



# Precious Metals Investment Weekly

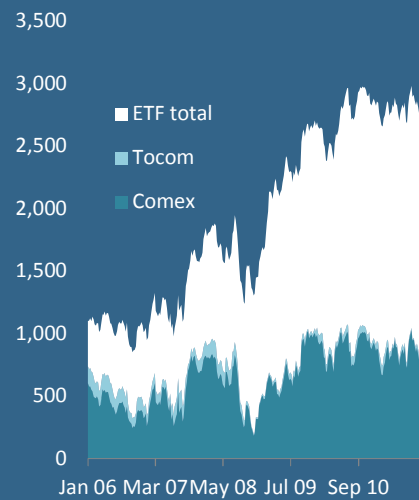
CFTC/Tocom data to week ending 4 October 2011

ETF data to week ending 7 October 2011

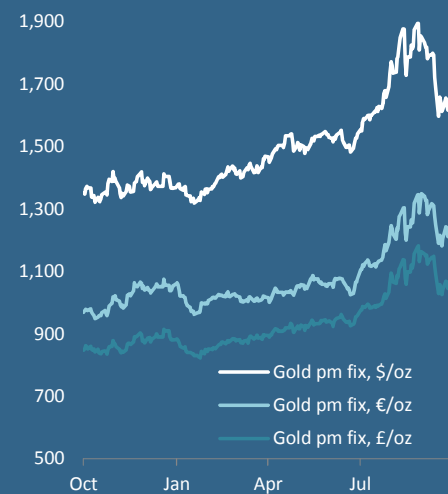
10 October 2011

## Gold liquidation eases; others continue apace

All gold investment, Jan 2006-Oct 2011, tonnes



Gold price in various currencies, past year



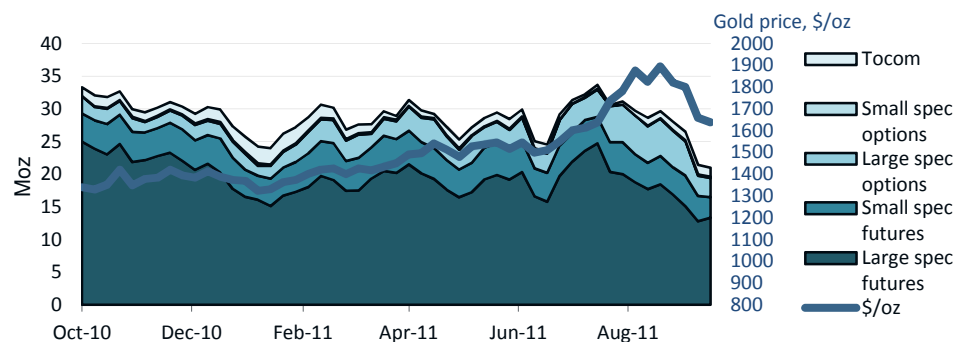
## Gold investment (ounces)

Futures & Options	Comex net long futures				TOTAL COMEX	Tocom	TOTAL FUT&OPT
	Futures Large	Futures Small	Options Large	Options Small			
27-Sep-11	12,780,100	3,888,200	3,095,300	211,600	19,975,200	1,448,295	21,423,495
04-Oct-11	13,315,600	3,159,500	2,915,800	229,600	19,620,500	1,351,978	20,972,478
<b>Change</b>	<b>535,500</b>	<b>-728,700</b>	<b>-179,500</b>	<b>18,000</b>	<b>-354,700</b>	<b>-96,317</b>	<b>-451,017</b>
ETFs	SPDR	IAU Comex & US ETFs	UK GBS & ETFs	Australia - GBS (ASX)	S.Africa - New Gold	Swiss ZKB & Julius Baer	Other ETFs*
30-Sep-11	39,607,748	6,271,147	8,121,433	473,532	1,432,120	9,811,500	6,916,807
07-Oct-11	39,529,892	6,284,465	8,184,686	473,494	1,432,020	9,922,240	6,916,406
<b>Change</b>	<b>-77,856</b>	<b>13,318</b>	<b>63,253</b>	<b>-38</b>	<b>-100</b>	<b>110,740</b>	<b>-401</b>
Total ETFs		Global total investment (futures and options to week Tuesday and ETFs, incl other ETFs, to week Friday)			Gold price \$/oz		
30-Sep-11	72,634,287	94,057,782			27-Sep-11	1,659	
07-Oct-11	72,743,204	93,715,682			04-Oct-11	1,638	
<b>Change</b>	<b>108,917</b>	<b>Change</b>	<b>-341,699</b>		<b>Change</b>	<b>-21</b>	

