



Precious Metals Investment Weekly

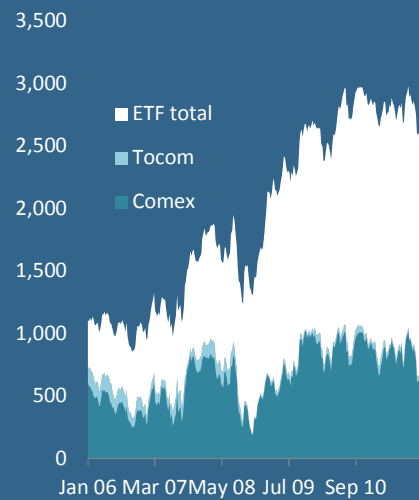
CFTC/Tocom data to week ending 25 October 2011

ETF data to week ending 28 October 2011

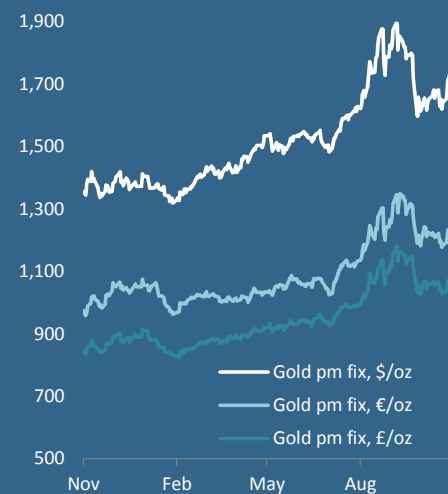
31 October 2011

Gold and silver gain; PGMs down

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			
18-Oct-11	12,697,800	3,217,500	3,300,700	200,700	19,416,700	1,416,896	20,833,596
25-Oct-11	12,972,100	3,839,300	3,862,200	204,200	20,877,800	1,473,247	22,351,047
Change	274,300	621,800	561,500	3,500	1,461,100	56,351	1,517,451

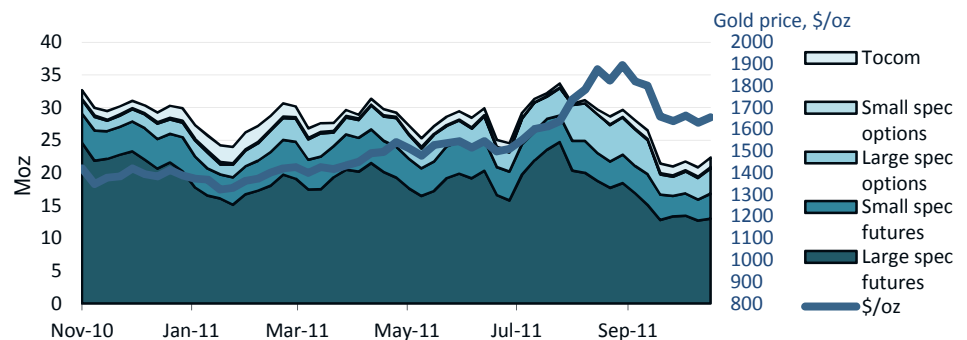
ETFs	SPDR	IAU Comex & US ETFs	UK GBS & ETFs	Australia - GBS (ASX)	S.Africa - New Gold	Swiss ZKB & Julius Baer	Other ETFs*
21-Oct-11	39,465,716	6,301,049	8,114,512	473,419	1,365,660	9,883,779	6,911,263
28-Oct-11	39,981,398	6,326,899	8,156,065	473,382	1,365,570	9,974,494	6,911,263
Change	515,682	25,850	41,552	-37	-90	90,715	0

	Total ETFs	Global total investment (futures and options to week Tuesday and ETFs, incl other ETFs, to week Friday)	Gold price \$/oz
21-Oct-11	72,515,398	93,348,995	1,631
28-Oct-11	73,189,070	95,540,117	1,656
Change	673,672	2,191,122	Change 25

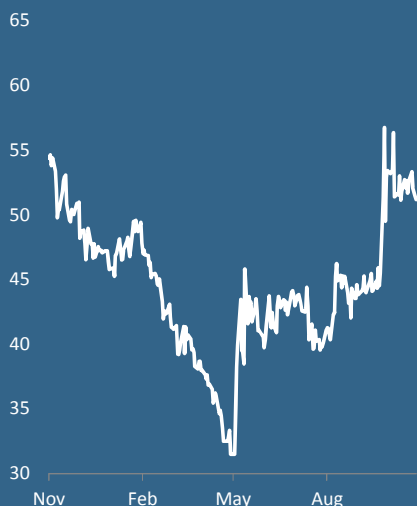
* Other ETFs include: ETF Securities' Asian gold, precious metal and white metal baskets; five Indian ETFs (updated quarterly - figures shown assumes no change in current quarter from previous quarter); Turkish; Xetra; Claymore; Sprott Physical Gold Trust; Central Fund of Canada; and Central Goldtrust.

