

Precious Metals Investment Weekly

Date: 01 June 2010

Topic: CFTC, Tocom & ETF data in week to 25 May 2010

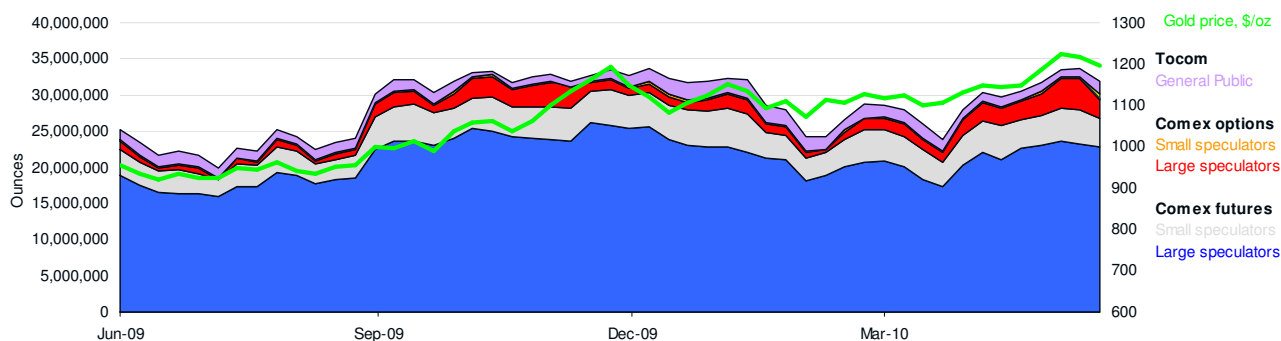
Nutshell: Big futures' declines for precious metals

Gold investment (ounces)

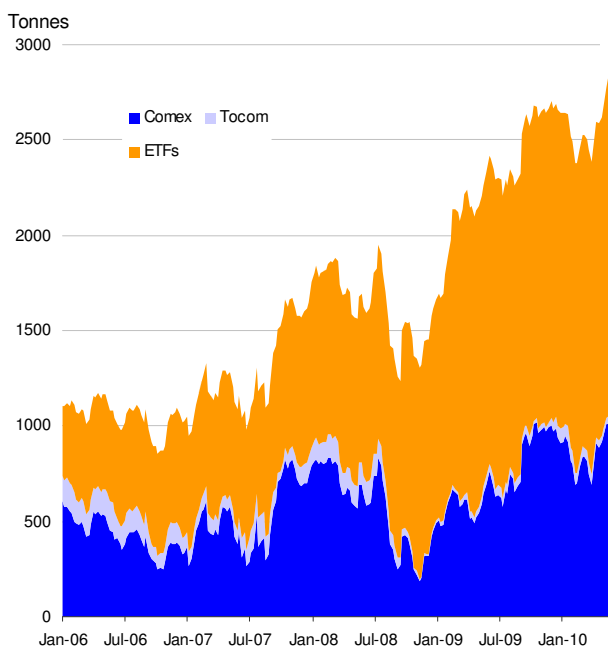
Futures	Comex net long Futures		Options		Total	Tocom General Public	Total futures	Gold price \$/oz
	Large Specs	Small Specs	Large Specs	Small Specs				
18-May-10	23,167,000	4,807,400	4,309,900	145,500	32,429,800	1,281,365	33,711,165	1217
25-May-10	22,769,100	4,068,800	2,563,900	208,100	29,609,900	1,727,460	31,337,360	1198
Change	-397,900	-738,600	-1,746,000	62,600	-2,819,900	446,095	-2,373,805	-19

ETFs	SPDR	BGI US	UK GBS	Australia	S.Africa	UK and Swiss	Total ETFs	Global total investment
18-May-10	39,131,249	2,649,045	3,913,050	476,175	1,490,860	9,290,780	57,427,334	91,138,499
25-May-10	40,745,659	2,668,627	3,895,583	476,175	1,467,270	9,376,777	59,106,265	90,443,625
Change	1,614,410	19,582	-17,468	0	-23,590	85,997	1,678,931	-694,874

