

Precious Metals Investment Weekly

Date: 24 May 2010

Topic: CFTC, Tocom & ETF data in week to 18 May 2010

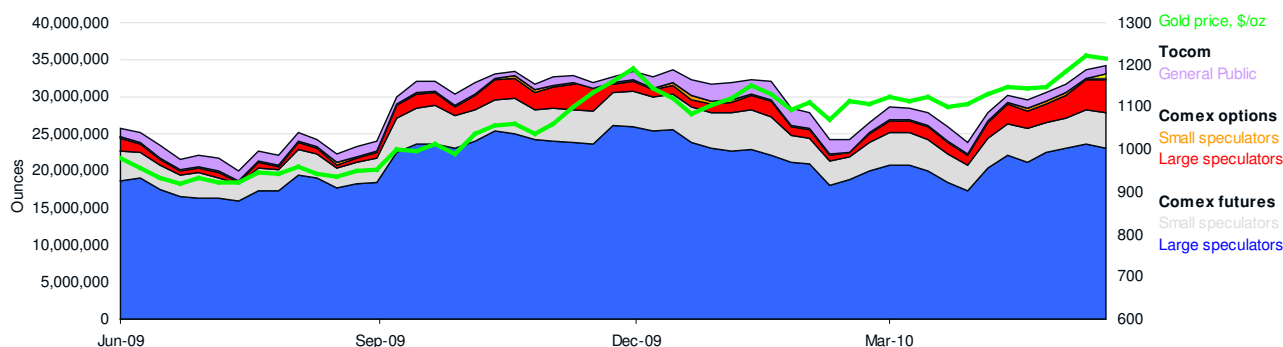
Nutshell: PGMs lead investment outflows

Gold investment (ounces)

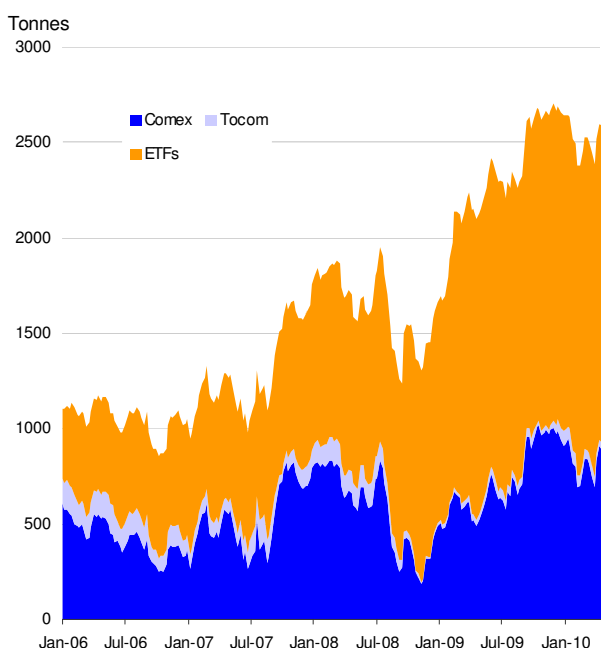
Futures	Comex net long Futures		Options		Total	Tocom General Public	Total futures	Gold price \$/oz
	Large Specs	Small Specs	Large Specs	Small Specs				
11-May-10	23,582,500	4,681,900	4,048,400	126,000	32,438,800	1,154,537	33,593,337	1223
18-May-10	23,167,000	4,807,400	4,309,900	145,500	32,429,800	1,281,365	33,711,165	1217
Change	-415,500	125,500	261,500	19,500	-9,000	126,828	117,828	-6

ETFs	SPDR	BGI US	UK GBS	Australia	S.Africa	UK and Swiss	Total ETFs	Global total investment
11-May-10	38,328,829	2,600,086	3,779,973	476,175	1,541,830	8,981,270	56,184,338	89,777,674
18-May-10	39,131,249	2,649,045	3,913,050	476,175	1,490,860	9,258,878	57,395,432	91,106,597
Change	802,420	48,960	133,078	0	-50,970	277,608	1,211,095	1,328,923

