COMMERZBANK

Commodity Spotlight Precious Metals

29 November 2012

Robust demand and supply risks drive prices up

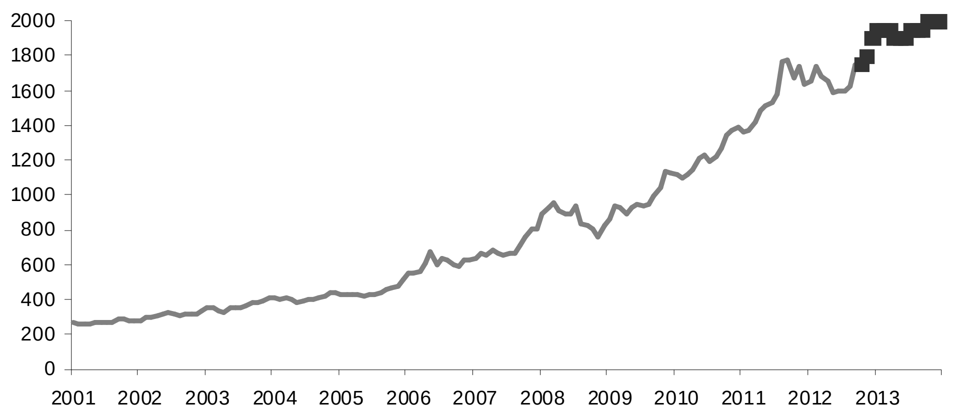
2013 is likely to see precious metal prices climbing further or indeed resuming their upswing. The ultra-loose monetary policy pursued by the central banks coupled with (geo)political risks should ensure that gold remains in demand as a store of value and safe haven. Silver can be expected to profit as industrial demand picks up. Platinum will find support as supply decreases in South Africa, while palladium will be boosted by lower supply from Russia and robust demand from the automotive industry.

The price of gold looks set to continue on its upward trajectory in 2013, an upswing it has enjoyed for twelve years now (Chart 1). The headwind that has weighed on demand at times in 2012 should abate next year. Gold buyers in India, for example, should have become accustomed to the higher price level brought about by increased duties on gold imports and a weak local currency. Furthermore, the monsoon season is unlikely to be as poor next year, which should have a positive impact on the income development of the rural population, responsible for the lion's share of gold demand in India. We also expect to see an economic upturn in China, which should lead to more buoyant gold demand there. The process of market adjustment pursued by speculative financial investors should be largely complete now that net long positions have been significantly reduced in recent weeks. A shift in sentiment among short-term-oriented financial investors could spark a sharp rise in the gold price.

Investment demand should profit further from the low and negative real interest rates, for the leading central banks will continue to pursue their ultra-loose monetary policy in 2013 in a bid to shore up the economy and stabilize the financial markets. For fear of losing purchasing power due to inflation and a devaluation race, investors will increasingly seek refuge in gold as a store of value and alternative currency. Gold ETFs should thus see inflows, while sales of coins and bullion can be expected to gather pace once again. Central banks will be net buyers in 2013 for the fourth consecutive year, as gold still accounts for only a very small proportion of currency reserves in most of the emerging economies.

Admittedly, mining production – the most significant factor on the supply side – is likely to see slight growth. However, there will only be noticeable production growth in countries in which demand will also increase sharply, i.e. above all China and Russia. Thus supply from these countries is unlikely to reach the global market. By contrast, mining production in South Africa, formerly the world's largest producer of gold, will suffer from dwindling ore grades, strikes and a rising cost basis. Gold scrap, which makes up nearly a third of overall supply, could have a positive impact on supply, as the high prices increase the incentive for private households to sell gold jewellery and gold coins, which is likely to put the brakes on the price rise.

CHART 1: **Gold price likely to continue upswing in 2013**



Source: Bloomberg, Commerzbank Corporates & Markets

Commerzbank Forecasts 2013

	Q1	Q2	Q3
Precious metals			
Gold	1950	1900	1950
Silver	38	38	40
Platinum	1800	1825	1875
Palladium	775	825	875

USD per troy ounce

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Price leap in first quarter or steady rise to $2,000

All in all, we are confident that the gold price will achieve – and indeed exceed, at least temporarily – the $2,000 per troy ounce mark next year. This might even happen in the first quarter if politicians in the US fail to find a viable solution to the budget dispute and to the question of whether the raise the debt ceiling. Rating agencies have already threatened to downgrade the country's credit rating if this should prove to be the case. In the summer of 2011, this prompted a $400 leap in price in just two months. If a satisfactory solution is found in the US, the gold price can be expected to rise more gradually. The key price drivers are the central banks with their ultra-loose monetary policy, which undermines the value of currencies. The debt crisis in the eurozone and the geopolitical risks in the Middle East are also likely to ensure latent demand for gold as a safe haven. We predict an average gold price of $1,950 per troy ounce for 2013 as a whole.

Gold demand this year likely to decline for first time since 2009

In mid-November, the World Gold Council published its report on third-quarter gold demand trends. According to the report, global demand for gold totalled 1,084.6 tons, which is 10% higher than the previous quarter but 11% down year-on-year (Chart 2). That said, it should be noted that demand in the second quarter of 2012 was unusually weak, yet was extremely strong in the third quarter of 2011. In the first nine months of this year, gold demand has totalled 3,184 tons, and is thus 7% lower than in the first three quarters of last year. This year is therefore likely to see global gold demand decline for the first time since 2009. A record demand of 1,400 tons in the fourth quarter would be required to prevent this.

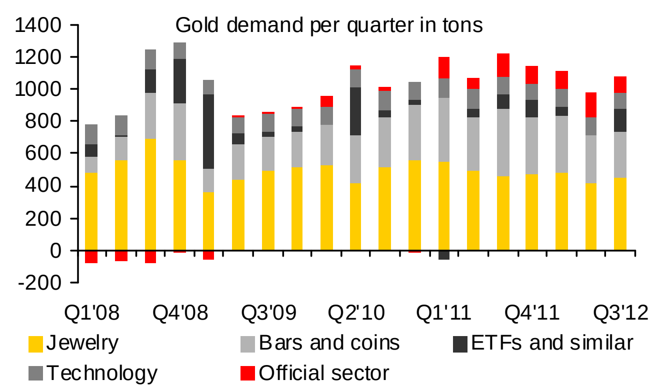
Weaker demand in India and China

What are the reasons for the weak demand this year? Worthy of particular mention in this context is the much reduced demand in India (Chart 3), which has been 24% lower year-on-year since the beginning of the year. Duty hikes in the first half of the year, coupled with record gold prices in local currency, have noticeably slowed demand for gold in India. However, gold demand has perceptibly weakened of late in China too, which is likely to replace India this year as the world's largest consumer of gold. In the third quarter, Chinese gold demand was 8% down year-on-year, doubtless because of the cooling of the country's economic growth. What is more, jewellery demand is likely to have seen substitution effects in favour of platinum, which continues to be considerably cheaper than gold. Together, China and India account for roughly half of global gold demand, so the decrease there could not be offset elsewhere.