Exchange gold investment, past 12 months, oz



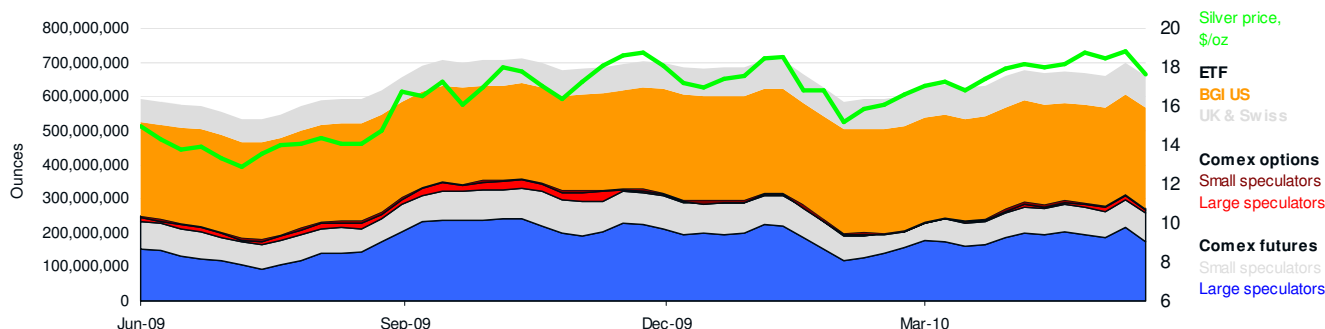
All gold investment, Jan 2006-May 2010, tonnes



- Comex net longs fell significantly in the week ending 25 May to 29.6 Moz, down more than 2.8 Moz. This was the largest weekly sell off since early February 2010, but the difference here is that the gold price fell by just \$19/oz, to \$1,198/oz, compared with the \$~40/oz drop in early February. Non-commercial net longs fell almost 0.4 Moz, to 22.77 Moz and non-reportables fell 0.74 Moz, to 4.07 Moz. Large spec options fell 1.75 Moz. Overall, almost 2.45 Moz of longs were liquidated and 0.37 Moz of shorts added. The gold price has since rallied suggesting that we may see gains on Comex in the week to 1 June 2010.
- Tocom investment in the week under review was in complete contrast to that on Comex. Net longs gained almost 0.45 Moz to reach 1.73 Moz - the biggest increase since January 2010.
- ETF holdings added almost 1.68 Moz, to take total gold holdings in the ETFs we measure to a record 59.1 Moz. US gold ETFs added 1.63 Moz and non-US ETF holdings rose by 44,939 oz, but there were declines in both the UK GBS and South African New Gold ETF.

Silver investment (ounces)

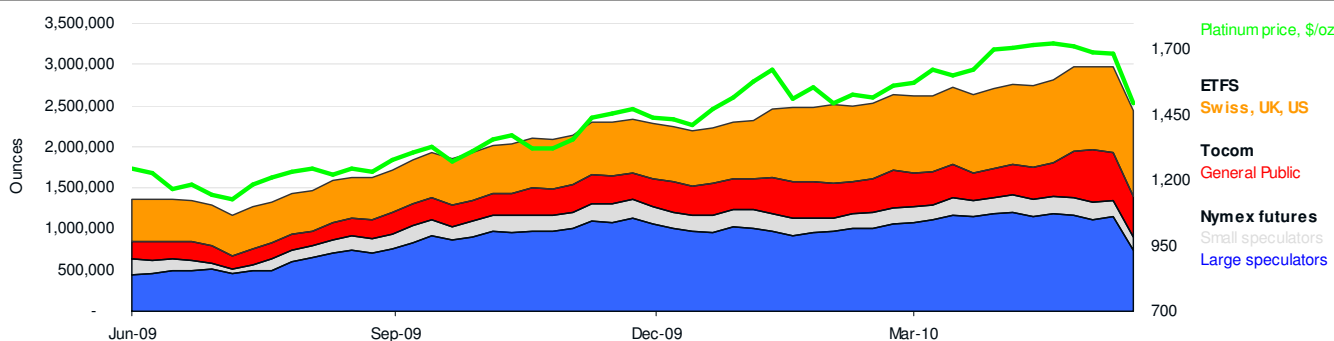
Date	Comex					Total	US ETF			Global investment total	Price \$/oz
	Open Interest	Futures		Options			UK ETF	Swiss ZKB ETF	Swiss Julius Baer		
		Large Specs Net long	Small Specs Net long	Net long							
18-May-10	806,395,000	213,950,000	82,140,000	16,915,000		313,005,000	395,750,556			708,755,556	18.82
25-May-10	761,615,000	174,160,000	83,085,000	12,815,000		270,060,000	396,987,790			667,047,790	17.63
Change	-44,780,000	-39,790,000	945,000	-4,100,000		-42,945,000	1,237,234			-41,707,766	-1.19



- Comex silver net longs fell a hefty 43 Moz in the week, the largest decline since July 2008. This was led by the 39.8 Moz decline in the non-commercial (large specs) position, to 174.2 Moz – the biggest fall since March 2008 – while options fell the most since late February 2010, falling 4.1 Moz, to 12.8 Moz.
- ETFs meanwhile continue to pile on the ounces, rising for the fifth consecutive week to hit almost 397 Moz, up 1.24 Moz on the week.
- The silver price fell by \$1.19/oz, which is about what would be expected given the decline on Comex and historical trends, but nevertheless the biggest weekly fall seen in this report since early February 2010.