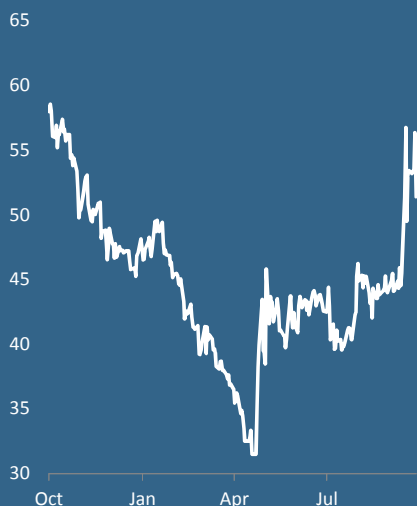
\* Other ETFs include: ETF Securities' Asian gold, precious metal and white metal baskets; five Indian ETFs (updated quarterly - figures shown assumes no change in current quarter from previous quarter); Turkish; Xetra; Claymore; Sprott Physical Gold Trust; Central Fund of Canada; and Central Goldtrust.

- Comex gold liquidation eased in the week to 4 October, falling just 0.35 Moz, to 19.62 Moz. Much of the decline was in the small specs futures position due to 0.94 Moz of long liquidation and an offsetting 0.21 Moz decline in shorts. Large spec futures rose 0.54 Moz on the exit of 0.64 Moz of shorts and 0.11 Moz of longs.
- Over the past four weeks total gross longs (including options) have declined by 9.26 Moz and shorts have eased by 0.31 Moz, implying that despite the 8.95 Moz fall in the total net long position over this period, it has not been owed to speculative bets against the gold rally, rather liquidation to cover losses elsewhere and profit taking.
- Profit taking and liquidation to cover losses is also evident in gold-backed ETFs, where holdings have declined by 0.4 Moz over the past four weeks to 7 October. This outflow has taken place in US-based ETF products, with the SPDR down a net 0.40 Moz and IAU Comex down 0.14 Moz. Conversely non-US ETFs have increased by a modest 0.14 Moz.
- Tocom GP & Fund futures fell 0.1 Moz, to 1.35 Moz in the week to 4 Oct. By 7 Oct the net futures position rose to 1.40 Moz
- The gold price fell \$21/oz in the week to 4 October, to fix at \$1,638/oz. The price has since consolidated, fixing in London at \$1,664/oz in the morning of 10 October.

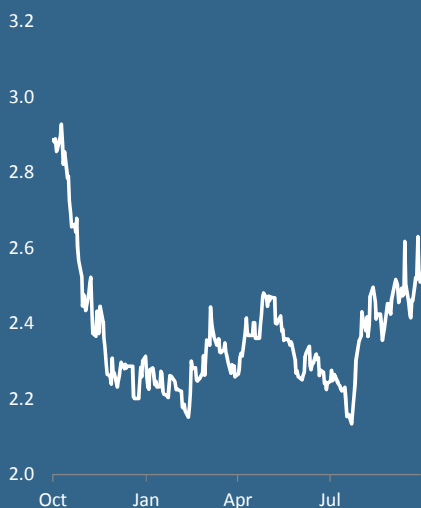
## Exchange gold investment, past 12 months, ounces