Investment demand likewise losing momentum

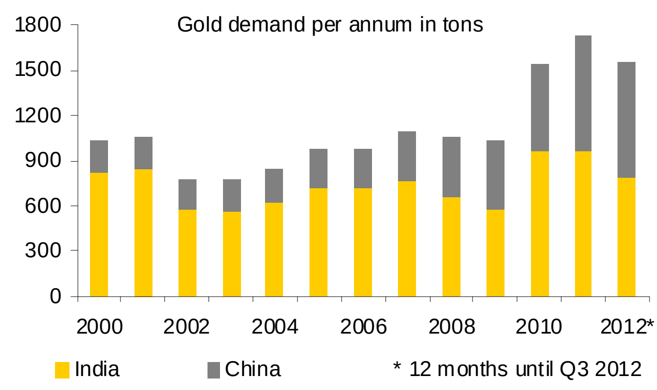
Investment demand in the first nine months has also been less dynamic than in previous years. This is particularly evident in demand for coins and bullion. In the first three quarters of the current year, a total of 941 tons of gold in the form of coins and bullion were sold. That's nearly 20% less than in the corresponding period a year earlier. Europe was responsible for more than half of the decline in third quarter demand, while the US actually recorded its poorest result since the second quarter of 2008. This weakness could not be offset by other forms of investment such as ETFs, meaning that investment demand after nine months is 9% down year-on-year.

CHART 2: **Gold demand looks set to fall in 2012**



Source: WGC, Commerzbank Corporates & Markets

CHART 3: **Weaker demand for gold in China and India**



Source: WGC, Commerzbank Corporates & Markets

Signs of demand recovering in India and China

That said, there are signs that gold demand has recovered somewhat since the summer. The World Gold Council reports, for example, that more gold was sold in India again year-on-year in the third quarter – the first time this had been the case for four quarters. What is more, the WGC anticipates that the recovery will continue in the fourth quarter. For the year as a whole, the WGC envisages Indian gold demand of 700-750 tons; although this would be well below the figure of 1,000 tons achieved last year, it would be above the 600-650 ton estimates that have recently been doing the rounds. Nonetheless, India is likely to lag marginally behind China for the first time in terms of gold demand. For China too, the WGC is confident that the weak demand will be merely temporary in nature. The fourth quarter should already show much more buoyant demand as the economy has stabilized thanks to the economic stimulus measures. In both countries there are also seasonal factors which would suggest robust gold demand in the fourth quarter: in India it is the wedding season, while in China it is the forthcoming new year's festival.

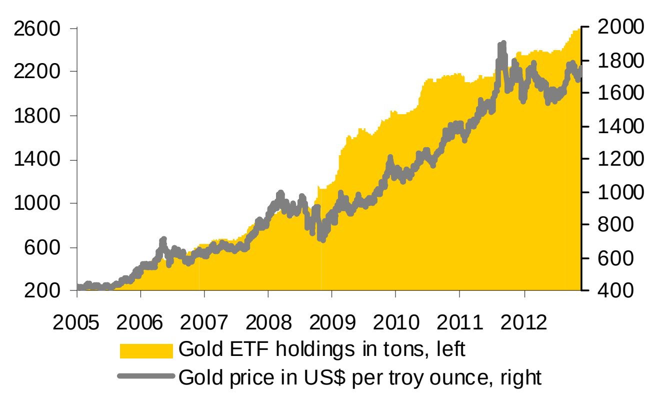
Demand for coins and ETFs likewise picking up of late

There have also been signs recently that investment demand is gathering pace. According to figures from the U.S. Mint, demand for US gold coins totalled 120 thousand ounces after four weeks in November. This is the highest monthly reading since January. Growing investor interest can likewise be observed when it comes to gold ETFs. In the second quarter, gold ETFs recorded no inflows whatsoever according to the WGC. In the third quarter, on the other hand, inflows totalled 136 tons. This was the strongest inflow within one quarter since the second quarter of 2010. Demand for gold ETFs also shows no signs of diminishing in the fourth quarter. Since the beginning of the quarter, gold ETFs tracked by Bloomberg have seen inflows of a good 70 tons so far. Total ETF holdings meanwhile exceed 2,600 tons, which roughly equates to one year's global mining production (Chart 4). Note also that investment demand this year is stronger than it appears at first glance, for a considerable part of it took place over-the-counter (OTC). In the past two quarters, this component contributed a good 170 tons to demand. Factoring OTC purchases into the equation, investment demand this year is 7% higher than last year. The growing demand for OTC transactions may indicate that some investors prefer to buy gold anonymously.

Central bank buying set to reach record level in 2012

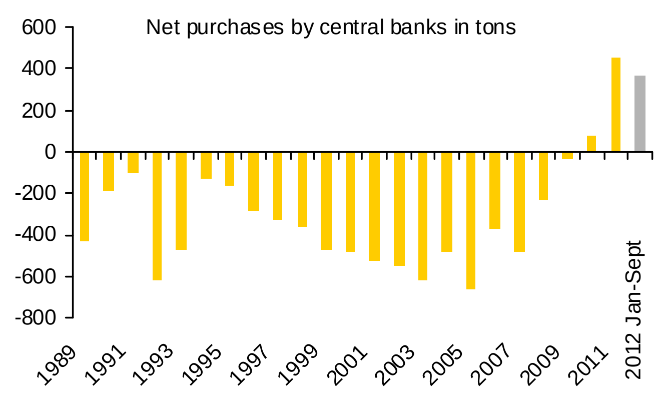
During the summer months, central banks were clearly reluctant to buy gold, net purchases in the third quarter totalling just 98 tons, the lowest purchasing volume since Q2 2011. 90% of central bank purchases in the third quarter were attributable to Turkey, primarily on the back of a regulatory change that enabled the country's central bank to accept gold from commercial banks as a minimum reserve. This regulation meant that gold holdings in the country became visible. Apart from this development in Turkey, there was no significant buying of gold by central banks in August and September. In October, however, buying activity became much brisker according to recent figures from the IMF, achieving just shy of 40 tons, its highest monthly value since July and third-highest monthly value this year. In all probability, the official sector this year will surpass last year's record figure of 457 tons, given that 374 tons of central bank purchases had already been recorded after three quarters, according to the WGC (Chart 5).

