz for the week. Given its closing price of 16.82 \$/oz for the week, support can be expected at 16.66 \$/oz and technical resistance at the psychological threshold of 17 \$/oz.

The metal also saw support mainly from increased investment demand. ETF holdings currently stand at 657.4 million ounces, an increase of 19 million ounces from the April low. The Gold:Silver ratio currently stands at 74.40.



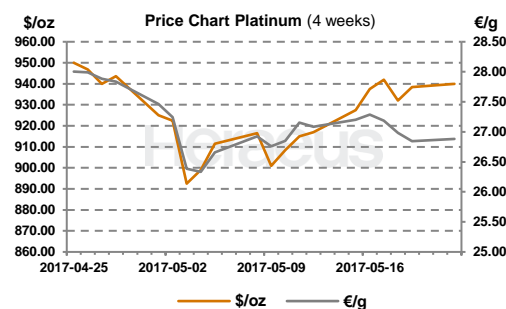
	Pt	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PLATINUM	High	954.50	860.29	27.66	22 May 2017	2,211,116	0.75%
	Low	917.24	832.28	26.76	15 May 2017	2,194,715	

## Platinum shows fighting spirit

Platinum gained tailwind during the reporting week, recovering from its 4-month-low at the start of May and reaching its high for the week on Wednesday at 954 \$/oz. Like the other precious metals, however, Platinum slid again somewhat on Friday and closed the week at 938 \$/oz.

With this performance, the Platinum:Palladium ratio recovered from its 15-year-low of 1.11 at the start of May and now stands at 1.23, although this year's physical demand for Platinum, at 6 %, still lags behind that for the same period in 2016. The weak demand essentially reflects a decrease in consumption in the petroleum industry and a decline in physical investments from Japan.

However, as the price remains low and South Africa's currency holds strong, the pressure on South African mine operators continues to mount. We already reported last week that the mining industry is struggling with production stoppages. Developments during the reporting period now make decreases in supply even more likely, which could lead to another upturn in the price of Platinum in the medium term.

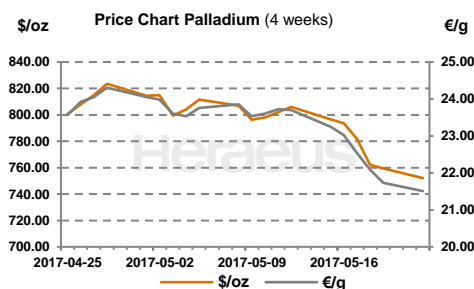


	PD	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PALLADIUM	High	823.25	750.00	24.11	22 May 2017	1,455,351	-0.54%
	Low	755.88	674.00	21.67	15 May 2017	1,463,311	

## A bad week for Palladium

After shining with an impressive overall performance in precious metal markets to date, Palladium came under pressure during the past week. With a loss in value of more than 5 % since the start of the year, it turned in the worst performance of any metal this week. While Palladium was still at a high of 820 \$/oz on Monday, its value then fell during the days that followed, reaching its low for the week on Thursday at 755 \$/oz. At Friday's close, Palladium stood at 759 \$/oz.

Its ETF holdings also dropped to approximately 1.5 million ounces, their lowest level since 2010. Over a period of two years, holdings have thus dropped by 1.1 million ounces, or 44 %. Whether this reflects market reactions to the latest demand trends in the international automotive industry remains to be seen. As we previously reported, this year is seeing reduced demand, particularly from China, a significant market. Despite these developments, the mood of market participants during last week's London Platinum Week nevertheless was still quite optimistic. Platinum sponge also continued to trade at a premium, reflecting industrial demand that remains quite strong.



	Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)	
RHODIUM, RUTHENIUM, IRIDIUM	Bid	890	60	900
	Ask	990	70	1,000

## Rhodium moves sideways; Ruthenium lacks direction; Iridium remains unchanged

**Rhodium** has - as we indicated last week - hardly moved, stabilizing at a significantly lower level. Demand continues to be high, both physical demand and demand for price hedging. However, current availability is good and raising the price level is therefore likely to be difficult. We expect this situation to continue in the coming week, with only small price variations anticipated.

**Ruthenium** is currently continuing its weak performance, although the very good liquidity situation has led to some demand and some buying. While demand might grow somewhat due to the metal's increased availability right now, this demand would certainly be easy to meet at the present time. We therefore expect no major price fluctuations in the coming week.

There has also been little change in the overall situation regarding **Iridium**. We continue to see strong demand from the various Iridium users. Iridium has now managed to become the second most expensive precious metal after Gold and this, of course, can partly be attributed to the weakness of Platinum and Rhodium. Should larger individual transactions arise in this market situation—which certainly cannot be ruled out—the market would then respond. The slightly greater availability of Iridium at present is price-driven only because of the caution exercised by potential buyers.

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