Exchange gold investment, past 12 months, oz



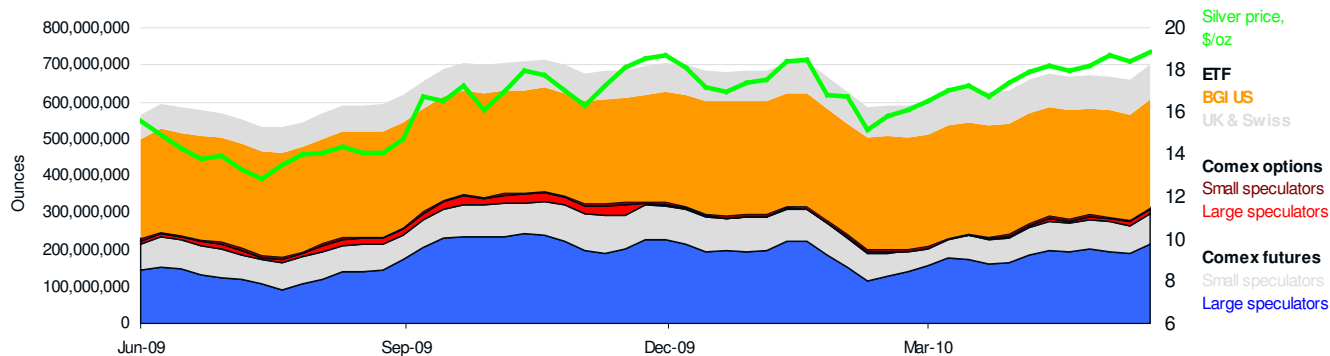
All gold investment, Jan 2006-May 2010, tonnes



- Comex net longs fell by just 9,000 oz in the week ending 18 May, while open interest hit a new record of 836,014 contracts. The decline in net longs came despite net gains in non-reportable (small specs) futures and total options; these were more than offset by falls in non-commercials.
- Tocom futures reversed the previous week's falls and rose by 126,828 oz, to 1.28 Moz. By 21 May Tocom futures added a further 0.19 Moz, to reach 1.47 Moz – its highest since late March 2010.
- ETF holdings added more than 1.2 Moz and now stand at almost 57.4 Moz. In the month to 18 May, gold ETF holdings have increased by more than 3.65 Moz, which is the largest rolling monthly rise since mid-January 2010.
- The gold price fell by \$6/oz, to reach \$1,217/oz. It has since fixed lower at \$1,183.75/oz in the morning of 24 May, suggesting that further declines will be evident in Comex data in the week ending 25 May.

Silver investment (ounces)

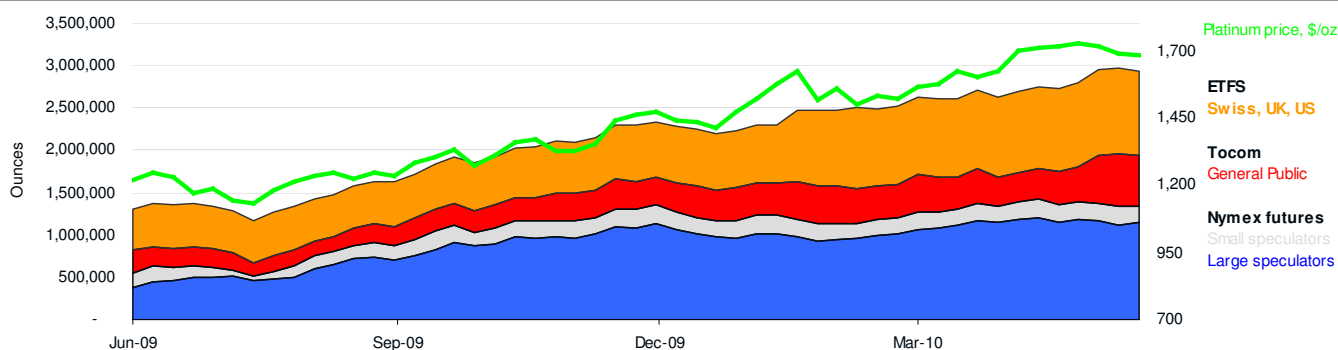
Date	Comex		Futures		Options	Total	US ETF UK ETF Swiss ZKB ETF	Global investment total	Price \$/oz
	Open Interest	Large Specs	Small Specs	Net long	Net long				
11-May-10	791,455,000	187,950,000	74,640,000	17,685,000		280,275,000	387,015,811	667,290,811	18.42
18-May-10	806,395,000	213,950,000	82,140,000	16,915,000		313,005,000	390,580,117	703,585,117	18.82
Change	14,940,000	26,000,000	7,500,000	-770,000		32,730,000	3,564,305	36,294,305	0.40



- Comex silver net longs fell by more than 32.7 Moz in the week to 18 May, the largest fall since early September 2009. Shorts fell by more than 18.3 Moz, while 14.4 Moz of longs were added.
- ETFs put on impressive gains, rising more than 3.56 Moz, to almost 390.6 Moz – its highest since early March 2010.
- The silver price rose by \$0.40/oz, to \$18.82/oz in the week, but later tracked declines in gold and fell to \$17.72/oz by 21 May.