CHART 4: **Inflows into gold ETFs again recently**



Source: Bloomberg, Commerzbank Corporates & Markets

CHART 5: **Central banks on buyer side again in 2012**



Source: WGC, Commerzbank Corporates & Markets

Volatile price performance in 2012, too

Silver: Silver has once again showed its volatile side this year, and has disproportionately copied gold's price fluctuations, primarily on the back of investment demand and speculative financial investors. Following a spectacular start to the year, which saw the white precious metal surge by nearly $10 to $37.5 per troy ounce in just two months, silver ran out of steam relatively quickly and its price dropped back to just below $26. The lean spell did not end until mid-August, when it was superseded by another sharp increase in price. A subsequent renewed drop in price was halted both by the technical side – the 200-day moving average stood up to the pressure – and by buying interest shown by bargain hunters. It was noticeable that both sharp price increases this year were accompanied by extensive ETF inflows. In both instances, silver ETFs tracked by Bloomberg saw inflows of 438 and 462 tons respectively. What is more, there were no outflows on balance from these ETFs during the interim weak phase. In 2012 as a whole, silver ETFs have so far topped up their holdings by around 1,427 tons (Chart 6). This may be equivalent to only around three weeks of worldwide mining production, yet the ETF holdings, at a good 18,720 tons, now well exceed annual industrial demand. As a glance at the CFTC's statistics reveals, the weak phase between March and August was exacerbated in particular by money managers who almost entirely decimated their net long positions during this period (Chart 22, Page 10). Next year, too, the silver price is likely to be repeatedly influenced for short periods by financial investors.

Robust jewellery demand thanks to China

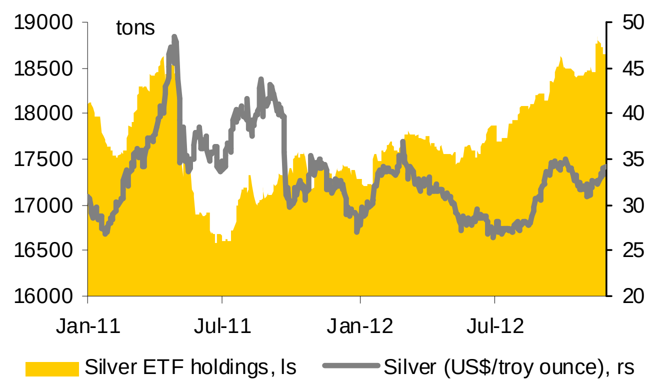
While there is every indication that industrial demand this year has fallen noticeably (see below), jewellery demand appears to be relatively robust. Thomson Reuters GFMS, a research institute specializing in the analysis of precious metals, estimates that it has probably risen slightly in 2012. Weakness in western consumer countries was offset by higher demand from China. That said, Chinese silver imports in the first ten months of the year totalled 2,425 tons, which is around 20% down on the previous year's figure (Chart 7). The pace of imports has dwindled noticeably of late. If imports were to pick up again, this should lend important support to the silver price, as was the case in 2011.

Silver set to climb to above $40 again in 2013

The increase in silver supply – global mining production in 2012 looks set to have risen for the tenth consecutive year and the supply of silver scrap to have achieved a record high – is generating a further primary market surplus which needs to be absorbed by investment demand, yet silver is heavily dependent on the mood of investors. All in all, we are confident that the price of silver will find support from a variety of factors next year and will be able to gain considerable ground. We are convinced that silver will once again exceed the $40 per troy ounce mark in 2013.

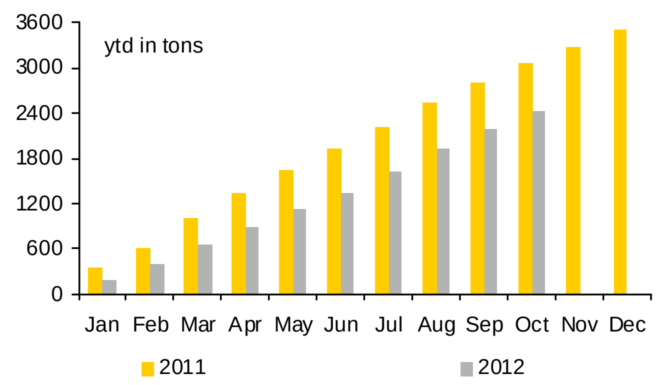
In mid-November, Thomson Reuters GFMS published a report, commissioned by the Silver Institute, on the current status of and outlook for industrial demand for silver. In the report, Thomson Reuters GFMS anticipates that a very poor beginning to the year will see industrial demand fall by 5.7% year-on-year to 454.4 million ounces (14.1 thousand tons) in 2012.

CHART 6: **Silver ETF holdings at record high**



Source: Bloomberg, Commerzbank Corporates & Markets

CHART 7: **Weaker silver imports to China so far in 2012**



Source: China Customs, Bloomberg, Commerzbank Corporates & Markets

Industrial demand accounts for more than 50% of fabrication demand

This is a result of the embattled global economy, whose weakness originated in Europe where the biggest problems accumulated and spilled over into the current year. Worthy of mention here is the crisis in the solar power industry, which in recent years has been a key driver of industrial demand. Last year, industrial demand accounted for 54% of overall fabrication demand (comprising industrial applications, photography, jewellery, silverware, coins and medals), which underlines silver's dependence on economic influences.

Industrial demand recoups losses

According to estimates of Thomson Reuters GFMS, the decline in industrial demand expected this year looks set to be fully recouped next year (+6.5% to 484 million ounces) as the global economy recovers, even if the after-effects of the euro debt crisis continue to make themselves felt. Finally, in 2014, Thomson Reuters GFMS estimates that industrial demand will grow by 5.7% to a new record of 511.6 million ounces (just under 16 thousand tons; Chart 8). This would exceed the previous record high from 2010 by around 2%. As a result, industrial demand will account for 57% of total fabrication demand, bringing this figure to its highest level since records began 25 years ago. Silver is thus establishing itself as a precious metal with an industrial character, setting itself significantly apart from gold, which relies on its role as a safe haven.

