

19 July 2010

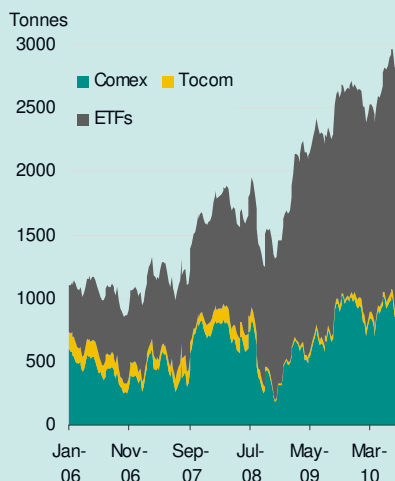
Precious Metals Weekly

CFTC/Tocom data to week ending 13 July 2010

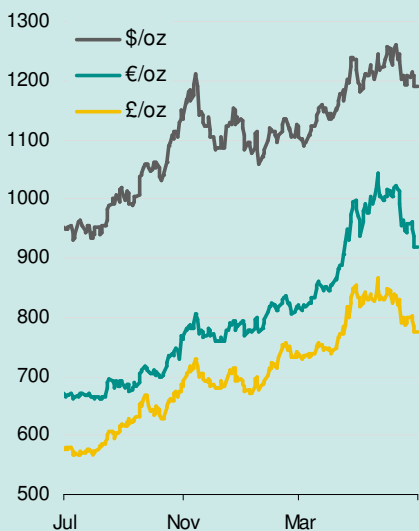
ETF data to week ending 16 July 2010

Nutshell: investors get jittery

All gold investment, Jan 2006-July 2010, tonnes



Gold price in various currencies, past year

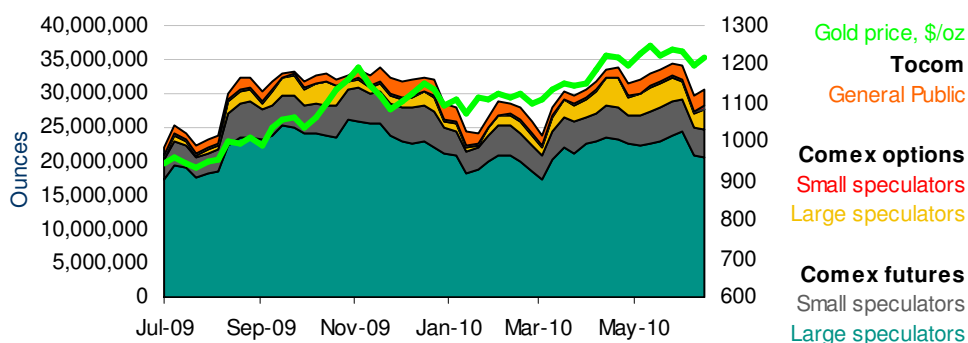


Gold investment (ounces)

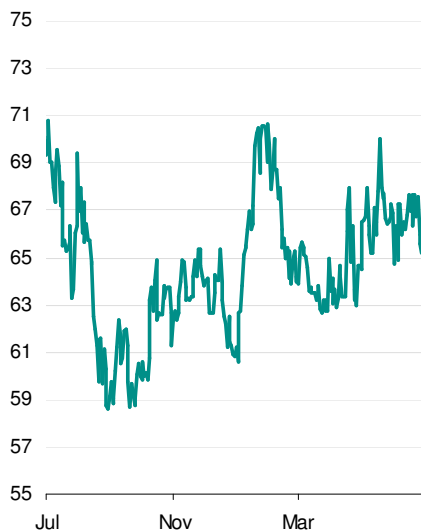
Futures/options	Comex net long futures				Total	Tocom General Public
	Futures Large Specs	Small Specs	Options Large Specs	Small Specs		
06-Jul-10	20,904,200	4,010,000	2,233,900	251,100	27,399,200	2,220,257
13-Jul-10	20,492,100	4,342,700	2,705,100	186,000	27,725,900	2,253,153
Change	-412,100	332,700	471,200	-65,100	326,700	32,897
ETFs	SPDR	US (BGI, ETFs)	UK (GBS, ETFs)	Australia	S.Africa	Swiss (ZKB, JB)
09-Jul-10	42,262,967	3,307,124	8,385,782	475,874	1,587,750	8,131,058
16-Jul-10	42,253,189	3,370,733	8,357,201	475,838	1,587,650	8,204,726
Change	-9,778	63,609	-28,581	-36	-100	73,668
	Total futures/options	Total ETFs	Global total investment		Gold price \$/oz	
09-Jul-10	29,619,457	64,150,556	93,770,013		1,195	
16-Jul-10	29,979,053	64,249,338	94,228,391		1,216	
Change	359,597	98,782	458,378		21	

