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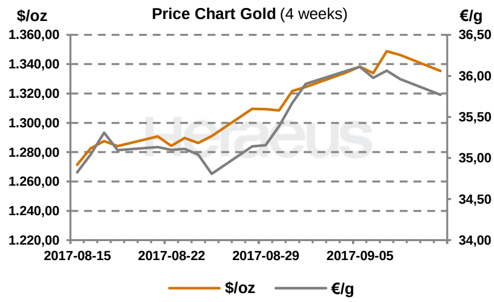
PRECIOUS METAL update

04. September - 10. September 2017

GOLD	Au	$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
	High	1.357,95	1.128,47	36,28	11 September 2017	54.874.346	0,22%
	Low	1.326,99	1.113,45	35,80	4 September 2017	54.756.566	

Gold at a 12-month-high

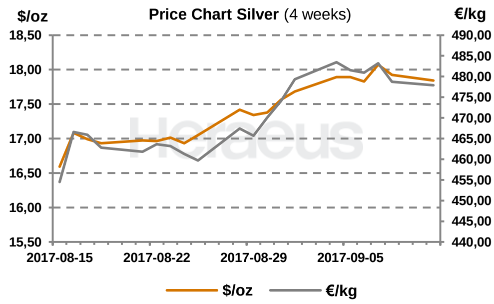


Holding true to its two-month upward trend, gold started the trading week at 1,329 $/oz. As the week progressed, gold showed little volatility, rising to a new 12-month-high at 1,357 $/oz. The low for the week was recorded on Monday at 1,326 $/oz. Thus, gold once again remained true to its status as a safe haven in times of geopolitical tensions.

In addition to the uncertainty regarding North Korea, the increasing weakness of the US dollar gave significant support to precious metals prices. Many factors were at play here: discussions about the debit limit in the United States, which was ultimately raised only with support from the Democrats and despite opposition from the Republican base; the economic repercussions of Hurricane Harvey; and uncertainty about the Fed's future course on interest rates (with the Fed apparently increasingly conforming to market opinion and allowing just one more rate increase before the end of 2018). As a result, weighted against the basket of other major currencies, the US dollar fell to a 2.5-year low, having already dropped by 10.8% during 2017. Investors were correspondingly enthusiastic about buying gold. ETF holdings rose by 1.3% to more than 1,700 tons. Positive sentiment and a narrow technical upward trend channel indicate further price increases for this week as well. Greater resistance might then set in at $1,375/oz., the multi-year high of July 2016. Accordingly, support lies at $1,325—the bottom of the upward channel.

SILVER	Ag	$/oz	€/oz	€/kg	Date	ETF oz (abs.)	ETF (rel.)
	High	18,25	15,16	487,26	11 September 2017	630.094.937	-0,84%
	Low	17,74	14,87	478,05	4 September 2017	635.404.901	

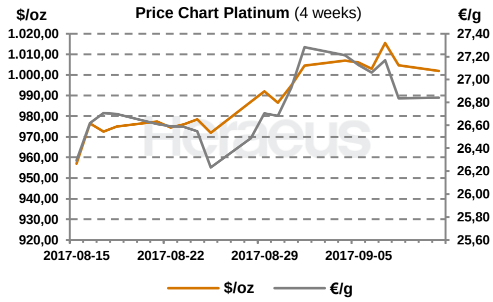
Boost for silver



Like gold, silver is also experiencing an upward boost. The trading week started at 17.85 $/oz., a level last reached in April 2017. The price later touched the 18 $/oz. mark and reached its high for the week at 18.25 $/oz. Silver closed the week at a price of 18.02 $/oz. Despite this strong performance, silver could not match gold in benefiting from market participants' growing aversion to risk. The gold/silver ratio has hovered at about the same high level for weeks. Thus, so far silver has shown no sign of outperforming gold as it often has in the past. However, there is fundamentally no reason that it would not return to that pattern in the near future. Last week, the major factor seemed to be large-scale hedging on the part of mines that took advantage of the higher price to curb the price increase. ETF holdings were also slightly reduced. For now, the focus remains on the psychologically important mark of 18 $/oz. However, the medium-term goal seems to be the year's high at 18.67 $/oz. Support kicks in at the June high of 17.75 $/oz.

