

JM&B Monthly Gold & Silver Report

June 2017

<http://www.johnson-matthey.ch/>

Introduction

The purpose of this report is to comment on developments in the gold and silver markets on a monthly basis. For more information about this report, please consult the Appendix. Johnson Matthey plc issues reports on platinum group metals:

<http://www.platinum.matthey.com>

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1. Commentary

After rallying at the start of the month, gold and silver fell in price.

2. Gold

2.1 News and Fundamental Considerations

Selected News Items from the Month

London, 9th June 2017, (Sharps Pixley) – The elections leading to a 'hung parliament' in the UK have seen a rush into physical gold by investors, as the country slips into a political vacuum. The uncertainty both in the UK and indeed geopolitical concerns across the globe have fed into firmer gold prices which have risen 11% so far in 2017 in international markets.

Sharps Pixley opened a bullion showroom in St James's, London in early 2016 where clients can now readily buy, sell, test and store physical gold.

Sharps Pixley report they have been inundated with investor interest with a 252% increase in gold demand year-on-year (May 2016 vs May 2017); the business has run out of some bullion

products and they are again flying in fresh metal from Switzerland and Germany in order to replenish stocks. In the June month-to-date they are on track to break all records.

Speaking of the physical demand, Ross Norman, the CEO of Sharps Pixley commented "Sharps Pixley is the first business on the high street to make physical gold readily accessible and prominent - in our first year of business we have attracted about £40m of client interest; the current bout of buying however is exceptional and the uncertainty surrounding UK politics has prompted a rush to safe haven assets". He added "a sharp decline in sterling is a big win for British gold buyers and only today the price has risen above the important £1,000 per ounce level."

Interest in product types is across the board, with kilo bars (priced at £32,800), Britannia's (priced at £1,042) and even one gram bars (priced at £40.00) seeing exceptional demand, underscoring the wide range of investor interest to protect themselves.

"Physical gold is not just for the privileged few and the breadth of demand demonstrates that it remains a fantastic way for ALL investors to protect their wealth. Gold in sterling has risen by 470% since 2000, that's over 11% a year compounded - that's about three times the average UK property over the last 16 years" enthused Norman. In addition, investments are devoid of VAT and can be capital gains tax free and the difference between the buying and selling price is competitively priced ... why wouldn't you invest ???"

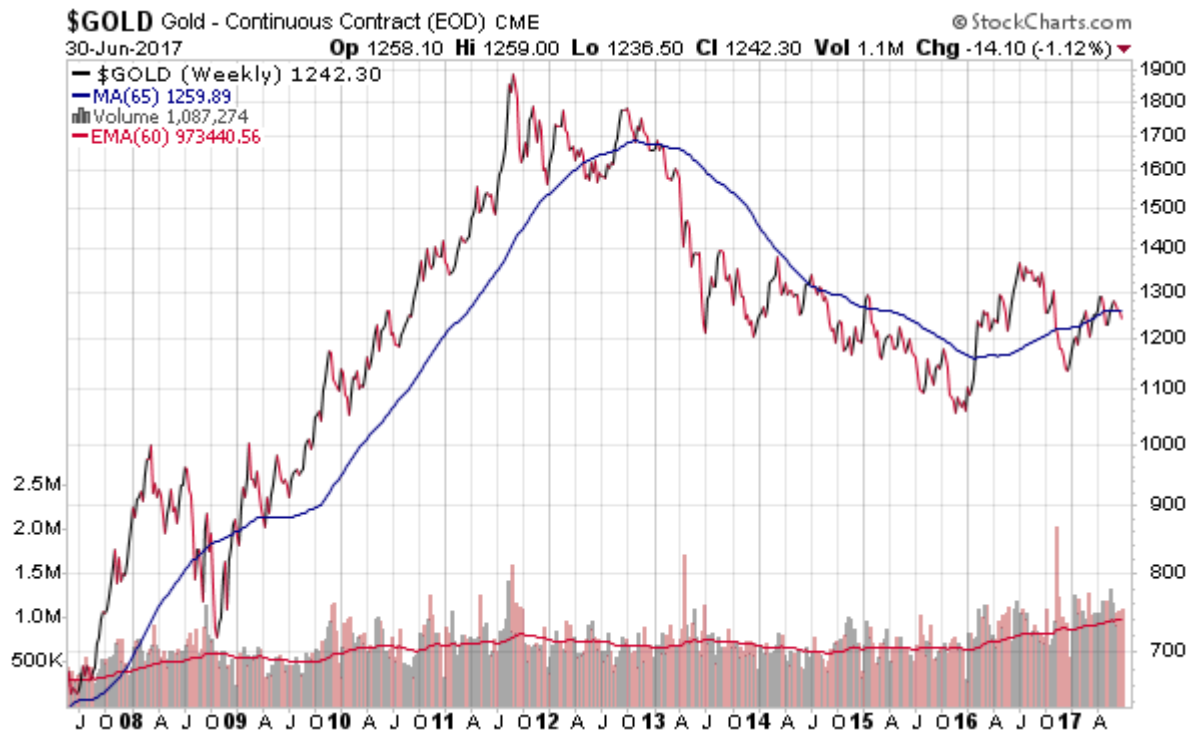
In short, physical gold may be a "minority sport" but it has certainly demonstrated a track record in serving investors well.