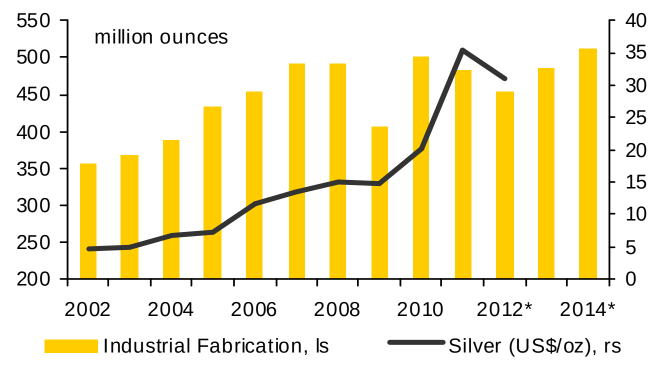
Demand from established applications and future technologies

It is above all the automotive industry that looks set to contribute to demand growth. Apart from expansion in automotive production itself, an increasingly large number of electronic components are being built into vehicles. According to GFMS, a car contains up to an ounce of silver, while other estimates put the figure at even two ounces of silver per car. The biggest end consumer of silver in absolute terms remains the electrical and electronics industry, however, where silver – because of its high conductivity and durability – is used in numerous applications and products such as computers, televisions and mobile phones. The improving overall economy is also likely to be reflected in higher silver demand from the housing and construction sector, amongst other things thanks to investments in infrastructure. By contrast, the photovoltaic industry could remain under pressure as state subsidies are gradually withdrawn. The sharp drop in demand from this segment is likely to come to a halt next year, yet no recovery can be expected, partly because the silver content in solar cells is being reduced. Alongside the traditional industrial sectors, a whole host of new and niche applications will additionally contribute to the expected demand growth.

China drives demand at country level

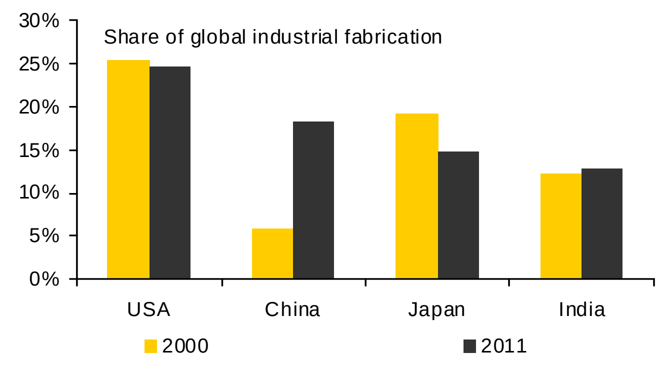
The main driver of the anticipated growth in demand at country level is likely to be strong demand in China, where rapidly rising standards of living are for example increasing demand for consumer electronics. Growth in the construction sector likewise looks set to be higher in China than in the industrialized countries. In the past ten years, China has for instance already hugely stepped up its share of fabrication demand from 8% in 2000 to 18% last year – and Europe is paying the price. China can be expected to continually expand its demand share over the next three years, thereby further reducing the USA's lead as the world's biggest consumer of silver (with a 24% share; Chart 9). Thomson Reuters GFMS likewise sees high growth potential for India, though industrial demand there is relatively price-sensitive and could be slowed by the high silver prices in local currency. By contrast, demand in the industrialized nations – Japan and Europe in particular – is set to grow considerably more slowly.

CHART 8: **Silver price dependent on industrial demand**



Source: Silver Institute, GFMS, Commerzbank Corporates & Markets

CHART 9: **China catches up in terms of fabrication demand**



Source: GFMS, Bloomberg, Commerzbank Corporates & Markets

Production outages result in supply deficit in 2012

Platinum: Mid-November saw Johnson Matthey, the world's largest processor of platinum and palladium, publish its much-regarded market report on the platinum group metals. Compared to the company's May report, in which it was still predicting a supply surplus of around 400 thousand ounces for 2012, the forecast in the new report had been completely revised. Johnson Matthey now anticipates that the global platinum market will show a supply deficit to the tune of 400 thousand ounces in 2012. The prolonged strikes alone have meant that South Africa, the world's biggest platinum producer, lost at least 300 thousand ounces in the first three quarters of this year. In all, the walkouts and closures of smaller mines could cost South Africa as much as 600 thousand ounces of platinum, causing local production to decline to an 11-year low of 4.25 million ounces (Chart 10). On a global level, Johnson Matthey assumes that mining production will decrease by 10% year-on-year to 5.84 million ounces, mainly due to South Africa, which accounts for nearly three-quarters of global mining production. Reduced supply from recycling is also adding to the expected deficit, however, with the volume of recycled platinum likely to fall 11% in 2012 to 1.83 million ounces. First and foremost, this is because much less platinum is being recovered from scrapped vehicles, the weak economy making people less willing to buy themselves a new car.

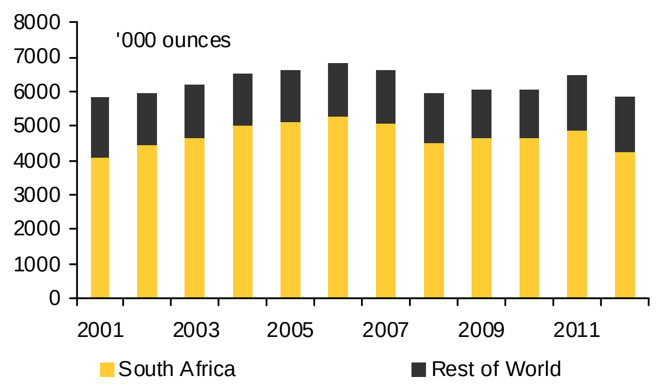
Overall demand stable thanks to jewellery demand

By contrast, Johnson Matthey estimates that demand for platinum will remain stable at 8.07 million ounces this year (excluding recycling). Distinctly different trends are evident in the individual sectors (Chart 11). Gross demand in the automotive industry, for example – platinum is used in the production of diesel autocatalysts – looks set to fall by 1% to 3.07 million ounces. The embattled automotive industry in Europe (the European car market is heavily dependent on diesel) and a slight decline in the market shares of diesel vehicles are to blame for the decrease in demand in this leading consumer segment. Johnson Matthey also expects to see demand diminish in other industrial applications (-13% to 1.79 million ounces), above all in the glass industry. That said, the weaker demand in the industrial segments will be offset by growing jewellery demand, which is set to climb to a 3-year-high of 2.73 million ounces. This is where the lower price of platinum as compared to gold comes into play, as a result of which we are clearly seeing substitution effects. With the exception of a roughly five-week period in spring, platinum was always cheaper than gold throughout 2012. According to Johnson Matthey's estimates, China in particular has taken advantage of the lower platinum prices and meanwhile accounts for 70% of total jewellery demand, i.e. 1.92 million ounces. In addition, investment demand this year will strip 490 thousand ounces from the market: platinum ETFs have seen inflows of a good 200 thousand ounces since the beginning of the year. The remainder is doubtless attributable to demand for coins.