PLATINUM	Pt	$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
	High	1.028,50	857,53	27,57	11 September 2017	2.194.598	0,38%
	Low	995,00	830,63	26,71	4 September 2017	2.186.257	

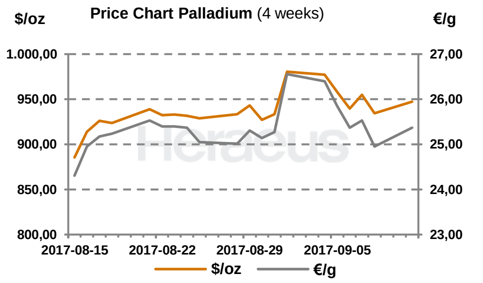
Platinum maintains its upward trend



During the past week, the price of platinum continued to climb. The metal opened the reporting week at 1,012 $/oz. and posted a gain of 16 $/oz for the week. At Friday's close, platinum stood at 1,012 $/oz. Meanwhile, the World Platinum Investment Council (WPIC) published its quarterly report for Q2 2017. During the second quarter, the platinum market was in good shape, with supply at over 2 million ounces (63 tons) and demand at 1.9 million ounces (61 tons). The WPIC expects total supply this year to drop to approx. 7.79 million ounces (242 tons), a decrease of 2% compared to the prior year. At the same time, total demand is expected to drop by 6% (compared to the prior year) to 7.81 million ounces, owing particularly to declining demand in the automobile sector. There is thus a high probability that the platinum market will end the year with a slight supply deficit (approx. 15 thousand ounces) and at equilibrium overall. On the charts, we see support at 966 $/oz and resistance at 1,080 $/oz.

PALLADIUM	Pd	$/oz	€/oz	€/g	Date	ETF oz (abs.)	ETF (rel.)
	High	1.005,20	845,00	27,17	11 September 2017	1.512.617	0,30%
	Low	931,50	774,00	24,88	4 September 2017	1.508.114	

Profit-taking in palladium



As we have reported, this year palladium undoubtedly ranks as a winner among the precious metals; as a result, investors are now diligently taking their profits. This is reflected in the trend of prices during the past week, as palladium plummeted. After opening at 985 $/oz. on Monday, palladium closed the week at 939 $/oz. However, analysts assume that in the longer term palladium could run into a supply deficit; as a result, the signals for palladium remain bullish. Therefore, it can be assumed that the downturn during the past week was more of a temporary trend. Given the tight liquidity for palladium, financing interest rates for the metal remain at a very high level. On the charts, palladium is supported at 910 $/oz and encounters resistance at approximately 1,110 $/oz.

RHODIUM, RUTHENIUM, IRIDIUM		Rhodium ($/oz)	Ruthenium ($/oz)	Iridium ($/oz)
	Bid	1.110	62	920
	Ask	1.210	72	1.020

Rhodium - Remains at a high level; Ruthenium - Remains in demand; Iridium - Holds stable

During the reporting week, **Rhodium** rose only slightly compared to the past 4 weeks, and it appears to have stabilized for now at the current price level. However, demand remains very strong, and there is still no sign that investors might dispose of their stocks to take profits, thereby putting pressure on the price. On the contrary, despite the relatively high price, additional speculative purchases can even be observed. With strong demand from the automobile industry—the result of Dieselgate—but also from the chemical industry, the situation now presents an outlook that is fundamentally quite positive. While there is availability from primary and secondary production, it is definitely not high enough to meet the current overall demand in the short term. Therefore, we continue to assume that the price will remain stable and possibly even rise further.

Continued demand for **Ruthenium** indicates the likelihood of a price increase in the medium term. Especially active are market participants from Asia, with a much stronger presence than a few weeks ago. With the development of smaller speculative positions, the market is experiencing support from this side as well. As already suggested, we could also envision an additional price increase in the near future if buying interest should persist in this form.

The **Iridium** market had a somewhat quieter reporting week, though overall activity continued at a very stable level. Physical demand from various users and consumers remains stable and currently gives no indication of weaker trends in the near future. In the long term, it remains to be seen whether the high price will create pressure for possible substitution in some industries or areas of application.

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