

12 July 2010

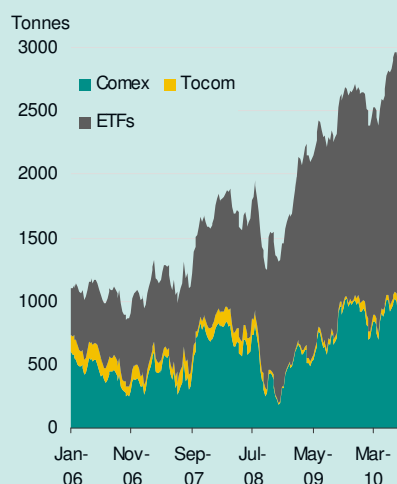
Precious Metals Weekly

CFTC/Tocom data to week ending 6 July 2010

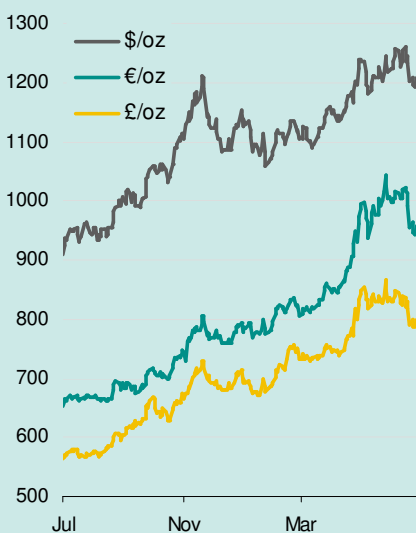
ETF data to week ending 9 July 2010

Nutshell: investors take profit

All gold investment, Jan 2006-July 2010, tonnes



Gold price in various currencies, past year

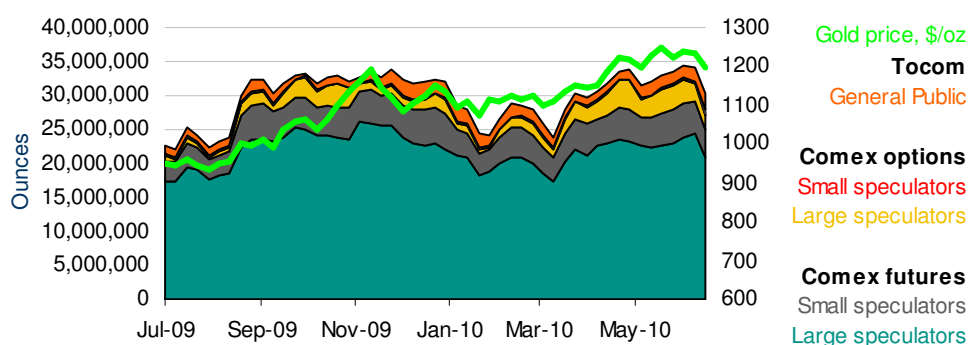


Gold investment (ounces)

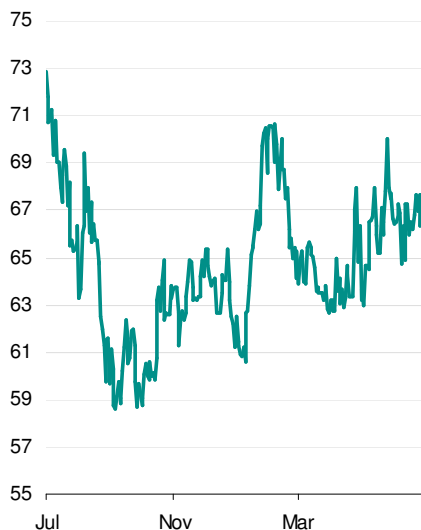
Futures/options	Comex net long futures				Total	Tocom General Public
	Futures Large Specs	Small Specs	Options Large Specs	Small Specs		
29-Jun-10	24,472,500	4,523,100	2,829,800	165,400	31,990,800	2,257,819
06-Jul-10	20,904,200	4,010,000	2,233,900	251,100	27,399,200	2,220,257
Change	-3,568,300	-513,100	-595,900	85,700	-4,591,600	-37,562
ETFs	SPDR	US (BGI, ETFs)	UK (GBS, ETFs)	Australia	S.Africa	Swiss (ZKB, JB)
02-Jul-10	42,404,421	3,258,579	8,305,705	475,910	09-Jun-47	8,103,498
09-Jul-10	42,262,967	3,307,124	8,385,782	475,874	21-Mar-47	8,103,498
Change	-141,453	48,546	80,077	-36	-80	0
	Total futures/options	Total ETFs	Global total investment	Gold price \$/oz		
02-Jul-10	34,248,619	64,135,983	98,384,602	1,235		
09-Jul-10	29,619,457	64,123,036	93,742,493	1,195		
Change	-4,629,162	-12,947	-4,642,109	-40		