- The 'will they or won't they?' oscillating level of speculative activity in Comex gold moved positive in the week to 25 October (at the time on expectations that eurozone leaders would present a compelling package of aid to Greece, EU banks and other troubled EU member states). Gross longs rose 1.64 Moz and shorts 0.19 Moz to push net length up by 1.46 Moz – its largest increase since mid-July. Bets for the gold price may still pale in the near-term, as the markets absorb the fact that the eurozone measures to end the debt crisis are far from comprehensive. Increases in December Put options over those of Calls on the CME – up 13,471 contracts to that of Calls in the month to 28 October – for example imply that sentiment is delicate and further downside risk looms large.
- Tocom futures also rose in the week to 25 October, to its highest since early March 2011.
- ETFs flows reversed in the week to 28 October, with the SPDR rising 0.52 Moz and 0.16 Moz added by the IAU Comex, UK ETFs and Swiss Julius Baer products. Since September ETFs have added a net 0.17 Moz to holdings, reaffirming their status as longer term (or more sticky) investment products.
- The gold price rose \$25/oz in the week to 25 October, to fix at \$1,656/oz. The price has since significantly to trade at ~\$1,715/oz in the morning of 31 October.

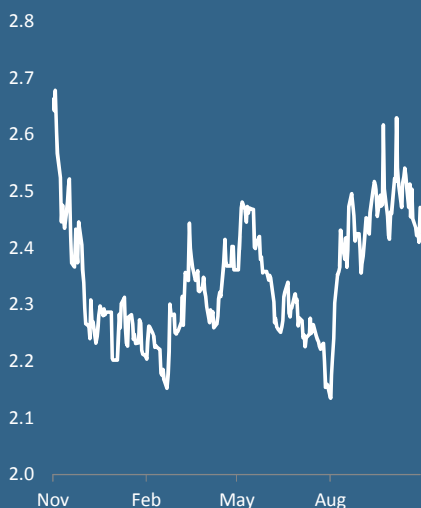
Exchange gold investment, past 12 months, ounces



Gold/silver ratio, past 12 months



Platinum/palladium ratio, past 12 months

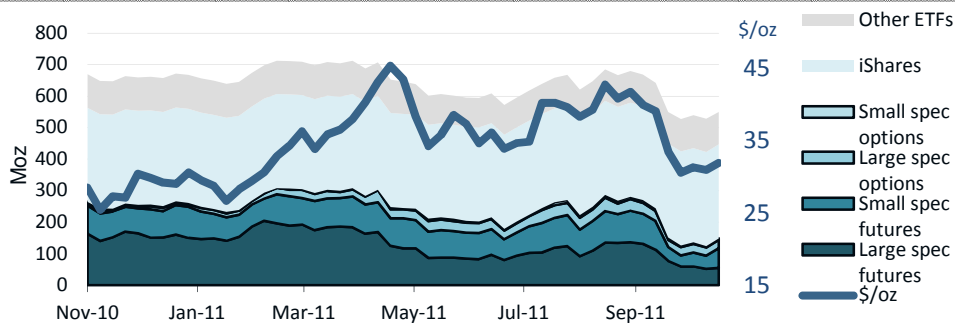


Silver investment (ounces)

Comex	Open Interest	Large Specs	Small Specs	Options net long	Total
18-Oct-11	800,765,000	51,760,000	42,110,000	30,750,000	124,620,000
25-Oct-11	823,880,000	55,110,000	62,470,000	31,485,000	149,065,000
Change	23,115,000	3,350,000	20,360,000	735,000	24,445,000

ETFs	Swiss/UK	US	Total ETFs	Other ETFs*	Silver price \$/oz (at end Comex date)
21-Oct-11	117,373,979	335,858,507	453,232,486	80,064,103	31.00
28-Oct-11	116,803,979	333,376,879	450,180,858	80,064,103	32.00
Change	-570,000	-2,481,628	-3,051,628	0	1.00

