Precious Metals Update
09 - 15 September 2013

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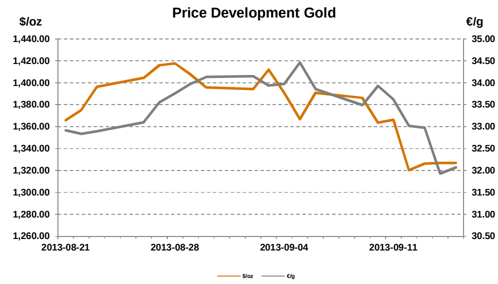
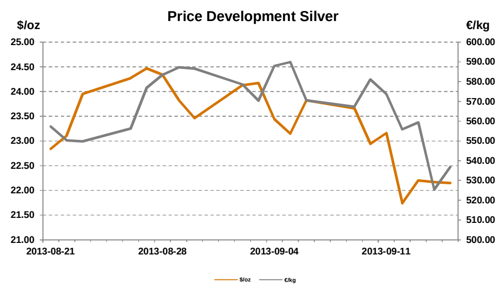
Gold	AU	$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
	High	1,391.91	1,057.95	34.01	13 September 2013	56,323,299	-0.22%
	Low	1,304.56	981.54	31.56	06 September 2013	56,445,699	

When the US government signaled its intention not to intervene militarily in the Syrian conflict, at first gold responded with significant losses. Investors cut their long position in a big way and with 1304.50 $/oz on Friday the metal traded on the lowest level since 09 August. Additionally, the physical demand offered no support in this market environment. Ahead of the Fed's decision, investors in Europe and the United States held back with purchases. Even in Asia, physical buying interest was restrained at prices of just under 1,390 $/oz in the first half of the week. Thus, premium for gold in Hong Kong vs. London went to just 2 $/oz. For comparison: A surcharge of almost 6$/oz was paid in June. The FOMC meeting on Tuesday and Wednesday is in the center of attention this week. The majority of market participants expect the US central bank to give details about the tightening of its loose monetary policy (tapering). A reduction of asset purchases by 10 billion dollars per month is now broadly reflected in the prices. However, in the current environment, we do not rule out that the gold price gives way again: A first psychological support is at 1,300 $/oz, but also a decline to 1,270 $/oz might be on the cards. Conversely, a temporary recovery is conceivable after the FOMC decision. In that case, the price level around 1,355 $/oz (100-day-moving average) poses a significant resistance. The change in US monetary policy is likely to continue weighing on the gold price in the coming year: Consultancy Thomson Reuters GFMS does not preclude a decrease towards 1,300 $/oz while a recovery towards 1,500 $/oz appears possible for 2013. In the current year, the lower metal price is expected to have an impact on the supply side of the market. GFMS expects a decline in the supply of scrap gold – a development that we currently witness, too. At the same time, analysts however forecast a slight increase in mine production, which is not surprising due to the long lead time from exploration (search for and development of gold deposits) to the actual production. On balance, the supply surplus this year is expected to decline slightly.



Silver	AG	$/oz	€/oz	€/kg	Stock/oz	ETF (abs.)	ETF (rel.)
	High	23.97	18.26	586.91	13 September 2013	545,602,155	-0.14%
	Low	21.35	16.06	516.45	06 September 2013	546,345,391	

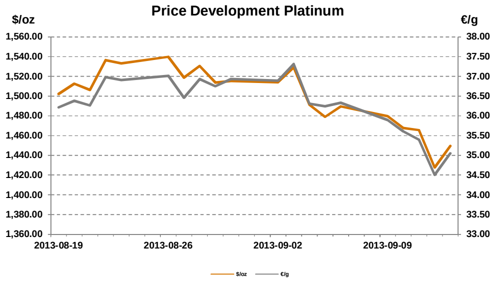
At the beginning of last week silver traded in a range from 23.36 $/oz - 23.07 $/oz. A first price slump occurred Tuesday night, when it became known that a military strike by the U.S. against Syria is no longer imminent. Over the course of the week, prices continued to fall: With 21.35 $/oz the metal reached its weekly low when gold also came under pressure. Despite the low price level, industrial consumers reacted cautiously. On the contrary, when silver temporarily recovered, we observed an increase in sales of scrap metal. For this week, 23.10 $/oz represents an initial resistance which, if overcome, might cause a test of 24 $/oz. A first, but significant, support is already at 21.71 $/oz (100-day-moving average). However, should buying at this level fail to deliver sufficient support, a more severe correction towards 20.60 $/oz appears to be possible.



Platinum	PT	$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
	High	1,502.50	1,141.78	36.71	13 September 2013	1,960,378	-0.53%
	Low	1,419.70	1,068.24	34.34	06 September 2013	1,970,779	

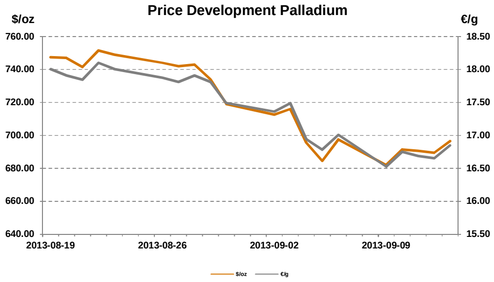
Platinum saw losses of 2.60% over the course of the last week. Since the metal had climbed as high as 1,540 $/oz mid last week on the back of the continuously unclear situation in Syria, it fell to 1,425 $/oz on Friday – the lowest price level since nearly one month. We now trade at 1,455 $/oz.

The less tensed situation in Syria, the consequently declining gold price as well as the limited demand – despite the lower level – which could have lent support, were the reason for platinum to shed feathers. Neither the situation in South-Africa was or is setting new impulses: the local problems seem to be on a ‘normal’ level at the moment. We expect the metal to stay above the support level of 1,425 $/oz after it had breached several technical marks and see platinum trading on the current level in the next few days until new triggers influence the market.



Palladium	PD	$/oz	€/oz	€/g	Stock/oz	ETF (abs.)	ETF (rel.)
	High	705.77	534.00	17.17	13 September 2013	1,779,988	-0.54%
	Low	678.97	512.00	16.46	06 September 2013	1,789,620	

The price of palladium moved sideways last week and could not establish itself above 700 $/oz. There have been corrections towards a price of 685 $/oz - also in the wake of platinum which compared to palladium saw greater losses last week - which resulted repeatedly in buying interest. Should the metal continue to trade in last week’s range (see table above) we expect to see a tendency for a lower price level in the short term. Technical support is given at 682 $/oz and if the metal trades below that mark, we consider further corrections as likely. The next support level is set at 662 $/oz.



Rhodium, Ruthenium, Iridium

There was a substantial price movement in ruthenium last week. Since the significant buying interest had suddenly subsided mid- August, the price had weakened continuously and showed a loss of 25% within four weeks. The metal trades at 45 – 60 $/oz at the moment which translates into a week’s loss of 10 $/oz as demand has basically ceased completely. From our experience, also buyers out of Asia held back as ruthenium finds itself in a downward trend.

Despite a considerable increase in rhodium's trading volume, the metal nevertheless declined a little and now trades on the bid side clearly below 1,000 $/oz. Since the summer has come to an end, we have seen a rise in industrial demand again – in particular out of Asia – as the lower price level has been used for first purchases.

Iridium‘s downward trend continues as well despite demand out of the industry which used the lower price level for purchases. Should the price decline further we will see additional purchases. The metal trades at the moment in a range of 600 $/oz – 725 $/oz.

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