

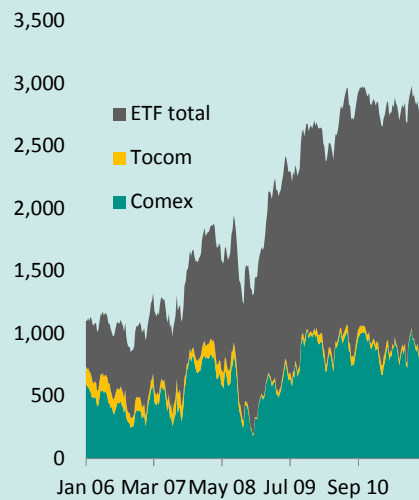
Precious Metals Weekly

CFTC/Tocom data to week ending 20 September 2011

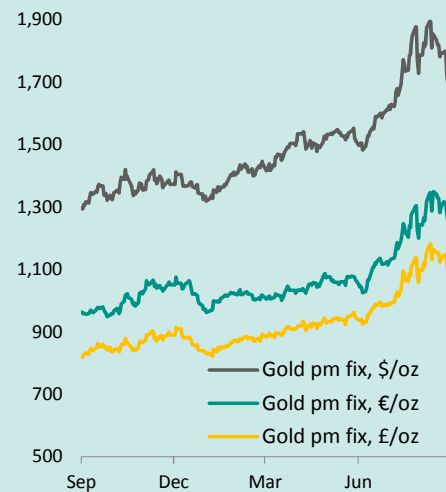
ETF data to week ending 23 September 2011

Investment heads to the dollar

All gold investment, Jan 2006-Sept 2011, tonnes



Gold price in various currencies, past year



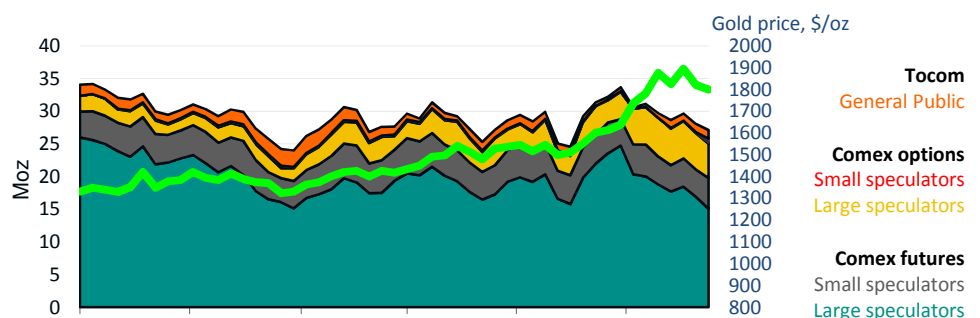
Gold investment (ounces)

Futures & Options	Comex net long futures				TOTAL COMEX	Tocom	TOTAL FUT&OPT
	Futures Large	Futures Small	Options Large	Options Small			
13-Sep-11	16,884,700	4,162,100	5,588,100	127,200	26,762,100	1,286,123	28,048,223
20-Sep-11	15,052,900	4,709,900	5,250,300	165,600	25,178,700	1,311,690	26,490,390
Change	-1,831,800	547,800	-337,800	38,400	-1,583,400	25,566	-1,557,834
ETFs	SPDR	IAU Comex & US ETFs	UK GBS & ETFs	Australia - GBS (ASX)	S.Africa - New Gold	Swiss ZKB & Julius Baer	Other ETFs*
16-Sep-11	40,250,099	6,423,315	8,155,440	473,607	1,455,680	9,653,393	6,587,404
23-Sep-11	40,259,832	6,404,710	8,097,106	473,569	1,455,640	9,594,893	6,589,004
Change	9,734	-18,605	-58,333	-38	-40	-58,500	1,600
Total ETFs		Global total investment (futures and options to week Tuesday and ETFs, incl other ETFs, to week Friday)			Gold price \$/oz		
16-Sep-11	72,998,937	101,047,161			13-Sep-11	1,820	
23-Sep-11	72,874,755	99,365,144			20-Sep-11	1,799	
Change	-124,183	Change	-1,683,616		Change	-21	

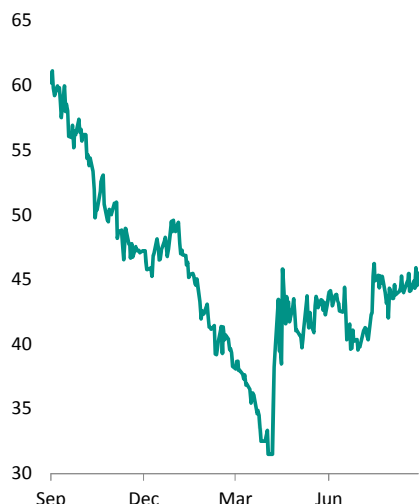
* Other ETFs include: ETF Securities' Asian gold, precious metal and white metal baskets; five Indian ETFs (updated quarterly - figures shown assumes no change in current quarter from previous quarter); Turkish; Xetra; Claymore; Sprott Physical Gold Trust; Central Fund of Canada; and Central Goldtrust.

