

Precious Metals Update 13 August - 20 August 2012

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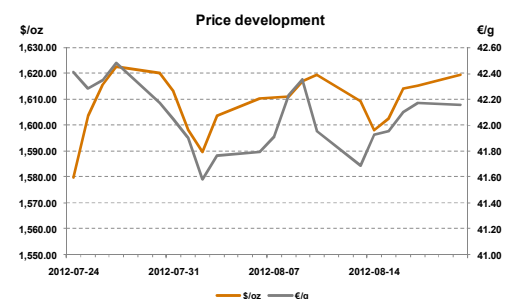
Gold	AU	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
	High	1,629.1	1,325.6	42.6	17 August 2012	70,604,120	0.49%
	Low	1,567.8	1,289.6	41.5	10 August 2012	70,257,200	

After gold had held above 1,600.00 \$/oz for more than a week, it fell below this psychologically important level on Tuesday. Since the publication of positive US retail sales – the first in four months – the yellow metal had no longer been supported at this price. Yet the losses were limited as it became known that growth in Europe during the second quarter had disappointed and that Merkel once again pledged support for Draghi and the Euro.

The week then closed again at prices of nearly 1,620.00 \$/oz. A potential outbreak from the current trading range of 1,590.00 \$/oz and 1,630.00 \$/oz, however, can probably be seen only towards the end of the month when economists and central bankers convene again. For the moment, at least, we are missing the impulses to break resistance at 1,640.00 \$/oz and to give way to a move higher.

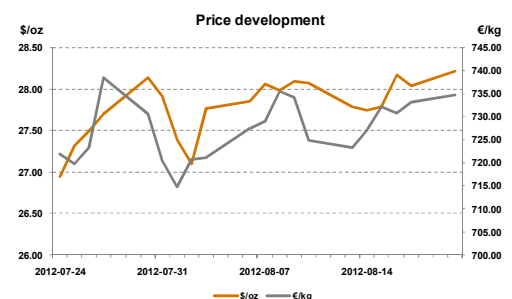
According to the World Gold Council demand for gold fell by 7% in the second quarter and thus reached its lowest level in two years. Despite a substantial increase of demand from central banks, it was the lack of purchases by China and India that overshadowed the period in question. George Soros and John Paulson, however, both well-known hedge fund managers, are reported to have only just substantially increased their shares in gold funds as published by the SEC (United States Securities and Exchange Commission).

The PMIs (Purchase Manager Index) of several euro countries as well as the US, published this week, on August 23rd, will further indicate the market's sentiment.



Silver	AG	\$/oz	€/oz	€/kg	Stock/oz	ETF (abs.)	ETF (rel.)
	High	28.4	23.1	743.0	17 August 2012	501,039,392	-0.05%
	Low	26.6	22.0	708.6	10 August 2012	501,284,192	

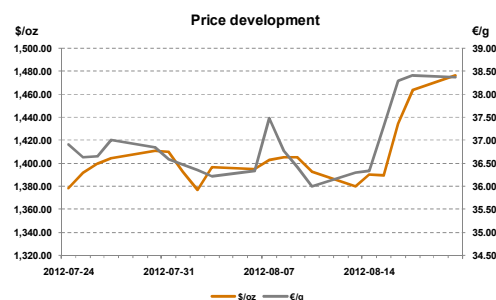
In line with gold, silver traded almost unchanged around 28.00 \$/oz last week. Known for being more sensitive than gold, the white metal briefly fell to 27.50 \$/oz on Wednesday but then recovered and closed again above 28.00 \$/oz by the end of the week. Since Draghi's comment to do 'whatever it takes' we are lacking impetus for any more severe price moves here as well. We expect silver to trade in a range between 27.00 \$/oz and 28.50 \$/oz. Support also arises through increasing ETF holdings as well as speculative long positions.



Platinum	PT	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
	High	1,477.5	1,198.3	38.5	17 August 2012	1,320,672	-0.13%
	Low	1,374.6	1,117.3	35.9	10 August 2012	1,322,399	

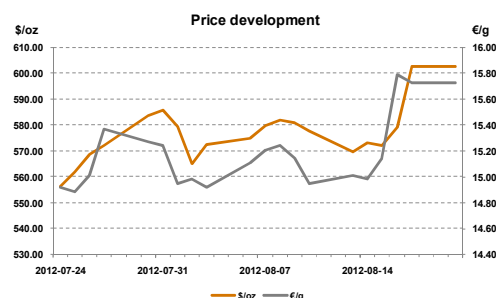
Platinum was majorly influenced last week by news from South Africa where severe industrial action by miners led to violent intervention by the police. The initial riots were caused by disagreements between the labor unions NUM and AMCU at the Marikana Mine which is operated by Lonmin, the world's third biggest Platinum producer. The violent deaths of 30 mine workers caused Lonmin to temporarily close its South-African mines. Consequently this year's production target of 750.000 oz is now at stake.

In the course of the riots platinum jumped by about 60.00 \$/oz to a price of 1,450.00 \$/oz and reduced its spread to gold substantially. While we have recently seen gold at a spread of 230.00 \$/oz to platinum, it is now at about 160.00 \$/oz. However, we do not rule out to see prices back at 1,400.00 \$/oz in the short term.



Palladium	PD	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
	High	608.5	493.0	15.9	17 August 2012	1,819,616	-0.07%
	Low	551.7	457.0	14.7	10 August 2012	1,820,976	

The news flow around palladium is fairly limited at the moment. Supported by platinum, the price for an ounce of palladium increased last week from 578.50 \$/oz to approximately 600.00 \$/oz. Generally, however, it can be noted that due to missing impulses palladium continued to trade sideways with little tendency for either direction. This morning we see palladium above the 600.00 \$/oz mark which according to the charts could stimulate further buying.



Rhodium, Ruthenium, Iridium

The remaining PGMs still face a downward trend, mainly driven by substantial supply and weak demand for iridium and ruthenium. In comparison to the last reporting period rhodium, iridium as well ruthenium lost 35.00 \$/oz, 20.00 \$/oz, 10.00 \$/oz respectively. Especially ruthenium and iridium lack demand during the summer period.

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