- Comex net longs fell heavily in the week ending 6 July in tandem with a sharp decline in the gold price. The net non-commercial futures position fell 3.57 Moz to a three-month low of 20.9 Moz, in the process recording its largest drop since late July 2007. Longs in the non-commercial futures position slid more than 2.87 Moz – the largest decline since August 2008 – while shorts rose by almost 0.7 Moz. There were also declines in the non-reportable position and non-commercial options, which took the total net long position to a three-month low of 27.4 Moz in its biggest fall since August 2008.
- There was no such mass selloff on Tocom, where the GP & Funds' futures position dropped by just 37,562 oz, to 2.2 Moz. By 9 July this had gained 54,894 oz to reach almost 2.3 Moz.
- ETFs also saw outflows, but the 0.14 Moz drop in the SPDR was partly offset by gains in the US BGI and UK ETFS products. The decline in the SPDR was nevertheless its largest since early February 2010.
- The gold price fell significantly in the week to 6 July, down \$40/oz, to \$1,195/oz. Having found a stable base – with much of the speculative froth gone – the gold price fixed up in the morning of 12 July, at \$1,203.75/oz.

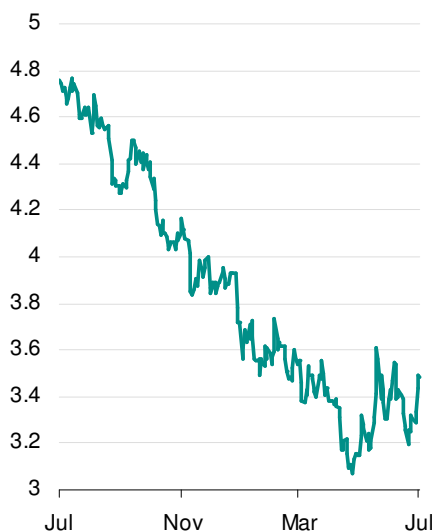
Exchange gold investment, past 12 months, ounces



Gold/silver ratio, past 12 months



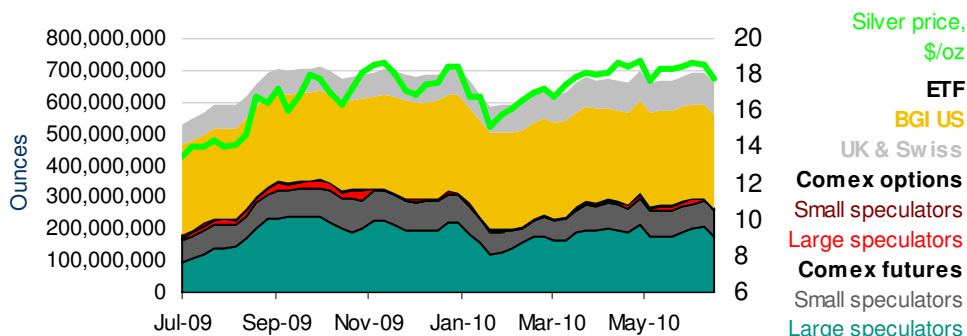
Platinum/palladium ratio, past 12 months



Silver investment (ounces)

Comex	Open Interest	Large Specs	Small Specs	Options net long	Total
29-Jun-10	772,025,000	209,550,000	82,995,000	4,845,000	297,390,000
06-Jul-10	719,835,000	175,220,000	86,615,000	3,930,000	265,765,000
Change	-52,190,000	-34,330,000	3,620,000	-915,000	-31,625,000

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Silver price \$/oz
02-Jul-10	105,616,552	302,913,547	408,530,098	705,920,098	18.57
09-Jul-10	105,616,552	302,911,637	408,528,189	674,293,189	17.85
Change	0	-1,910	-1,910	-31,626,910	-0.72

