

# Precious Metals Investment Weekly

Date: 15 February 2010

Topic: CFTC, Tocom & ETF data in week to 9 February 2010

Nutshell: Large falls for gold and silver futures

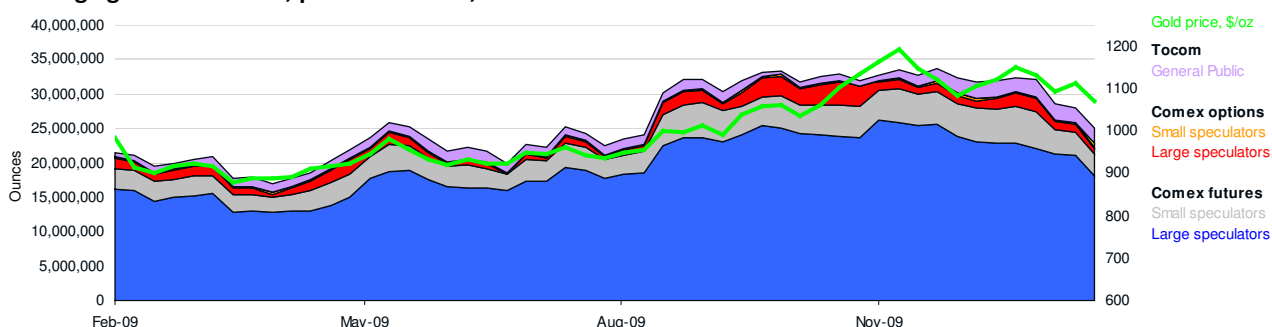
## Gold investment (ounces)

Futures	Comex net long Futures		Options		Total	Tocom General Public	Total futures	Gold price \$/oz
	Large Specs	Small Specs	Large Specs	Small Specs				
02-Feb-10	21,016,900	3,441,000	1,211,300	140,900	25,810,100	2,096,595	27,906,692	1111
09-Feb-10	18,151,900	3,190,800	712,600	254,500	22,309,800	2,013,164	24,322,961	1071
Change	<b>-2,865,000</b>	<b>-250,200</b>	<b>-498,700</b>	<b>113,600</b>	<b>-3,500,300</b>	<b>-83,431</b>	<b>-3,583,731</b>	<b>-40</b>

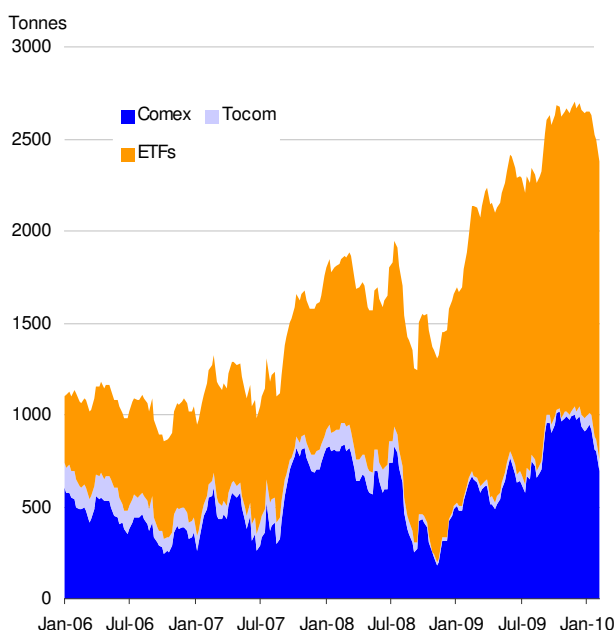
  

ETFs	SPDR	BGI US	UK GBS	Australia	S.Africa	UK and Swiss	Total ETFs	Global total investment
02-Feb-10	35,749,401	2,549,551	3,956,966	491,677	1,691,245	7,954,244	52,884,761	80,791,453
09-Feb-10	35,571,152	2,489,750	3,900,796	491,640	1,694,653	8,101,830	52,741,462	77,064,423
Change	<b>-178,249</b>	<b>-59,800</b>	<b>-56,170</b>	<b>-37</b>	<b>3,408</b>	<b>147,586</b>	<b>-143,299</b>	<b>-3,727,030</b>

