

Precious Metals Update 01 - 07 April 2013

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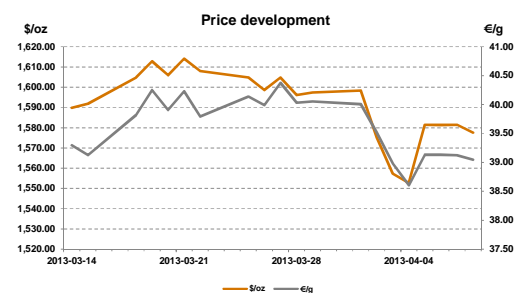
	AU	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
Gold	High	1,603.60	1,260.06	40.51	05 April 2013	70,092,427	-0.88%
	Low	1,539.74	1,195.36	38.43	28 March 2013	70,714,974	

At the end of March - as worries over Cyprus had supported the metal - it seemed as if gold had been able to establish itself again above the important price level of 1,600.00 \$/oz. In the course of last week, however, the metal fell as low as 1,539.75 \$/oz which translates into the lowest price since May last year. Once again positive economic data out of the US had turned sentiment around so that investors focused on riskier but higher-yielding assets and rejected gold.

Contrary to market logic, the comments by the Bank of Japan regarding a more expansive monetary policy in order to support their economy and to generate growth remained without impact, let alone bullish force. Yet, the news had had intrinsic potential to push prices higher. The turnaround (+30.00 \$/oz) was then initiated by the publication of US labor data (non-farm payrolls) on Friday. Since they came in much weaker than expected, gold regained its safe-haven status: After all, it benefits from monetary measures and inflation fears which remain in focus at times of weak economic prospects. Such data-driven and short-lived mood swings will continue to influence the market.

Thomson Reuters GFMS has commented in its recently published annual report that the bull market of the last decade is coming to an end. The analysts expect a bear phase to begin in 2014 which is accounted for by the declining jewelry and physical investment demand (-14%) as well as stagnating central bank purchases. This mirrors the corrections by several banks of their metal forecasts for this year which we mentioned recently. Nevertheless, GFMS sees potential for "one last flourish" of the gold price.

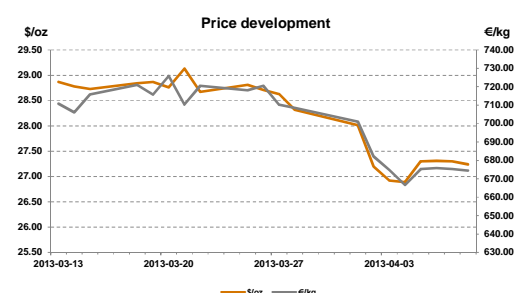
Since stop-loss sales were generated when gold fell below the level of 1,550.00 \$/oz, we saw good demand from the investment side. For a recovery of price, gold needs to stay above 1,580.00 \$/oz. For the next few days we expect to see gold in a range of about 1,540.00 – 1,580.00 \$/oz.



	AG	\$/oz	€/oz	€/kg	Stock/oz	ETF (abs.)	ETF (rel.)
Silver	High	28.38	22.72	730.43	05 April 2013	540,173,618	-1.26%
	Low	26.62	20.64	663.44	28 March 2013	547,079,905	

Once again silver reacted more strongly than gold. Whilst gold fell by 1 % last week, silver dropped by 0.71 \$/oz (2.53%). Hence, the gold-silver ratio ranks at an 8-month high of currently 57.90. The decline in price was predominantly initiated by speculative future sales. In response to the lower price level, we noticed increased demand for silver. Equally strong interest was seen in US silver Eagle coins where sales picked up substantially.

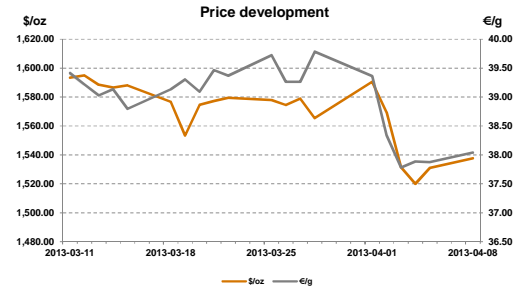
Looking forward, we see silver well supported at 26.00 \$/oz – a level which the metal defended since the last quarter of 2010. Although some banks have lowered their forecasts for silver for 2013, the physical demand as well as the economic environment indicate climbing prices. Along with expansionary monetary policies of the European Central Bank as well as the Federal Reserve, the Bank of Japan has reconfirmed its position for the stabilization of the economy.



Platinum	PT	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
	High	1,597.24	1,252.84	40.28	05 April 2013	1,466,675	0.06%
	Low	1,525.50	1,165.17	37.46	28 March 2013	1,465,849	

Platinum fell by 59.50 \$/oz (-3.75%) last week and currently trades at a 7-month low which resulted in increased demand from both automotive and chemical industry.

The metal finds support at 1,515.00 \$/oz and we see further potential for increasing prices. The situation in South-Africa remains tense. It is hence not surprising that the basket price (1,207.00 \$/oz) for the extraction of Platinum Group Metals increased during this year's first quarter by 2.9% compared to the same period last year.

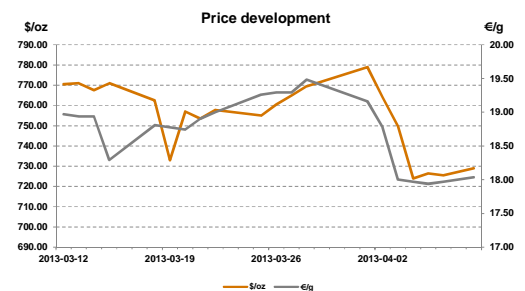


Palladium	PD	\$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
	High	781.25	608.00	19.55	05 April 2013	1,927,538	0.00%
	Low	720.22	549.00	17.65	28 March 2013	1,927,538	

Palladium suffered the biggest loss of all precious metals during the reporting period. The small brother of platinum lost 51.56 \$/oz (6.63%) from 777.97 \$/oz to 726.41 \$/oz. Last Thursday the metal fell by 30.00 \$/oz caused by speculative short positions that led to technical sales respectively limit orders.

Little attention was given to the news that Russia and South Africa want to establish an OPEC-like organization for platinum group metals. South Africa contributes approximately 80% to the global platinum supply, whereas Russia contributes 40% to palladium. An OPEC-like union would probably support prices. A goal of the organization is to diminish the supply surplus in platinum.

Looking ahead palladium finds support at 710.00 \$/oz.



Rhodium, Ruthenium, Iridium

Rhodium eased further in the course of the reporting period and trades now in a range of 1,150.00 – 1,200.00 \$/oz. The continuously sluggish demand has led to profit-taking which also pushed prices lower.

There is little news for Ruthenium: We continue to see stable demand despite the high price level which can so far be filled by relatively good availability. As anticipated iridium saw a correction in the last few days. Since there is still little demand, some market participants felt the pressure to sell which resulted in declining prices. It was the first significant price action in three months and we are currently trading in a broader range of 930.00 \$/oz – 1,000.00 \$/oz.

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