

PRECIOUS METAL update

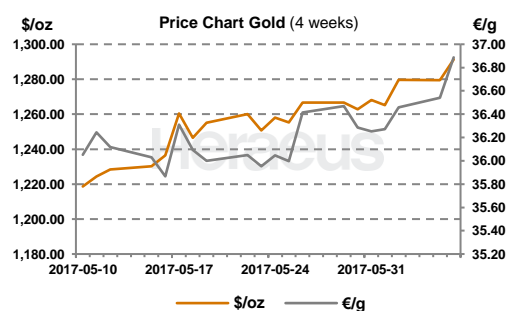
29 May - 05 June 2017

	Au	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
GOLD	High	1,279.58	1,141.74	36.71	6 June 2017	55,125,115	0.30%
	Low	1,258.60	1,121.95	36.07	30 May 2017	54,961,493	

Gold remains stable overall

Gold opened the trading week at 1,265 \$/oz. After rising to 1,274 \$/oz mid-week, with equity markets buoyant (a record high for the DAX), it fell to a weekly low of 1,258 \$/oz on Friday morning. The Euro/Dollar exchange rate has stabilized at 1.12 USD/EUR over the past two weeks. Wednesday saw a brief period of weakness for the currency following Donald Trump's initial statements about the Paris climate agreement, but this had no real impact on Gold. After the publication of the US employment report (nonfarm payroll lower than expected) on Friday, the dollar fell again, for a short time going as low as 1.1285 USD/EUR, which had a positive effect on the price of Gold. Based on Friday's closing price of 1,280 \$/oz, the chart support level is expected to be at 1,260 \$/oz. The upcoming testimony by James Comey, ECB meeting, UK election and added tensions in the Middle East regarding Qatar, all helped to boost Gold along with other precious metals at beginning of the new trading week.

Two upcoming interest rate decisions will likely be decisive factors in the medium-term development of the price of Gold. Mario Draghi has promised a reevaluation of the economic risks during the ECB interest rate meeting in Tallinn on June 8. At the same time, however, he emphasized that the economy still requires an "unusual amount of support from monetary policy." Market participants now consider that there is a 94.5% probability of a further increase at the Fed meeting on June 14 (source: CME FedWatch Tool), although this should already have been factored into the Gold price.

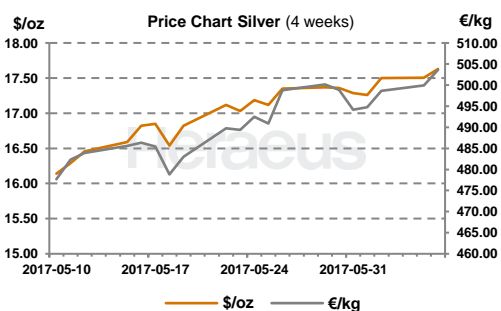


	Ag	\$/oz	€/oz	€/kg	Stock/oz	ETF (abs.)	ETF (rel.)
SILVER	High	17.63	15.77	507.00	6 June 2017	642,576,284	-0.43%
	Low	16.96	15.12	486.07	27 May 2017	645,374,063	

High Silver ETP inventories

Silver has traded in parallel with Gold this week, at a positive level between 16.96 to 17.63 \$/oz and crossed above its 200-day-moving-average (17.52 \$/oz) on Friday evening. It is worth mentioning that the Silver ETP inventories have increased by almost 19 million ounces since the beginning of 2017, whereas the COMEX net long positions have decreased in the same period.

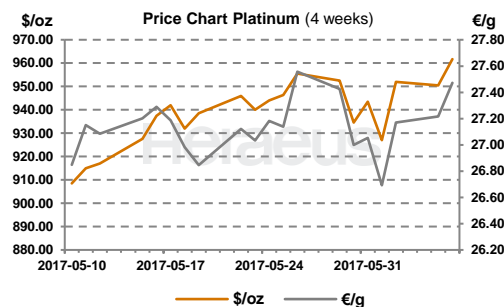
Silver will be affected over the next few weeks by its parallel position to Gold, as well as by monetary policy decisions and geopolitical developments. Because the equity markets have ultimately always reacted positively to recent political risks, they are now gaining back investors. Examples of this are the ongoing political uncertainty in the US, as well as the early election in the UK. The British Prime Minister, Theresa May, still yet to be officially elected, is seeking a clear victory to gain more backing for the Brexit negotiations. Her Conservative Party, however, is losing its lead according to the most recent polls.



