

Precious Metals Investment Weekly

Date: 15 March 2010

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

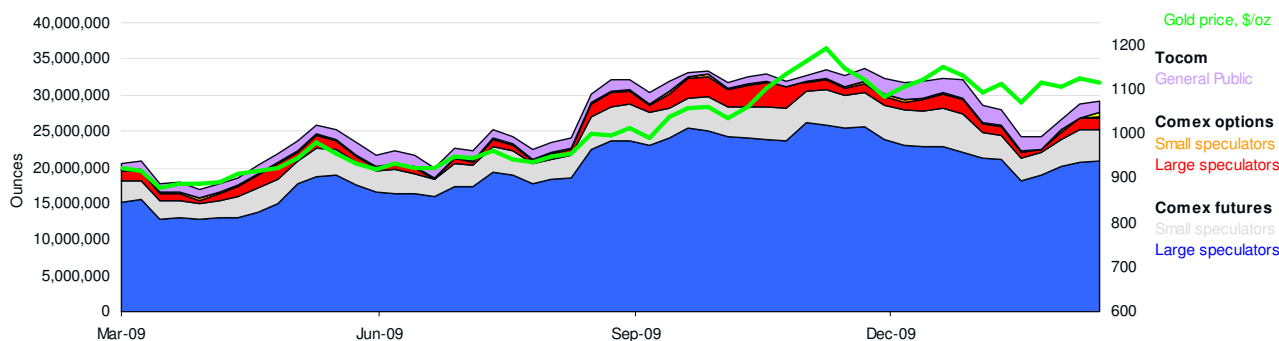
Nutshell: Precious metals investment slows

Gold investment (ounces)

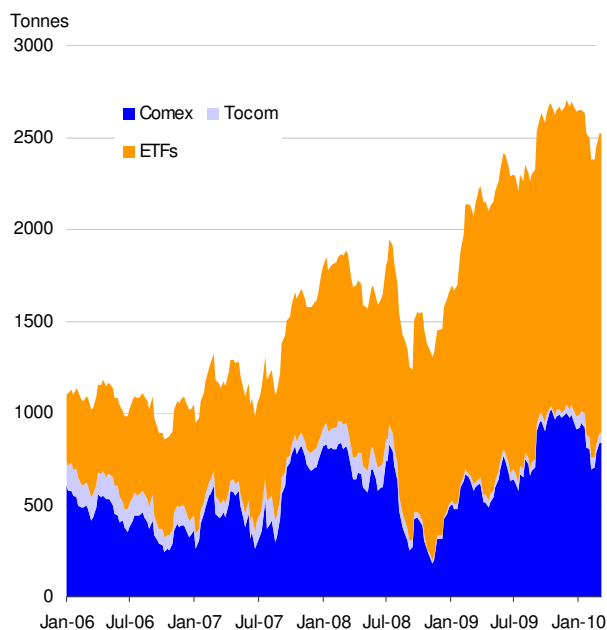
Futures	Comex net long Futures		Options		Total	Tocom General Public	Total futures	Gold price \$/oz
	Large Specs	Small Specs	Large Specs	Small Specs				
02-Mar-10	20,737,200	4,416,500	1,553,300	180,800	26,887,800	1,829,024	28,716,824	1127
09-Mar-10	20,819,400	4,359,300	1,544,300	244,300	26,967,300	1,576,503	28,543,802	1116
Change	82,200	-57,200	-9,000	63,500	79,500	-252,522	-173,022	-11

ETFs	SPDR	BGI US	UK GBS	Australia	S.Africa	UK and Swiss	Total ETFs	Global total investment
02-Mar-10	35,737,643	2,494,008	3,829,729	491,530	1,629,157	8,253,967	52,927,563	81,644,387
09-Mar-10	35,884,393	2,494,008	3,812,335	491,493	1,597,799	8,267,689	53,039,209	81,583,012
Change	146,750	0	-17,394	-37	-31,358	13,722	111,646	-61,376