### Exchange gold investment, past 12 months, oz



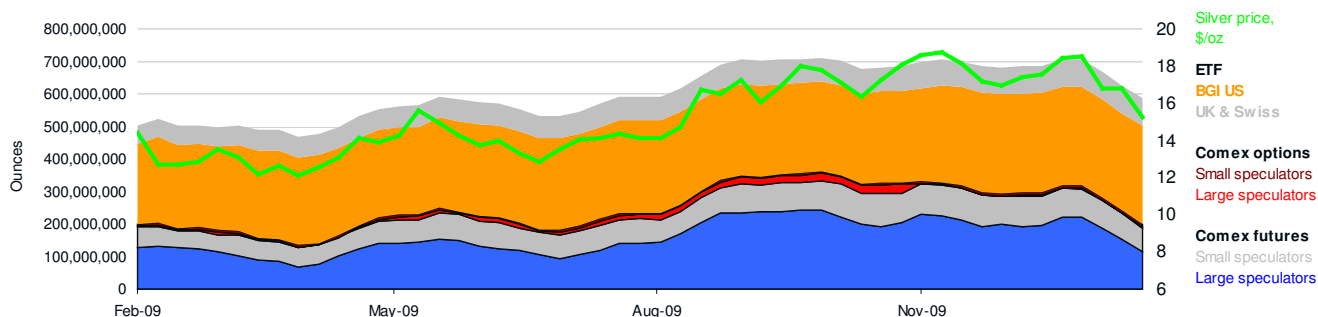
### All gold investment, Jan 2006-February 2010, tonnes



- Comex net longs shed a huge 3.5 Moz in the week ending 9 February, their largest weekly decline since August 2008. Just two weeks ago the weekly position fell by 3.4 Moz, and over the past four weeks it has fallen by 8.9 Moz, taking the net position to 22.3 Moz, its lowest since 25 August 2009.
- TOCOM futures also fell, down for the third consecutive week, this time by 84,431 oz.
- ETFs also suffered over the same time period although not uniformly – losses for the SPDR, BGI, and UK GBS were offset by increases for the ETF Securities UK product. However collectively they were down 143,299 oz.
- The gold price unsurprisingly wilted under this barrage, shedding \$40/oz to \$1,071/oz. It has since recovered however to be trading around \$1,100/oz on the morning of 15 February.

### Silver investment (ounces)

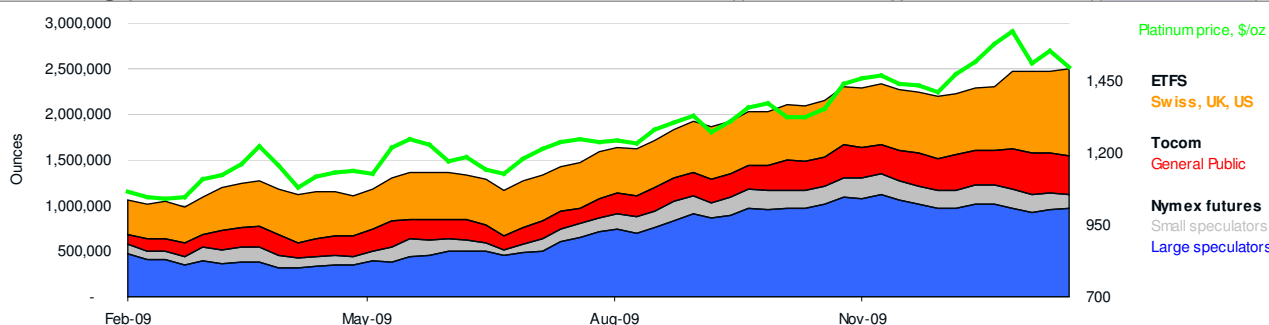
Date	Comex		Futures		Options	US ETF UK ETF Swiss ZKB ETF	Global investment total	Price \$/oz
	Open Interest	Large Specs	Small Specs	Net long	Net long			
02-Feb-10	750,255,000	154,385,000	78,430,000	9,130,000	241,945,000	385,057,860	627,002,860	16.78
09-Feb-10	750,390,000	116,825,000	72,175,000	11,885,000	200,885,000	386,859,695	587,744,695	15.20
<b>Change</b>	<b>135,000</b>	<b>-37,560,000</b>	<b>-6,255,000</b>	<b>2,755,000</b>	<b>-41,060,000</b>	<b>1,801,836</b>	<b>-39,258,164</b>	<b>-1.58</b>