Long-lasting impact of strikes in South Africa

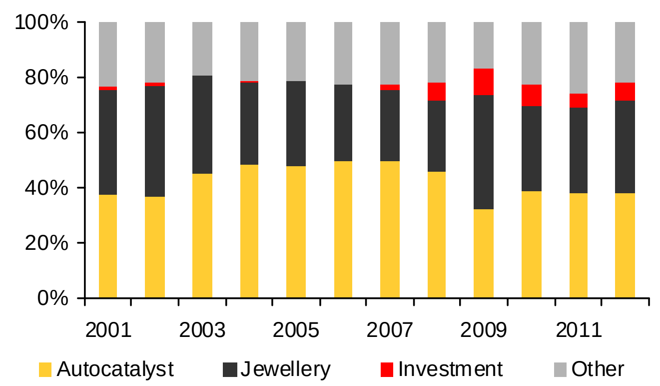
Johnson Matthey does not envisage any fundamental change to the supply situation next year. The strikes in South Africa are likely to have a long-lasting impact, and may even flare up again if low prices and higher costs result in mine closures and mass redundancies. According to Lonmin, the world's third-largest platinum producer, 25% of South Africa's platinum mines are now no longer profitable on a cash cost basis. Previously, the figure was "only" 10%.

CHART 10: **Platinum: mining production falls to 11-year low**



Source: Johnson Matthey, Commerzbank Corporates & Markets

CHART 11: **Platinum demand by sector**



Source: Johnson Matthey, Commerzbank Corporates & Markets

Platinum market deficit also expected in 2013

At the same time, demand from the automotive industry and other industrial applications is expected to recover. This points to a further year of deficits, which should be reflected in higher prices. The only factor which could perhaps ease the situation somewhat next year is the possibility of increased supply from recycling, which is price-sensitive. We expect platinum to exceed the $1,900 per troy ounce mark by year's end 2013.

2012 exhibits highest supply deficit for 10 years

Palladium: Johnson Matthey's revisions for palladium were even more radical. The global palladium market this year is expected to slide into a supply deficit of 915 thousand ounces, last year having still recorded a surplus of 1.26 million ounces. As with platinum, it is above all the lower supply that is contributing to the anticipated deficit – it looks set to plummet by 11% to a 9-year low of 6.57 million ounces. Alongside decreasing mining production in South Africa (due to the aforementioned strikes) and Russia (due to lower ore grades), much lower sales from Russian state reserves are to blame. According to Johnson Matthey's estimates, these are to total just 250 thousand ounces this year, following a figure of 775 thousand ounces last year. Russia's reserves would appear to be increasingly depleted, and the trend towards declining reserve sales continues. Between 2005 and 2010, Russia sold around 1 million ounces of palladium from its state reserves on the world market each year. At peak times, sales even totalled 1.5 million ounces (Chart 12). What in the past has been an important pillar of supply will thus peter out once and for all. Without Russian reserve sales, the global palladium market would often have shown a deficit in recent years. What is more, the supply of recycled palladium is declining by 4.5% to 2.24 million ounces.

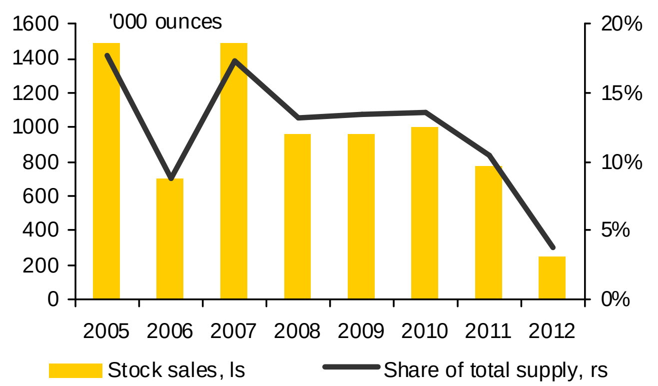
Demand from automotive industry on track to achieve record level

In contrast to platinum, the demand side is also contributing to the anticipated supply deficit in the case of palladium. Overall demand for palladium, excluding recycling, looks set to surge by 15% year-on-year to 9.73 million ounces. This will be driven primarily by demand from the automotive industry, where palladium is used in the production of gasoline engines. Thanks to strong demand from the gasoline-dominated markets in the US, Japan and emerging economies – especially China – it is likely to gain by 7% in 2012 to achieve a new record high of 6.48 million ounces. At the same time, it thus accounts for two-thirds of total gross demand, which highlights its dominance (Chart 13). Jewellery demand, on the other hand, remains very subdued, and looks set to decline for the fourth consecutive year. After investment demand was negative last year – i.e. financial investors made palladium available to the market on balance – it will be positive again in 2012 at 385 thousand ounces. Nearly half of this demand is attributable to ETF demand. This also withdraws supply from the global palladium market (similarly to platinum), thereby increasing the deficit by a corresponding amount.

Trends continue in 2013

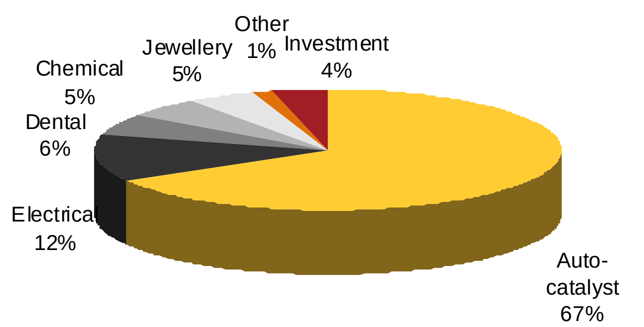
Johnson Matthey does not expect any significant change in the market situation in 2013. Supply is likely to fall further, mainly as a result of lower Russian sales. At the same time, demand from the automotive industry is likely to remain robust, so another year of supply deficit appears inevitable. The only factor that could ease the situation would be higher supply as a result of recycling. We see considerable upside potential for palladium and foresee a price of $950 per troy ounce by year's end 2013.