Exchange gold investment, past 12 months, oz



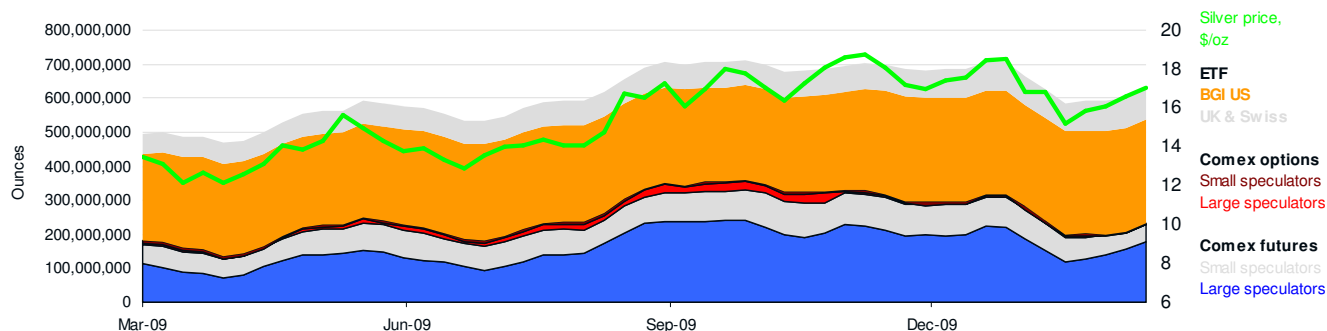
All gold investment, Jan 2006-March 2010, tonnes



- Only modest movements were seen on Comex in the week ending 9 March, with 8,300 oz of new longs and the exit of 71,200 oz of shorts, leaving the net long position up by 79,500 oz, at 26.96 Moz. This is still significantly lower than the total net long position in mid-January, of ~30 Moz, and highlights the slightly more cautious market sentiment.
- Nor was there much action in the ETFs. Only the US SPDR ETF saw significant gains, with 146,750 oz added to holdings in the week under review. There were also slight gains in the UK ETFS product and Swiss ZKB, while holdings in the UK GBS declined by 17,394 oz and Australian ETF by 37 oz.
- The general lack of optimism spread to TOCOM, with net futures down by 252,522 oz, to less than 1.58 Moz in the week. They however rebounded to 1.74 Moz by 12 March.
- The gold price fell by \$11/oz, to \$1,116/oz.

Silver investment (ounces)

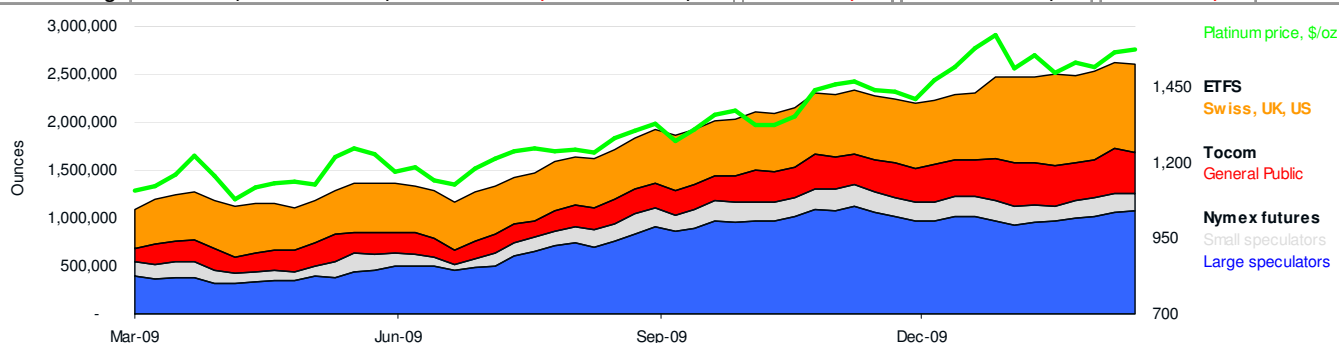
Date	Comex		Futures		Options	Total	ETFs		Global investment total	Price \$/oz
	Open Interest	Large Specs	Small Specs	Net long	US ETF		UK ETF	Swiss ZKB ETF		
02-Mar-10	666,115,000	155,290,000	49,410,000	3,735,000		208,435,000	394,412,089		602,847,089	16.57
09-Mar-10	688,135,000	175,825,000	53,170,000	3,975,000		232,970,000	390,882,370		623,852,370	17.05
Change	22,020,000	20,535,000	3,760,000	240,000		24,535,000	-3,529,719		21,005,281	0.48



- Comex silver saw much more action in the week under review than gold. Net longs grew by more than 24.5 Moz due to a large 21.9 gain in longs, the largest rise since early November 2009, and 2.6 Moz fall in short positions. Most of the gains were in the large speculative position, up more than 22 Moz, but investment also rose in both non-reportable positions and options, suggesting investors view silver's short term prospects favourably. It is no wonder then that the silver price actually gained in the week under review, up \$0.48/oz, to \$17.05/oz. It has since risen further to fix at \$17.31/oz on 12 March.
- ETF investment however bucked the trend, falling 3.5 Moz, to 390.8 Moz, its lowest since early February 2010. By 12 March, silver ETF holdings fell a further 1.57 Moz, to 389.3 Moz.