* Incl Claymore and Central Fund of Canada ETFs	Global total investment	679,309,961	Week change	21,393,372
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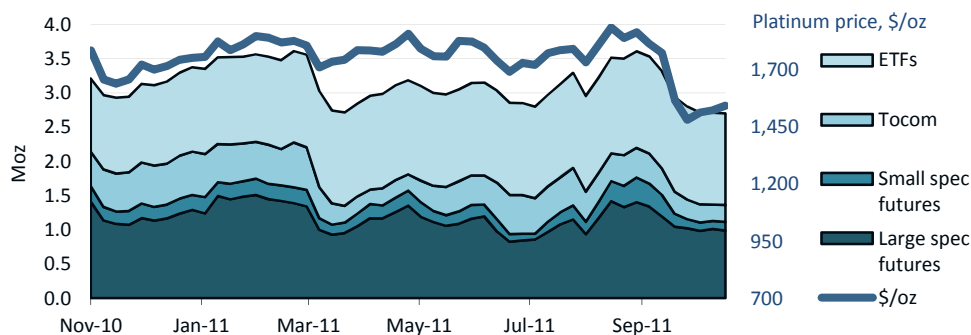


- The Comex silver benefitted from 'risk-on' trading in the week to 25 October, with the net long position rising 24.4 Moz (gross longs rose 23.3 Moz and shorts fell 1.18 Moz).
- Despite this rebound on Comex, ETF holdings continue to leak metal. iShares fell 2.48 Moz in the week to 28 October while the Julius Baer product shed 0.57 Moz. In the past three weeks global silver ETF holdings have declined by 3% (or 12.71 Moz).
- The silver price rose \$1/oz, to hit \$32/oz in the week to 25 October. In the morning of 31 October silver was trading at ~\$34.30/oz.

Platinum investment (ounces)

Nymex	Open Interest	Large Specs	Small Specs	Total	Tocom
18-Oct-11	1,882,850	1,009,000	119,700	1,128,700	238,916
25-Oct-11	1,864,550	985,600	128,150	1,113,750	248,144
Change	-18,300	-23,400	8,450	-14,950	9,228

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Platinum price \$/oz (at end Nymex date)
21-Oct-11	911,757	425,443	1,337,200	2,704,816	1,523.00
28-Oct-11	900,642	430,416	1,331,058	2,692,952	1,543.00
Change	-11,114	4,973	-6,142	-11,864	20

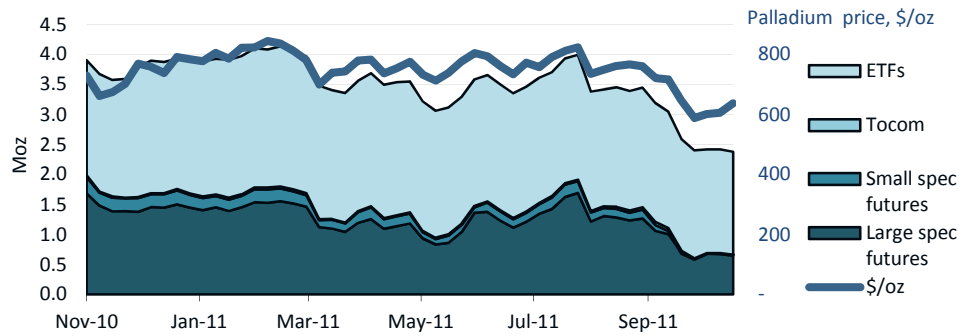


- The exuberance in the gold and silver markets bypassed platinum, with the Nymex net futures position down 14,950 oz in the week to 25 October. Large spec fell 23,400 oz while small specs added 8,450 oz to take net length to 1.11 Moz.
- Tocom investment fared better while ETFs continue to bleed. The week to 28 October marked the seventh successive outflow of metal.
- Despite overall identified investment declining by 11,864 oz the platinum price rose \$20/oz, to fix at \$1,543/oz on 25 October. Prices traded at ~\$1,605/oz in the morning of 31 October.

Palladium investment (ounces)

Nymex	Open interest	Large Specs	Small Specs	Total	Tocom
18-Oct-11	1,939,800	716,200	(46,900)	669,300	16,413
25-Oct-11	1,874,700	664,200	(20,900)	643,300	16,783
Change	-65,100	-52,000	26,000	-26,000	370

ETFs	Swiss/UK	US	Total ETFs	Global total investment	Palladium price \$/oz (at end Nymex date)
21-Oct-11	1,027,875	707,518	1,735,393	2,421,106	606.00
28-Oct-11	1,028,925	687,751	1,716,676	2,376,759	637.00
Change	1,050	-19,767	-18,717	-44,347	31



- The mini bull run also missed palladium in the week to 25 October, with net length marking its second weekly decline. Tocom added a modest 370 oz.
- ETFs holdings also resumed their decline following the small rise the previous week (which broke a seven week down trend). Since the start of 2011 the US ETFS has lost 38% of holdings, while the UK ETFS and Swiss ZKB are down 21% and 5%, respectively. Only the Swiss Julius Baer product has gained, with holdings up 70% to 0.42 Moz.
- The palladium price rose \$31/oz, to fix at \$637/oz on 25 October. Prices have since edged higher, to ~\$657/oz, in the morning of 31 October

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