CHART 12: **Russia selling less and less palladium**



Source: Johnson Matthey, Commerzbank Corporates & Markets

CHART 13: **Palladium demand by sector in 2012**



Source: Johnson Matthey, Commerzbank Corporates & Markets

At a glance

TABLE 1: **Our forecasts**

	Quarterly average									Yearly average		
	28/11/12	**Q1 13**	**Q2 13**	**Q3 13**	**Q4 13**	**Q1 14**	**Q2 14**	**Q3 14**	**Q4 14**	**2012**	**2013**	**2014**
Gold	1720	1950	1900	1950	2000	2100	2050	2050	2000	1725	1950	2050
Silver	33.8	38.0	38.0	40.0	43.0	46.0	44.0	46.0	45.0	32.0	40.0	45.5
Platinum	1605	1800	1825	1875	1950	2050	2000	2100	2100	1600	1875	2075
Palladium	675	775	825	875	950	1000	975	1000	1050	670	855	1010

Quarterly average, based on spot prices; Source: Bloomberg, Commerzbank Corporates & Markets

TABLE 2: **ETF holdings (weekly data)**

			Total net change			% change	52 weeks	
	Date	Holdings	1 week	1 month	1 year	1 year	High	Low
Gold ETFs (in '000 ounces)	23.11.12	83794.8	84.1	671.7	7205.0	9.4	83794.8	75418.0
Silver ETFs (in '000 ounces)	23.11.12	600081.3	-4719.9	7858.7	44330.8	8.0	604801.2	553321.7
Platinum ETFs (in '000 ounces)	23.11.12	1501.1	2.8	-5.4	133.6	9.8	1523.6	1287.1
Palladium ETFs (in '000 ounces)	23.11.12	1855.4	12.1	-22.7	82.6	4.7	1997.5	1654.2

Source: Bloomberg, Commerzbank Corporates & Markets

TABLE 3: **Net long positions of money managers (weekly data)**

			Total net change			% change	52 weeks	
	Date	Level	1 week	1 month	1 year	1 year	High	Low
Gold (in '000 contracts)	20.11.12	135.939	11.009	-10.697	-1.743	-1.3	177.143	59.809
Silver (in '000 contracts)	20.11.12	32.215	5.197	0.599	20.810	182.5	36.374	2.414
Platinum (in '000 contracts)	20.11.12	23.702	-1.843	-10.930	10.143	74.8	37.509	5.829
Palladium (in '000 contracts)	20.11.12	9.122	1.901	1.506	3.349	58.0	10.036	1.617

Source: Bloomberg, Commerzbank Corporates & Markets

TABLE 4: **History**

	Current	% change				History							
	USD per troy ounce	1 week	1 month	y-t-d	y-o-y	Q111	Q211	Q311	Q411	Q112	Q212	Q312	Q412
Gold	1720	-0.2	1.0	10.4	0.7	1400	1500	1700	1675	1700	1600	1650	1725
Silver	33.8	1.8	6.7	21.9	6.2	32.0	38.5	39.0	32.0	32.5	29.5	30.0	33.0
Platinum	1605	2.4	5.5	15.7	5.5	1800	1775	1775	1525	1600	1500	1500	1600
Palladium	675	4.2	15.5	4.2	16.6	790	760	750	630	685	630	615	635

Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

TABLE 5: **World Official Gold Holdings (monthly data)**

Country	tonnes	Country	tonnes
USA	8,133.5	Switzerland	1,040.1
Germany	3,391.4 (-4.2)	Russia	934.5 (+16.5)
IMF	2,814.0	Japan	765.2
Italy	2,451.8	Netherlands	612.5
France	2,435.4	India	557.7
China	1,054.1	ECB	502.1

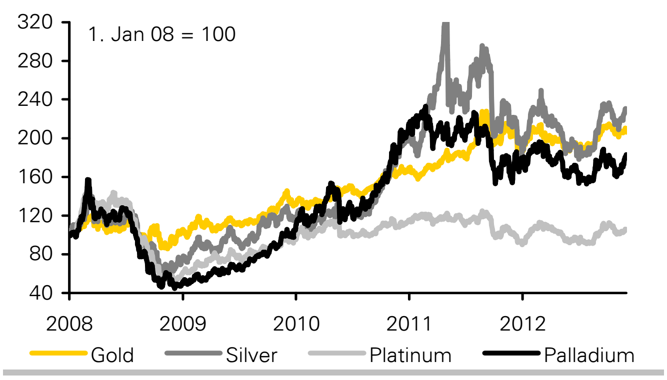
Source: World Gold Council, Commerzbank Corporates & Markets

TABLE 6: **Upcoming Events**

6 Dec / 10 Jan	EUR	ECB meeting
12 Dec / 29 & 30 Jan	USA	FOMC meeting: possible increase of bond buying to $85 billion per month
13 & 14 December	EUR	EU summit: decisions on fiscal/banking union; structural reforms to the EMU framework
16 December	JPN	Parliamentary elections: more easing of monetary and fiscal policy after change in power
January	USA	Automatic tax hikes and expenditure cuts come into force if no agreement will be reached by year's end ("fiscal cliff")
January	USA	USA reaches debt ceiling: agreement of raising the debt ceiling necessary

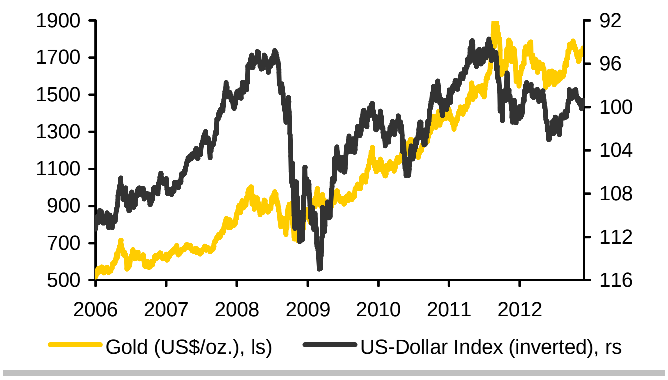
Source: Commerzbank Corporates & Markets

CHART 14: Precious metals since 2008 (01/01/08 = 100)