- Silver has suffered more than gold in the recent correction, both price-wise and in terms of the Comex net long position. The price in the week ending 9 February fell by \$1.58/oz to \$15.20/oz, while the Comex net long shed 41.1 Moz. This huge fall (the largest since July 2008) follows on from declines of 39.8 Moz and 36.2 Moz in the previous two weeks, and this cumulative decline is the largest in a three week period since 2005.
- ETF investment however headed the other way with a 1.8 Moz increase in holdings, mainly due to the US BGI ETF. After our cut-off date of 9 February (designed to match up with the weekly CFTC holdings) there was another inflow of slightly more than 1.5 Moz.

### Platinum investment (ounces)

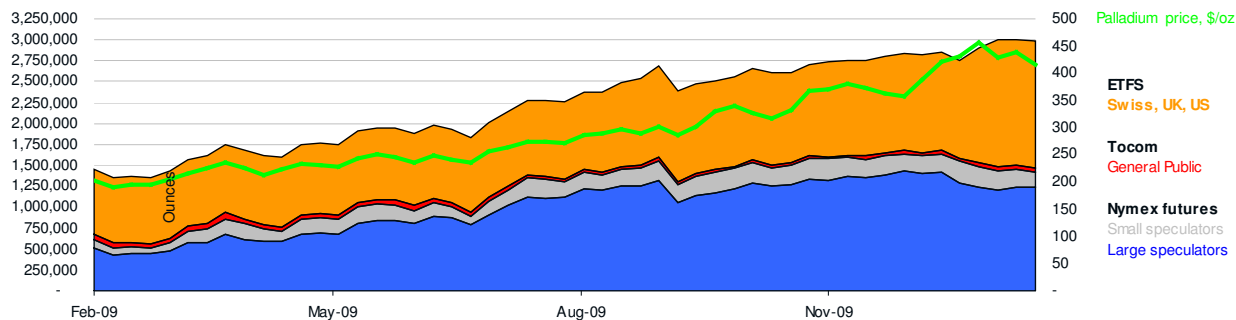
Date	Nymex		Futures		Tocom GP net long	ETFs Swiss, UK and US	Global investment total	Price \$/oz
	Open Interest	Large Specs	Small Specs	Net long				
02-Feb-10	1,753,600	951,150	180,450	1,131,600	438,749	894,581	2,464,929	1,555
09-Feb-10	1,716,250	966,700	159,750	1,126,450	421,358	949,532	2,497,340	1,496
<b>Change</b>	<b>-37,350</b>	<b>15,550</b>	<b>-20,700</b>	<b>-5,150</b>	<b>-17,391</b>	<b>54,951</b>	<b>32,410</b>	<b>-59</b>



- The PGMs did not see such a sell-off on the futures markets as gold and silver, although their prices still suffered.
- The net long in platinum on Nymex fell by just 5,150 oz, and while TOCOM saw a larger 17,391 oz decline, this was more than made up for by increases in the ETF positions of 54,951 oz (made up by 21,000 oz from the ETF Securities US ETF and the balance from their UK ETF).
- Despite this the price of platinum fell by \$59/oz to \$1,496/oz, and while it has recovered to \$1,518/oz by the morning of 15 Feb, it remains some way off its trading range in late January.

## Palladium investment (ounces)

Date	Nymex Futures				Total	Tocom GP net long	ETFs Swiss, UK and US	Global investment total	Price \$/oz
	Open Interest	Large Specs Net long	Small Specs Net long						
02-Feb-10	2,302,400	1,232,800	225,600		1,458,400	42,632	1,493,389	2,994,421	439
09-Feb-10	2,209,500	1,230,600	194,100		1,424,700	37,954	1,523,410	2,986,064	415
<b>Change</b>	<b>-92,900</b>	<b>-2,200</b>	<b>-31,500</b>		<b>-33,700</b>	<b>-4,678</b>	<b>30,021</b>	<b>-8,357</b>	<b>-24</b>



- Palladium net long positions on Nymex fell by 33,700 oz, while TOCOM shed 4,678 oz. However the ETFs added 30,021 oz, cancelling out most of the decline in the futures' position.
- The price shed \$24/oz to \$415/oz, and has recovered little, trading on the morning of 9 February at \$417/oz.

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