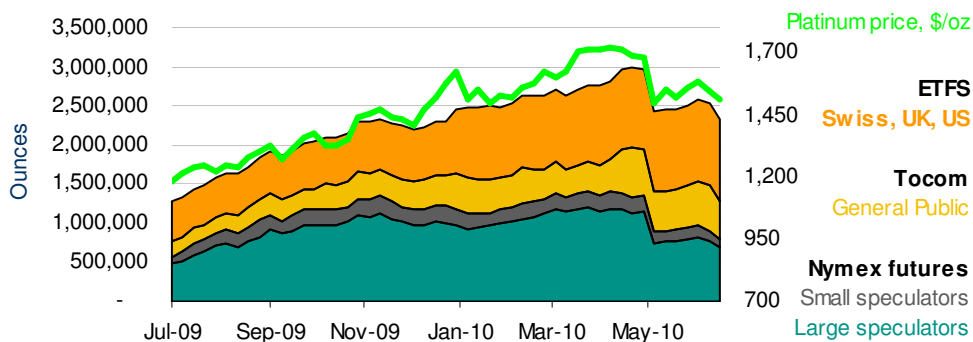


- In the past two weeks Comex silver open interest has fallen by the most than at any time since December 2008. It fell 52.1 Moz in the week under review, from 102.4 Moz the previous week, and many speculators appear to have decided that it was time to take some money off the table. That the price has not fallen more sharply is partly due to the fact that it was still far from its recent multi-year highs, unlike gold. The total net long position fell 31.6 Moz, to its lowest level since late March 2010, at 265.8 Moz.
- ETF investment was kinder, with just 1,910 oz lost in the week to 9 July, all from the US ETFS product. In the past three weeks ETF holdings have shed 0.61 Moz, but they are still up almost 12 Moz since the start of the year.
- The silver price fell 72 cents/oz, to \$17.85/oz, its largest weekly fall since early February 2010. It fixed on 12 July at \$18,06/oz.

Platinum investment (ounces)

Nymex	Open Interest	Large Specs	Small Specs	Total	Tocom
29-Jun-10	1,474,850	760,000	138,350	898,350	590,704
06-Jul-10	1,404,850	691,800	100,500	792,300	492,194
Change	-70,000	-68,200	-37,850	-106,050	-98,510

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Platinum price \$/oz
02-Jul-10	733,521	298,928	1,032,449	2,521,503	1,545.00
09-Jul-10	733,521	298,928	1,032,449	2,316,943	1,509.00
Change	0	0	0	-204,560	-36

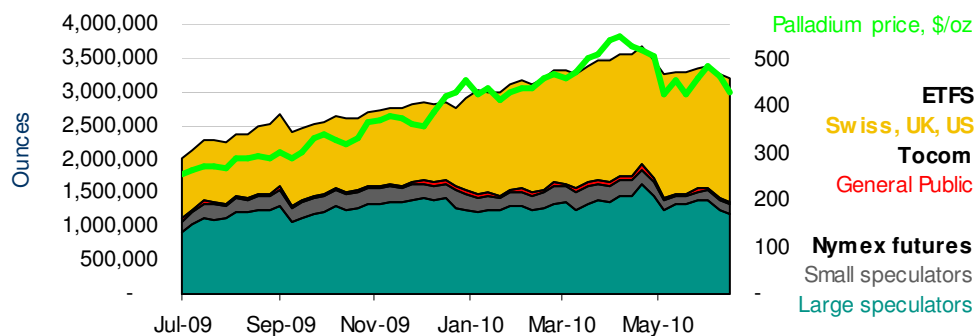


- The Nymex platinum net long position fell for the second consecutive week, declining by 106,050 oz. This was the second largest fall in 2010, and placed the net long position at an 11-month low of 0.79 Moz.
- Tocom futures fell 98,510 oz, the largest since August 2008 and wiping out June's gains. There was no change in the ETFs. The platinum price fell \$36/oz, to \$1,509/oz. It fixed at \$1,524/oz in the morning of 12 July

Palladium investment (ounces)

Nymex	Open interest	Large Specs	Small Specs	Total	Tocom
29-Jun-10	2,046,700	1,246,700	138,000	1,384,700	37,697
06-Jul-10	1,950,600	1,195,200	131,900	1,327,100	35,511
Change	-96,100	-51,500	-6,100	-57,600	-2,186

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Palladium price \$/oz
02-Jul-10	1,015,996	808,020	1,824,016	3,246,412	463.00
09-Jul-10	1,015,996	807,603	1,823,599	3,186,210	432.00
Change	0	-416	-416	-60,203	-31



- The fall in Nymex palladium non-commercial futures continued. Net long futures fell by 57,600 oz, following on from last week's fall of 152,200 oz, marking the largest rolling two-week decline in the Nymex palladium large speculators' position since late May 2010, when the position slid by 436,100 oz. This decline in palladium investment, partly on concerns of weaker demand in the second half of this year, now puts the net long futures position at a nine-month low of almost 1.33 Moz.
- Tocom palladium investment also fared poorly. The GP and Funds' futures position fell 2,186 oz in the week to 6 July, leaving the net futures' position at its lowest since December 2009.
- The US ETFS product shed 416 oz in the week to 9 July. It was only the third such drop since the product was launched in January this year. There was no change in the other ETFs.
- The palladium price fell by \$31/oz, to \$432/oz in the week to 6 July. It fixed at \$454/oz in the morning of 12 July.

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