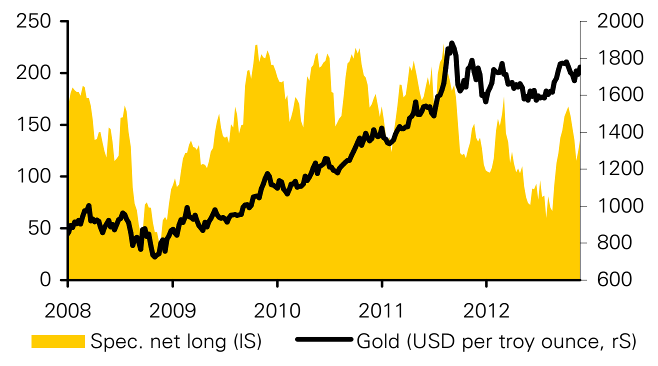
Source: Bloomberg, Commerzbank Corporates & Markets

CHART 15: Gold versus US dollar



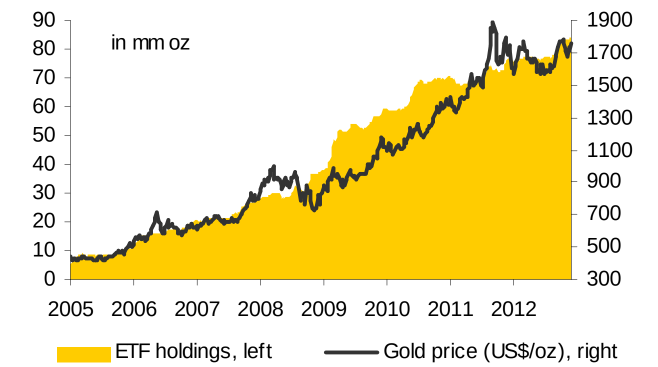
Source: Bloomberg, Commerzbank Corporates & Markets

CHART 16: Net long positions of money managers (Gold)



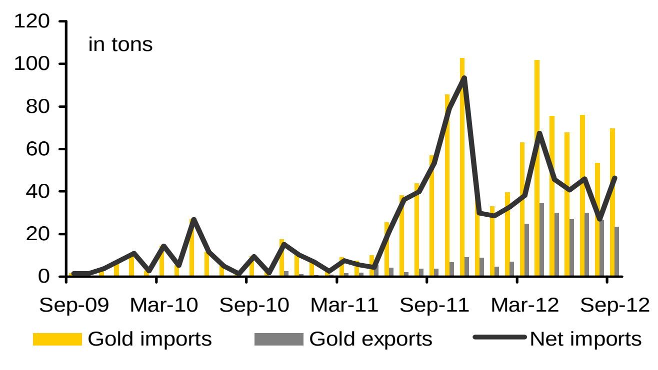
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

CHART 17: Gold: ETF holdings



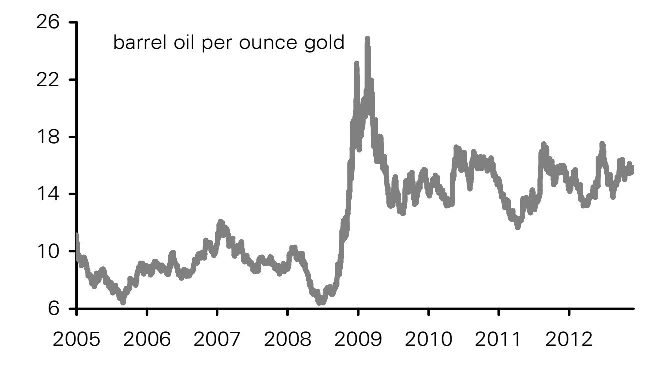
Source: Bloomberg, Commerzbank Corporates & Markets

CHART 18: Chinese gold trade via Hong Kong



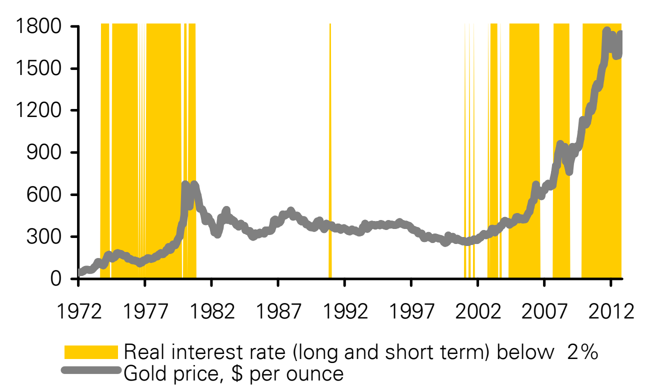
Source: Statistics Department of HK, Reuters, Commerzb. Corp. & Markets

CHART 19: Gold/Oil ratio



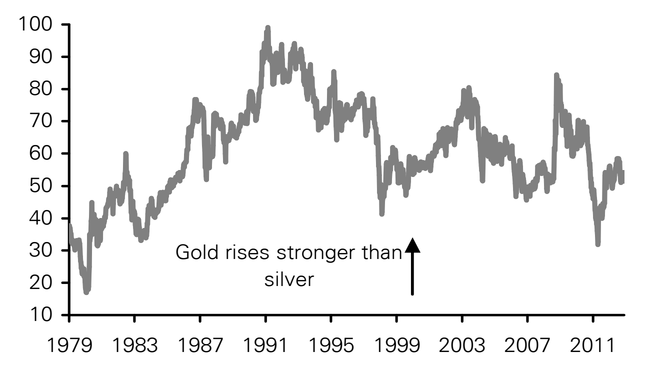
Source: Bloomberg, Commerzbank Corporates & Markets

CHART 20: Gold price and real interest rates



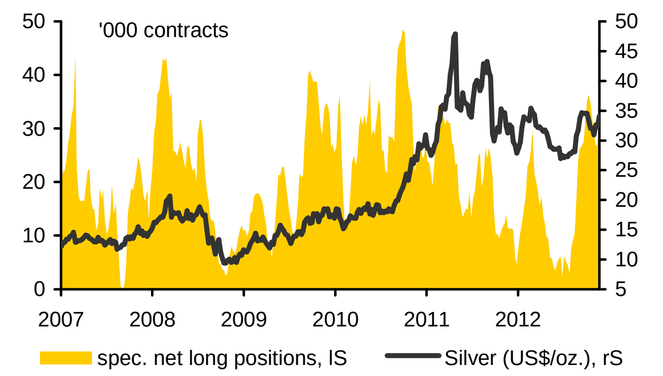
Source: Bloomberg, Commerzbank Corporates & Markets