	Pt	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PLATINUM	High	968.00	866.45	27.86	6 June 2017	2,222,825	0.15%
	Low	921.00	820.78	26.39	30 May 2017	2,219,440	

Disappointing demand developments in Platinum

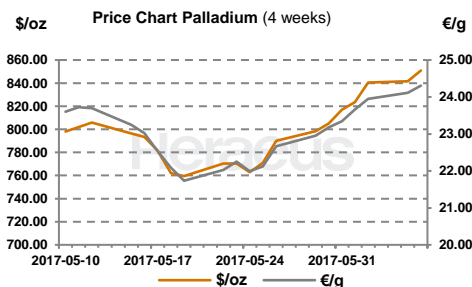
Platinum opened the reporting week at 962 \$/oz and successively lost in value throughout the week to reach the weekly low at 921 \$/oz. On Friday, however, Platinum reached the 962 \$/oz level again which was particularly due to increased demand from Japanese investors who took advantage of the weekly low on Thursday. Additionally the low US-Dollar generally sparked investor demand last week. US automobile sales declined for the fifth consecutive month in May. This can also be seen in the increasing average age of registered vehicles. The Eurozone did not bring any positive news for Platinum either. Although automobile sales have risen by 4% this year there, the percentage of diesel cars, which account for the highest level of demand for Platinum, dropped by 3.8% simultaneously. The continuing low price level has increased demand for jewelry in India and the US. However in China, where Platinum jewelry demand is highest accounting for 70% of global demand, demand currently continues to be on a declining trend. The increasing popularity of white Gold in the jewelry market is the major factor behind this development. Market participants expect continued interest from the industry due to low price levels, but structural changes in the automotive sector and in the diesel vehicle market are expected to put a damper on any significant price increase. There has been no pressure over the past few weeks to build up inventory since the price has continued to offer entry opportunities.



	PD	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
PALLADIUM	High	847.50	751.00	24.15	6 June 2017	1,433,265	-0.91%
	Low	789.47	706.00	22.70	30 May 2017	1,446,369	

Palladium fights back, despite weak fundamental data

While all metals lost value during the reporting week, Palladium recovered from its 2-month-low from the week before last. Palladium made impressive gains, recording an increase by almost 60 \$/oz in less than two weeks. On Friday, the metal was trading at a high of 847 \$/oz. The last time Palladium reached a comparable level was in September 2014. With this resurgence Palladium came with a difference of less than 100 \$/oz to its sister metal Platinum. With these results, Palladium is again showing that, in contrast to other metals, it follows its own path. However it remains to be seen how sustainable this price development will be. Looking especially at the developments in the US auto market, there are currently no signs to indicate continuing increases in Palladium prices. The major US car manufacturers are all currently offering discounts trying to attract buyers. Analysts, however, expect the drought within the US automobile industry to continue, resulting in falling sales, which in turn should also impact the price of Palladium in the long term.



	Rhodium (\$/oz)	Ruthenium (\$/oz)	Iridium (\$/oz)	
RHODIUM, RUTHENIUM, IRIDIUM	Bid	910	60	900
	Ask	1,010	70	1,000

Support for Rhodium price; Ruthenium continues sideways trend; Quiet week for Iridium

The demand for **Rhodium** we hinted at the previous week had increased significantly by the end of the reporting week. Firstly, the 900 \$ barrier was a support line — at least psychologically — that was evident to buyers and an expression of the first major physical transactions. Secondly, there was also interest in medium-to-long-term hedging strategies which, ultimately, were mostly implemented by the chemical and automobile industries. This elicited an initial response yesterday, a public holiday in Germany, with a slight price increase. The latest upward move in Platinum and Palladium prices could provide Rhodium with greater price growth potential as well.

Ruthenium has remained pretty much unchanged over the past week. Despite reasonable physical demand which was easily met due to considerably improved liquidity, we will continue to see little change in the overall situation in the near future. Nevertheless, due to the low price of Ruthenium, there are frequent reports of new applications which at least provide this market with a certain degree of suspense.

Iridium had a comparably quiet week and was able to catch its breath after a turbulent few weeks. Nevertheless, a number of industries continue to show interest in Iridium, thereby ensuring price stability or even some medium-term potential for price growth.

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