Platinum investment (ounces)

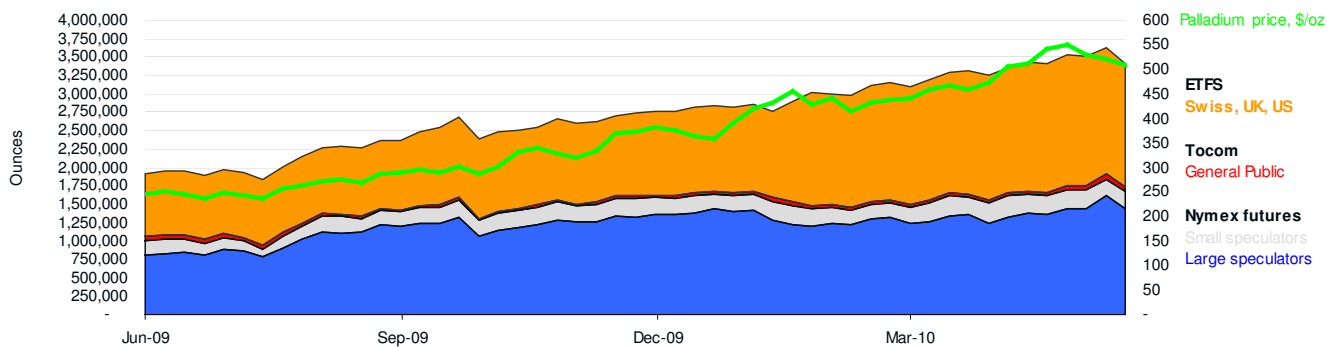
Date	Nymex		Futures		Total	Tocom GP net long	ETFs Swiss, UK and US	Global investment total	Price \$/oz
	Open Interest	Large Specs	Small Specs	Net long					
11-May-10	1,783,650	1,120,850	209,400	1,330,250	629,495	1,002,839	2,962,584	1,689	
18-May-10	1,777,050	1,152,600	193,650	1,346,250	586,836	1,005,345	2,938,431	1,681	
Change	-6,600	31,750	-15,750	16,000	-42,659	2,506	-24,153	-8	



- Following two weeks of declines, Nymex platinum investment rose 16,000 oz in the week, to almost 1.35 Moz by 18 May. Meanwhile, Tocom net longs reversed a seven-week upward trend by shedding 42,659 oz, to reach 586,836 oz.
- ETFs rose by just 2,506 oz, leaving total global net investment down by 24,153 oz.
- The platinum price fell by \$8oz, to hit \$1,681/oz. It has since seen a significant correction to fix at \$1,526/oz in the morning of 24 May.

Palladium investment (ounces)

Date	Nymex Futures				Total	Tocom	ETFs	Global investment total	Price \$/oz
	Open Interest	Large Specs Net long	Small Specs Net long	GP net long		Swiss, UK and US			
11-May-10	2,496,400	1,618,500	214,100	1,832,600	82,836	1,714,032	3,629,468	521	
18-May-10	2,337,000	1,445,700	226,900	1,672,600	51,811	1,691,433	3,415,844	507	
Change	-159,400	-172,800	12,800	-160,000	-31,025	-22,599	-213,624	-14	



- Nymex palladium net longs fell the most since late September 2009 in the week under review, falling by 160,000 oz, to 1.67 Moz. The decline more than offset last week's rise (147,000 oz).
- Tocom futures' investment fell proportionally more however, losing 31,025 oz from the total net position, which is the largest weekly decline since August 2008 and take the net long position to its lowest point since April 2010.
- ETF holdings also had a bad week, falling by 22,599 oz, to 1.69 Moz, with no inflows evident after our cut off date (18 May).
- The price fell by \$14/oz, to \$507/oz in the week under review. It went on to hit a low of \$419/oz on 21 May.

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