## Gold/silver ratio, past 12 months



## Platinum/palladium ratio, past 12 months

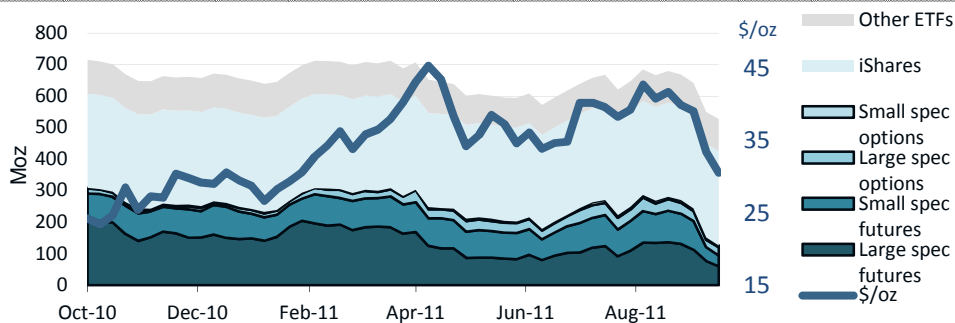


## Silver investment (ounces)

Comex	Open Interest	Large Specs	Small Specs	Options net long	Total
27-Sep-11	784,265,000	77,125,000	44,185,000	29,930,000	151,240,000
04-Oct-11	797,015,000	59,500,000	35,115,000	32,080,000	126,695,000
<b>Change</b>	<b>12,750,000</b>	<b>-17,625,000</b>	<b>-9,070,000</b>	<b>2,150,000</b>	<b>-24,545,000</b>

ETFs	Swiss/UK	US	Total ETFs	Other ETFs*	Silver price \$/oz (at end Comex date)
30-Sep-11	119,902,289	340,447,058	460,349,347	80,064,103	33.50
07-Oct-11	121,923,560	340,964,852	462,888,412	80,064,103	30.60
<b>Change</b>	<b>2,021,272</b>	<b>517,794</b>	<b>2,539,066</b>	<b>0</b>	<b>-2.90</b>

* Incl Claymore and Central Fund of Canada ETFs	<b>Global total investment</b>	<b>669,647,515</b>	<b>Week change</b>	<b>-22,005,934</b>
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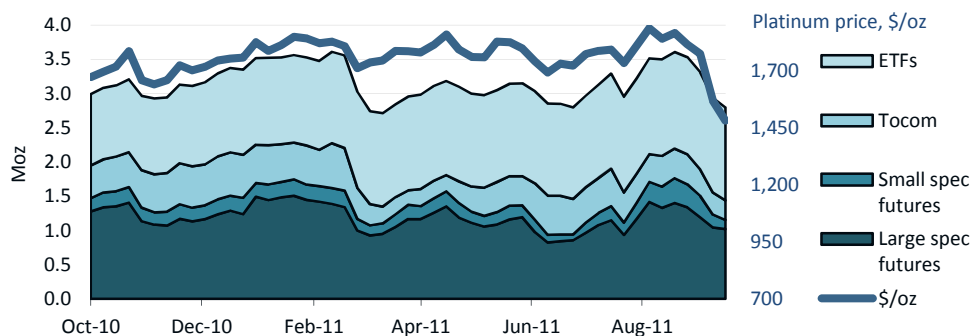


- The Comex silver net long position has more than halved over the past four weeks. The liquidation of 123 Moz of longs and 31 Moz gain in shorts has pushed the long/short ratio to its lowest point since Q4 2008, at 2.1, and similarly speculative length relative to total open interest to 15.9%. Net speculative length now stands at 126.7 Moz, from 281.1 Moz in the first week of September.
- Despite this sharp fall in speculative interest ETF holdings have risen, with holdings up 11.54 Moz, to their highest since late April 2011 at 463 Moz.
- The silver price fell by \$2.90/oz, to fix at \$30.60/oz on 4 October.