Platinum investment (ounces)

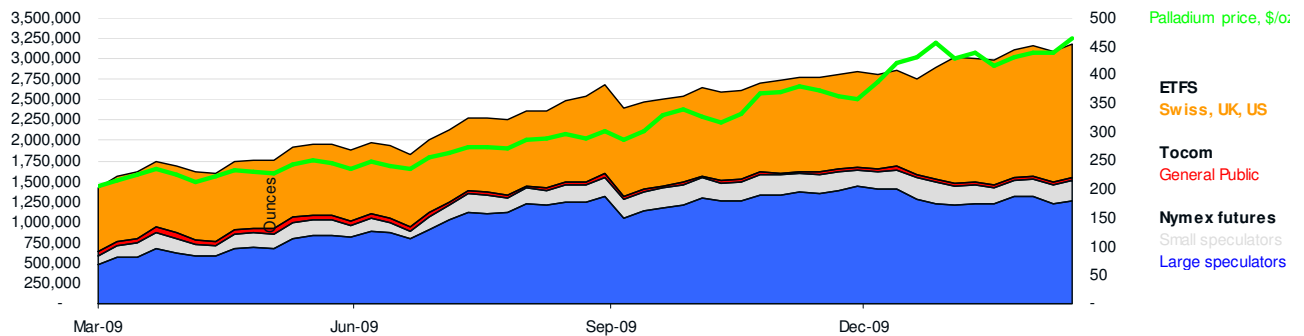
Date	Nymex		Futures		Total	Tocom GP net long	ETFs		Global investment total	Price \$/oz
	Open Interest	Large Specs	Small Specs	Net long			Swiss, UK and US			
02-Mar-10	1,754,800	1,055,150	208,500	1,263,650	456,625	901,279	2,621,554	1,562		
09-Mar-10	1,797,650	1,074,500	190,600	1,265,100	413,657	934,296	2,613,053	1,574		
Change	42,850	19,350	-17,900	1,450	-42,968	33,017	-8,501	12		



- Nymex platinum saw investment slow in the week under review. Just 1,450 oz was added to the net long position, following total gains of 137,200 oz over the previous three weeks.
- Tocom futures fell 42,968 oz, to 413,657 oz, reversing the previous week's gains. By 12 March it had dipped further to 382,395 oz.
- ETFs added a net 32,452 oz. The US ETFs product rose 29,829 oz and the UK ETFs product added 1,603 oz.
- The platinum price increased by \$12/oz, to \$1,574/oz. It has since fixed higher at \$1,608/oz in London on the morning of 15 March.

Palladium investment (ounces)

Date	Nymex				Tocom	ETFs	Global investment total	Price \$/oz
	Open Interest	Futures		Total				
		Large Specs Net long	Small Specs Net long		GP net long	Swiss, UK and US		
02-Mar-10	2,159,700	1,233,700	225,200	1,458,900	42,246	1,598,615	3,099,761	440
09-Mar-10	2,219,500	1,259,600	252,700	1,512,300	37,617	1,639,993	3,189,909	459
Change	59,800	25,900	27,500	53,400	-4,630	41,377	90,148	20



- Nymex palladium investment was more robust than that in platinum, with 53,400 oz added to the net long position. This consisted of 38,600 oz of new longs and a 14,800 oz fall in shorts.
- Tocom futures' investment fell 4,630 oz, to 37,617 oz in the week, but by 12 March net futures were up at 43,130 oz.
- ETF holdings gained 41,377 oz, with the US ETFS product rising 34,916 oz, to 504,709 oz. Although investment in this product has slowed of late, it has taken just two months to reach more than 0.5 Moz, in contrast to the UK ETFS product and Swiss ZKB, which took 28 months and 19 months, respectively.
- The palladium price rose by \$20/oz, to fix at \$459/oz on 9 March.

The VM Group/MineLife

100-101 Ashmill Street, London - NW1 6RA, UK

Tel + 44 (0) 20 7569 5930

Web: <http://www.virtualmetals.co.uk>

Email: info@virtualmetals.co.uk

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