- The Comex net long position recovered slightly in the week ending 13 July; net longs rose 326,700 oz, taking the total net long position to 27.7 Moz. However the net long commercial position fell 412,100 oz, to 20.5 Moz – the lowest since early April 2010, suggesting investors remain uncertain. Of this, non-commercial futures' longs fell by 740,600 oz and non-commercial futures' shorts by 328,500 oz. Advances in the non-reportable futures' position and non-commercial options helped offset these declines.
- Tocom GP & Funds' futures position increased by 32,897 oz, to 2.25 Moz, wiping away the previous week's decline. The total GP & Funds' futures position has now remained above the 2.2 Moz level for the past three weeks.
- ETFs rose 98,782 oz in the week ending 16 July, led by gains in the BGI product and Swiss ZKB. Total holdings (including the US ETFS, Indian and Turkish products) stood at 66.17 Moz on 16 July, up 177,362 oz this month and 9.26 Moz since the start of this year.
- The gold price rose \$21/oz, to \$1,216/oz in the week ending 13 July, partly in response to the improvement in investment demand. However, the gold price fell to sub-\$1,190/oz by 16 July. It fixed at \$1,190.25/oz in the morning of 19 July.

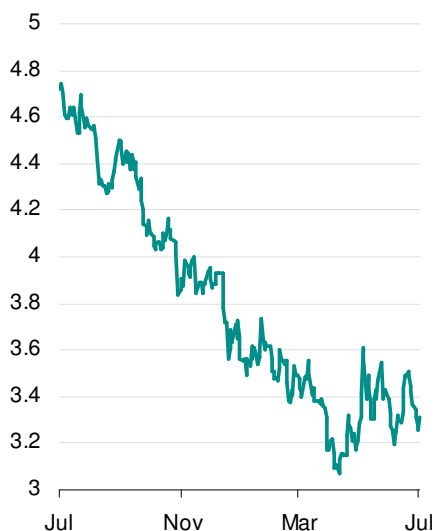
Exchange gold investment, past 12 months, ounces



Gold/silver ratio, past 12 months



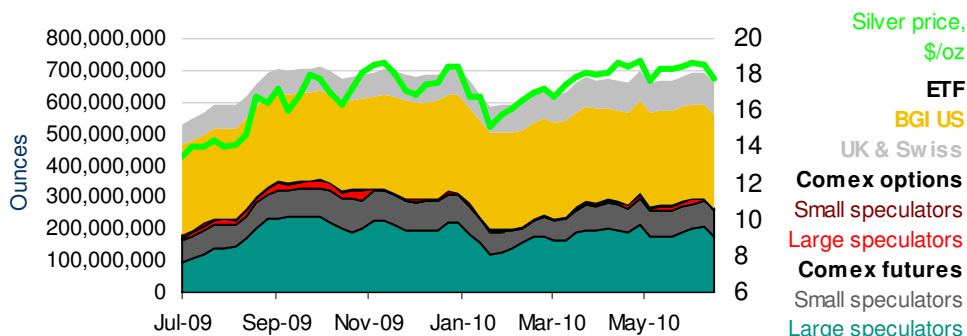
Platinum/palladium ratio, past 12 months



Silver investment (ounces)

Comex	Open Interest	Large Specs	Small Specs	Options net long	Total
06-Jul-10	719,835,000	175,220,000	86,615,000	3,930,000	265,765,000
13-Jul-10	716,405,000	175,910,000	80,160,000	5,475,000	261,545,000
Change	-3,430,000	690,000	-6,455,000	1,545,000	-4,220,000

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Silver price \$/oz
09-Jul-10	105,900,024	302,911,637	408,811,661	674,576,661	17.85
16-Jul-10	106,892,742	304,586,765	411,479,507	673,024,507	18.00
Change	992,718	1,675,128	2,667,846	-1,552,154	0.15