CHART 21: Gold/Silver ratio



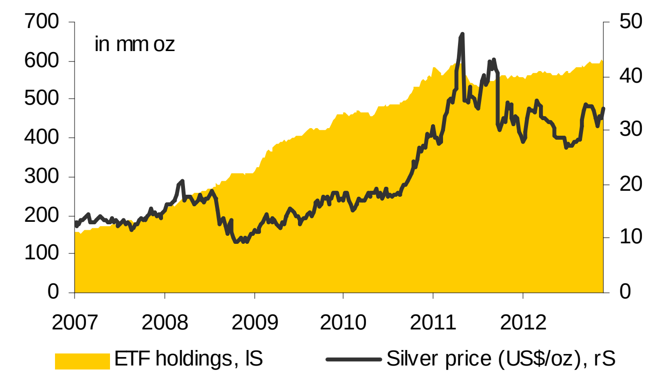
Source: Bloomberg, Commerzbank Corporates & Markets

CHART 22: **Net long positions of money managers (Silver)**



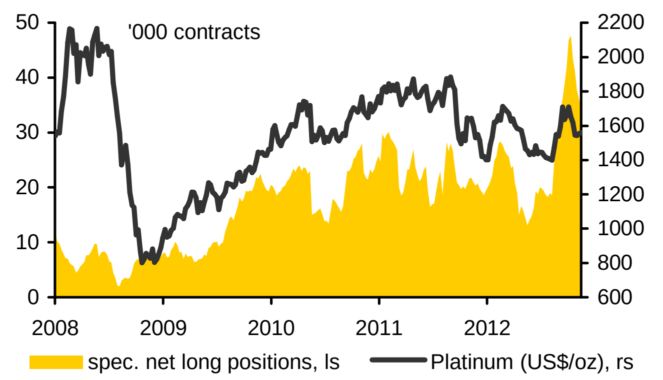
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

CHART 23: **Silver: ETF holdings**



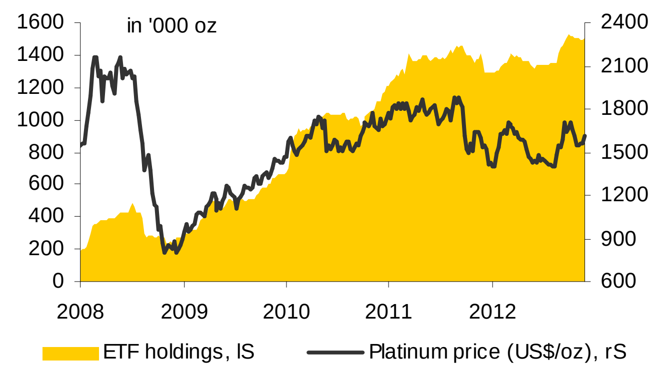
Source: Bloomberg, Commerzbank Corporates & Markets

CHART 24: **Net long posit. of non-commercials (Platinum)**



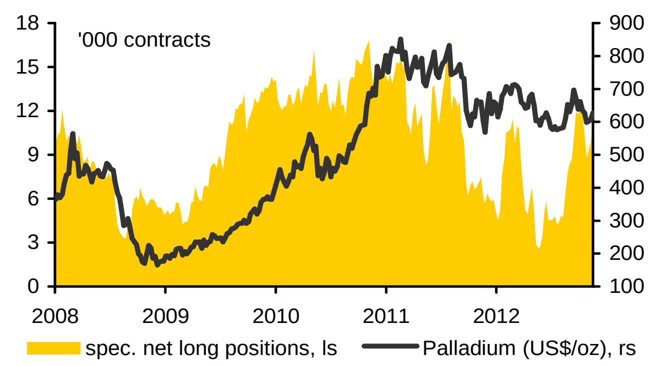
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

CHART 25: **Platinum: ETF holdings**



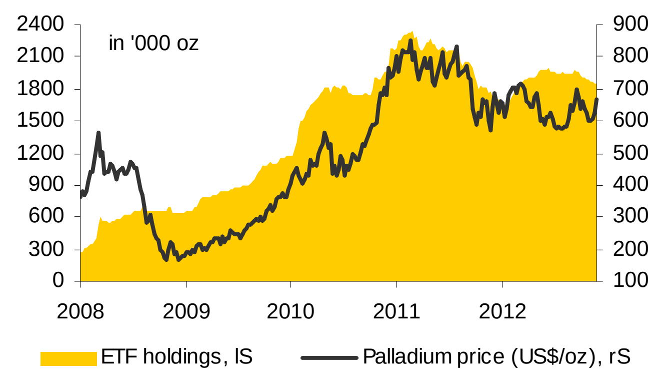
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

CHART 26: **Net long posit. of non-commercials (Palladium)**



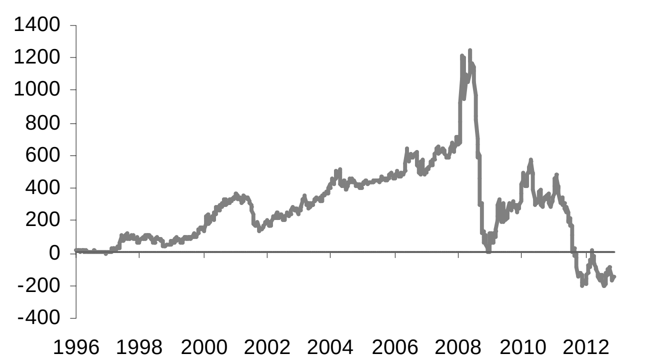
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

CHART 27: **Palladium: ETF holdings**



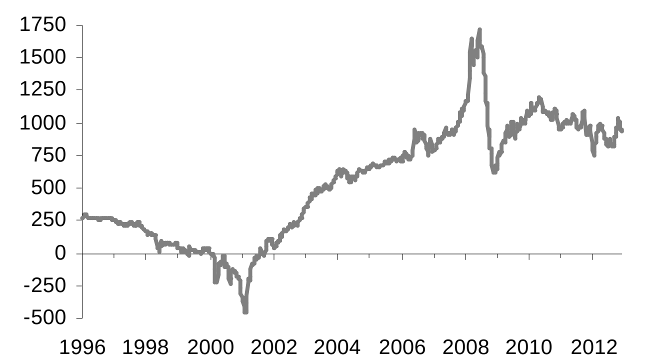
Source: Bloomberg, Commerzbank Corporates & Markets

CHART 28: **Price difference platinum vs gold (US$/oz)**



Source: Bloomberg, Commerzbank Corporates & Markets

CHART 29: **Price difference platinum vs palladium (US$/oz)**



Source: Bloomberg, Commerzbank Corporates & Markets

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