## Platinum investment (ounces)

Nymex	Open Interest	Large Specs	Small Specs	Total	Tocom
27-Sep-11	1,885,400	1,043,350	187,600	1,230,950	323,369
04-Oct-11	1,920,050	1,020,650	132,300	1,152,950	284,967
<b>Change</b>	<b>34,650</b>	<b>-22,700</b>	<b>-55,300</b>	<b>-78,000</b>	<b>-38,402</b>

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Platinum price \$/oz (at end Nymex date)
30-Sep-11	922,723	440,527	1,363,250	2,917,569	1,568.00
07-Oct-11	921,994	425,443	1,347,437	2,785,354	1,481.00
<b>Change</b>	<b>-729</b>	<b>-15,084</b>	<b>-15,813</b>	<b>-132,215</b>	<b>-87</b>



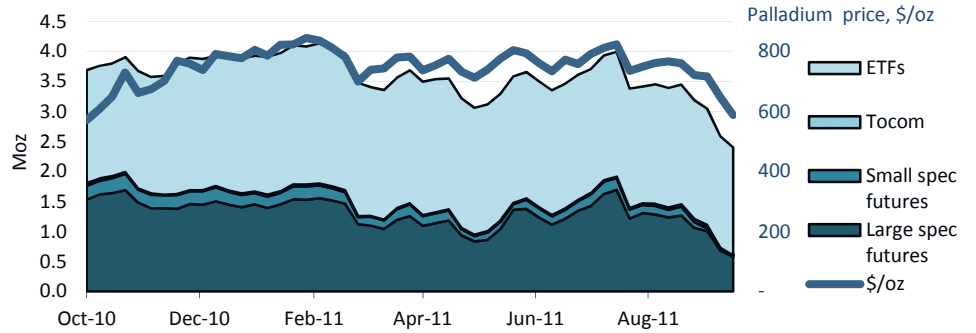
- Another slip in Nymex platinum futures in the week to 4 October saw the net long position fall to its lowest since the week ending 19 July. On a comparative basis with that of gold and silver however platinum has held up well, so far. This has not been translated by ETF holdings, which have declined by 75,428 oz in the past four weeks ending 7 October, to 1.35 Moz.
- The platinum price fell \$87/oz, to fix at \$1,481/oz on 4. Prices have since edged higher to fix in the morning in London at \$1,521/oz on 10 October.

## Palladium investment (ounces)

Nymex	Open interest	Large Specs	Small Specs	Total	Tocom
27-Sep-11	1,873,900	697,600	- 20,100	677,500	49,544
04-Oct-11	1,951,600	619,400	- 40,700	578,700	19,483
<b>Change</b>	<b>77,700</b>	<b>-78,200</b>	<b>-20,600</b>	<b>-98,800</b>	<b>-30,061</b>

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Palladium price \$/oz (at end Nymex date)
30-Sep-11	1,038,761	782,109	1,820,869	2,547,914	647.00
07-Oct-11	1,042,490	742,054	1,784,545	2,382,728	588.00
<b>Change</b>	<b>3,730</b>	<b>-40,054</b>	<b>-36,324</b>	<b>-165,185</b>	<b>-59</b>



- The stuffing has really been knocked out of the palladium market over the past four weeks. Over this period the Nymex net long position has fallen by a record 0.83 Moz, to reach its lowest since March 2009. Long liquidation has accounted for 0.43 Moz, but the 0.40 Moz rise in shorts implies that much of the belief in demand growth that characterised the palladium price rally in 2010 has now evaporated and been replaced with bets for further downside.
- ETF holdings are also down heavily, with 0.2 Moz lost in the past four weeks, or 11% of total holdings.
- The palladium price fell \$59/oz, to fix at \$588/oz on 4 October. Prices have since risen to fix in the morning in London at \$615/oz on 10 October

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