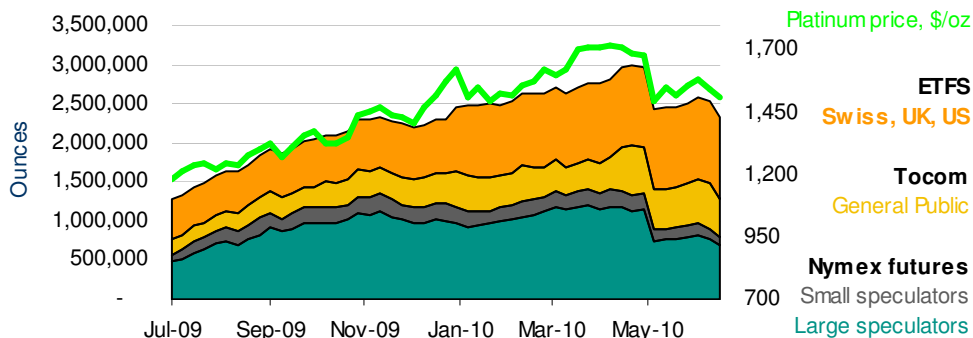


- Comex silver investment fell for the third consecutive week. The non-commercial net long position rose 0.69 Moz (longs fell by 3.5 Moz and shorts by 4.19 Moz) and non-commercial options by 2.48 Moz, to 0.69 Moz (after being net short for the first time since early March). But the 6.46 Moz drop in the non-reportable futures' position (its largest fall since the week ending 11 March) and 0.94 Moz fall in non-reportable options saw the total net long position decline to 261.5 Moz.
- ETFs added almost 2.67 Moz, led by the iShares ETF product, as well as the US ETFs and UK ETFs products and Swiss ZKB.
- Total global net investment (Comex+ETFs) shed 3.5 Moz in the week to 13 July, but the price rose \$0.15/oz, to \$18.00/oz, suggesting some physical support. The price fixed higher at \$18.25 on 16 July, as ETFs added 1.9 Moz. It fixed down at \$17.78/oz on 19 July.

Platinum investment (ounces)

Nymex	Open Interest	Large Specs	Small Specs	Total	Tocom
06-Jul-10	1,404,850	691,800	100,500	792,300	492,194
13-Jul-10	1,399,250	695,150	106,200	801,350	524,565
Change	-5,600	3,350	5,700	9,050	32,370

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Platinum price \$/oz
09-Jul-10	733,521	298,928	1,032,449	2,316,943	1,509.00
16-Jul-10	733,799	303,901	1,037,701	2,363,615	1,534.00
Change	278	4,973	5,251	46,672	25

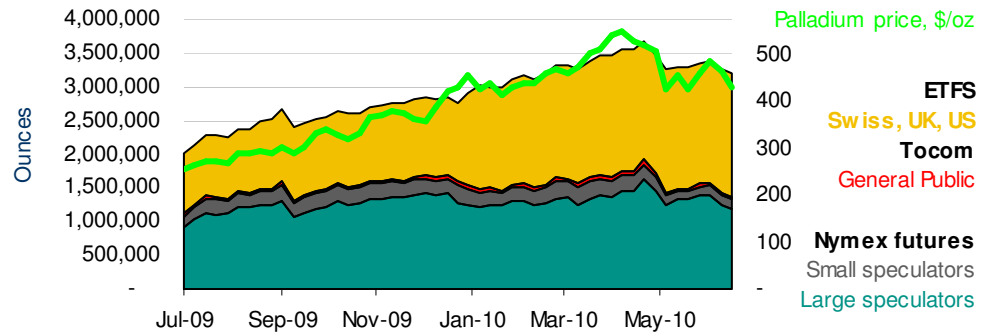


- Activity in platinum on Nymex platinum was muted, with the only notable change being the reversal in its previous overall decline. The net long position rose 9,050 oz.
- Tocom futures advanced 32,370 oz, to 524,565 oz, led by a 33,002 oz fall in shorts in the main contract. ETFs however advanced 5,251 oz.
- The platinum price rose \$25/oz, to \$1,534/oz. It fixed at \$1,515/oz in the morning of 19 July, tracking falls in the other precious metals.

Palladium investment (ounces)

Nymex	Open interest	Large Specs	Small Specs	Total	Tocom
06-Jul-10	1,950,600	1,195,200	131,900	1,327,100	35,511
13-Jul-10	1,967,900	1,271,500	125,800	1,397,300	36,202
Change	17,300	76,300	-6,100	70,200	691

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Palladium price \$/oz
09-Jul-10	1,015,996	782,692	1,798,688	3,161,299	432.00
16-Jul-10	972,536	782,692	1,755,228	3,188,730	463.00
Change	-43,460	0	-43,460	27,431	31



- There was a large increase in the non-commercial futures position on Nymex in the week ending 13 July, suggesting either renewed investor confidence in palladium's near term prospects or simply that the net long non-commercial position had fallen to such a low that its was too tempting to ignore. The non-commercial position advanced 76,300 oz, to 1.27 Moz, its largest rise since early June. The non-reportable position shed 6,100 oz.
- Unlike platinum, there was very little movement in the Tocom GP & Funds' futures position in the week ending 13 July, up just 691 oz, to 36,202 oz. It was however the first rise in three weeks. ETF investment was dominated by the 44,362 oz decline in the Swiss ZKB (800 oz rise in the Julius Baer ETF and 101 oz rise in the UK ETFS).
- The palladium price rose by \$31/oz, to \$463/oz in the week to 13 July, exactly offsetting the previous week's decline. It fixed at \$456/oz in the morning of 19 July.

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