Platinum investment (ounces)

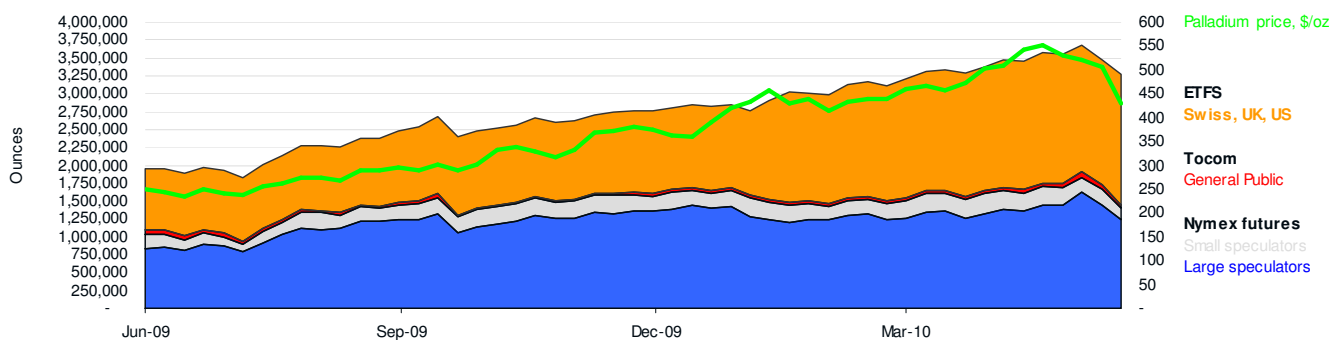
Date	Nymex				Total	Tocom GP net long	ETFs Swiss, UK and US	Global investment total	Price \$/oz
	Open Interest	Futures							
		Large Specs Net long	Small Specs Net long						
18-May-10	1,777,050	1,152,600	193,650	1,346,250		586,836	1,031,759	2,964,845	1,681
25-May-10	1,514,150	749,400	154,350	903,750		491,776	1,039,340	2,434,866	1,493
Change	-262,900	-403,200	-39,300	-442,500		-95,060	7,581	-529,979	-188



- Nymex platinum fell dramatically in the week, declining by 442,500 oz, which is the largest weekly fall since our records begin in 1986. The non-commercial (large spec) position was down 403,200 oz and non-reportables fell 39,300 oz. As a percentage of open interest however the decline was only the sixth largest on record (the largest was in the week ending 14 December 2004).
- Tocom also saw falls, with the net long position down by 95,060 oz in the week – the largest such fall since August 2008. Meanwhile the Swiss ZKB added 7,581 oz, while the other platinum ETFs remained unchanged on the week.
- The platinum price fell by \$188/oz in the week, to \$1,493/oz, which is the fourth largest weekly decline since 1986 (when our Nymex records began). The price has since rallied to fix in London at \$1,544/oz on 1 June.

Palladium investment (ounces)

Date	Nymex				Total	Tocom	ETFs	Global investment total	Price
	Open Interest	Futures		GP net long		Swiss, UK and US	\$/oz		
		Large Specs Net long	Small Specs Net long						
18-May-10	2,337,000	1,445,700	226,900	1,672,600	51,811	1,752,306	3,476,717	507	
25-May-10	2,117,500	1,230,800	165,700	1,396,500	39,754	1,826,167	3,262,422	428	
Change	-219,500	-214,900	-61,200	-276,100	-12,057	73,861	-214,295	-79	



- Nymex palladium net longs fell 276,100 oz, to 1.397 Moz the third largest fall since 2000 (only trumped by weekly declines in September 2009 and July 2008). Non-commercials fell 214,900 oz and non-reportables by 61,200 oz.
- Tocom futures' investment fell 12,057 oz, to 39,754 oz. Including the 31,025 oz fall the previous week, Tocom net longs have more than halved since mid-May and now stand at levels last seen at the start of this year.
- ETFs added 73,861 oz, with the US ETFs product adding 59,840 oz and Swiss ZKB 15,821 oz. There was a slight fall in the Julius Baer ETF. The US ETFs product now holds almost 0.79 Moz of palladium and since late April is the world's dominant palladium ETF by holdings.
- The palladium price fell by \$79/oz in the week, to \$428/oz. It has since rallied to fix in London at \$454/oz in the morning of 1 June 2010.

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