- The Comex net long position gave up further ground in the week ending 20 September, declining 1.58 Moz, to hit 25.18 Moz. It was the fourth week out of five that net speculative length has been cut, while a net 7.9 Moz has come off since the week ending 2 August, when net length hit a record 33.08 Moz. At that time the net long:open interest split was 40.4%, it now sits at 26.1%, which is the lowest since late November 2008. Judging by the sharp correction in the gold price post 20 September and the fall in open interest, as posted by the Chicago Mercantile Exchange in its preliminary daily bulletin for 23 September, we expect the split and net long position, as evidenced by the rise in puts relative to calls, will show another and sharper decline this week.
- ETF holdings also posted a weekly fall in the week ending 23 September, with outflows of 124,183 oz. This was led by the Swiss Julius Baer, UK ETFS and IAU Comex products, with the SPDR rising a modest 9,734 oz.
- Tocom GP & Fund futures bucked the trend and rose in the week ending 20 September, to hit 1.31 Moz – up by a modest 25,566 oz but its highest since mid-May.
- The gold price fell \$21/oz in the week to 20 September, to fix at \$1,799/oz. The price has since plummeted to ~\$1,600/oz levels on investor liquidation to cover losses elsewhere and the stronger dollar – all of which is quite reminiscent of Q4 2008.

Exchange gold investment, past 12 months, ounces



Gold/silver ratio, past 12 months



Platinum/palladium ratio, past 12 months

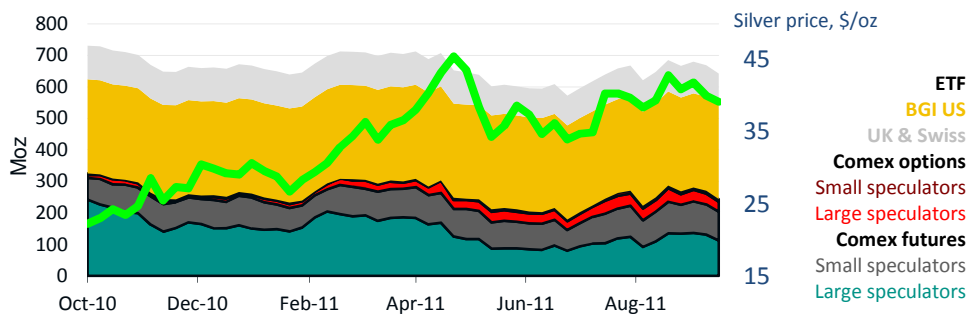


Silver investment (ounces)

	Comex	Open Interest	Large Specs	Small Specs	Options net long	Total
13-Sep-11		841,395,000	131,435,000	95,500,000	43,385,000	270,320,000
20-Sep-11		837,920,000	112,690,000	90,850,000	40,315,000	243,855,000
Change		-3,475,000	-18,745,000	-4,650,000	-3,070,000	-26,465,000

	ETFs	Swiss/UK	US	Total ETFs	Other ETFs*	Silver price \$/oz (at end Comex date)
16-Sep-11		115,144,877	339,678,648	454,823,525	80,064,103	40.02
23-Sep-11		114,804,877	337,152,330	451,957,207	80,064,103	39.18
Change		-340,000	-2,526,318	-2,866,318	0	-0.84

* Incl Claymore and Central Fund of Canada ETFs	Global total investment	775,876,310	Week change	-29,331,318
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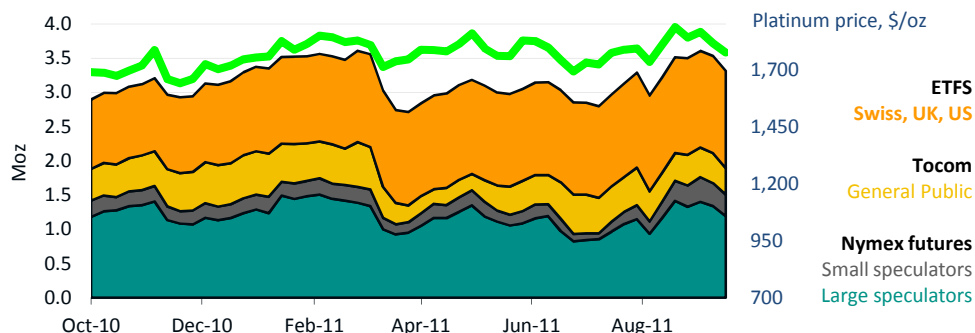