London remains the global capital for trading physical gold under the auspices of the London Market Association yet physical gold - other than low caratage jewellery - remains relatively hard to find outside of a few locations. Sharps Pixley are full members of the LBMA and are an affiliate of one of Europe's largest bullion firms.

2.2 Technical Comments

Long Term Technical Comments

Gold turned down in June:



Daily/Weekly Technical Comments

London afternoon fix in USD/toz:

Open	High	Low	Close
01.06	06.06	30.06	30.06
1265	1294	1242	1242

London afternoon fix in €/toz:

Open	High	Low	Close
01.06	06.06	30.06	30.06
1126	1148	1087	1087



Gold drifted down.

3. Silver

3.1 News and Fundamental Considerations

Nothing significant to report this month.

3.2 Technical Comments

Long Term Technical Comments

Silver slipped in June:



Daily/Weekly Technical Comments

London fix in USD/toz:

Open	High	Low	Close
01.06	07.06	30.06	30.06
17.13	17.06	16.47	16.47

London fix in €/toz:

Open	High	Low	Close
01.06	07.06	30.06	30.06
15.49	15.71	14.44	14.44



Silver displayed a similar price-pattern to gold in June.

John Fineron, 3rd July 2017.

Appendix: More about this report

Purpose of the Report

The purpose of this report is to comment on developments in the gold and silver markets on a monthly basis. Johnson Matthey plc issues reports on the platinum group metals:

http://www.platinum.matthey.com/publications/price_reports.html

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<http://www.adobe.com/products/acrobat/readstep.html>

This report is prepared in the English language, as are the vast majority of contributions on precious metal markets.

Structure of Report

The report comprises two sections:

Fundamental Considerations

This section addresses aspects of supply and demand in gold and silver, which typically affect the market over periods of **several years**. Over the long term, the price of a commodity will rise or fall until natural supply and demand reach equilibrium. Completion of this process, can take many years and is significantly influenced by hoarding and dis-hoarding. For example, dis-hoarding of stockpiles to compensate for supply shortages can proceed over decades and thereby delay movement to a true equilibrium price.

Technical Comments

This section describes aspects of technical analysis in gold and silver, which can be used to assist in buy and sell decisions over periods of **weeks to months**. Traders often use technical analysis to trade or profit from price movements up or down. Because large traders, e.g. hedge funds, often use the same signals, price-movements are often amplified and technical signals become self-fulfilling prophecies due to the herd-mentality.

Learn more about technical analysis:

<http://stockcharts.com/education>

and the terms used:

<http://stockcharts.com/education/GlossaryA.html>

Learn more about candle charts:

<http://www.litwick.com/about.html>

All charts used are courtesy of Stockcharts.com unless otherwise stated.

Find out more about the Elliot wave principle:

<http://www.prognosis.nl/principle/index.html>

Please note that our technical comments will be purely technical in nature and will not attempt to rationalise or second-guess the reasons for price movements.

Advice on buying and selling precious metals

It is not the policy of Johnson Matthey & Brandenberger AG, to advise customers on specific buy or sell points. We are however prepared to assist customers in formulating views on precious metal markets and preparing strategies suited to their individual buying and selling needs.

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