- We expect Comex silver will be characterised by rising shorts and falling longs over coming weeks. Silver has lost its shine as a semi-store of wealth, with investors now more concerned about ailing industrial demand. The net long position eased 26.47 Moz in the week ending 20 September, to hit 243.86 Moz – its lowest since early August. ETFs fell 2.87 Moz, wiping off the previous week's gains.
- As a consequence of weakness in silver's fundamentals, we expect the gold:silver ratio will head back towards 50 in the short-term.
- The silver price fell by \$0.84/oz, to fix at \$39.18/oz on 20 September. The silver price has since fallen through successive levels of resistance to trade below \$30/oz on 26 September.

Platinum investment (ounces)

	Nymex	Open Interest	Large Specs	Small Specs	Total	Tocom
13-Sep-11		2,064,900	1,338,800	334,300	1,673,100	437,546
20-Sep-11		1,920,400	1,192,000	316,300	1,508,300	384,981
Change		-144,500	-146,800	-18,000	-164,800	-52,565

	ETFs	Swiss/UK	US	Total ETFs	Global total investment	Platinum price \$/oz (at end Nymex date)
16-Sep-11		924,260	494,958	1,419,218	3,529,864	1,815.00
23-Sep-11		922,260	460,342	1,382,602	3,275,883	1,774.00
Change		-2,000	-34,616	-36,616	-253,981	-41

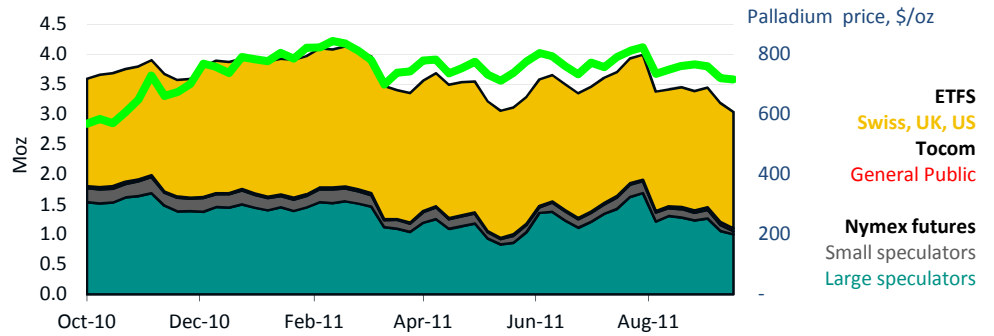


- Platinum investment was down across the board. Nymex platinum futures fell a sizeable 164,800 oz in the week to 20 September, to a one-month low of 1.51 Moz, while Tocom futures fell 52,565 oz, to hit 0.38 Moz – the lowest since mid-May. ETF holdings fell 36,616 oz in the week to 23 September, to 1.38 Moz.
- The platinum price fell \$41/oz, to fix at \$1,774/oz on 20 September. Prices have since collapsed to trade at ~\$1,550/oz on 26 September.

Palladium investment (ounces)

Nymex	Open interest	Large Specs	Small Specs	Total	Tocom
13-Sep-11	1,950,100	1,056,700	97,100	1,153,800	51,136
20-Sep-11	1,979,900	999,600	51,400	1,051,000	51,698
Change	29,800	-57,100	-45,700	-102,800	563

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Palladium price \$/oz (at end Nymex date)
16-Sep-11	1,048,035	891,075	1,939,109	3,144,045	721.00
23-Sep-11	1,046,135	841,539	1,887,674	2,990,372	717.00
Change	-1,900	-49,535	-51,435	-153,673	-4



- Despite the modest rise in Tocom futures, total global investment fell 51,435 oz in the week under review. More liquidation has followed, since the palladium price was trading at ~\$630/oz in the morning of 26 September.
- Nymex futures fell 102,800 oz in the week to 20 September, following on from the 255,400 oz decline the previous week. The net long position as a result is at a four-month low of 1.05 Moz.
- ETFs fell by 49,535 oz, to 0.84 Moz in the week to 23 September – led by outflows in the US ETFs and Swiss Julius Baer products.
- The palladium price fell \$4/oz, to fix at \$717/oz on 20 September.

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