

JM&B Monthly Gold & Silver Report

November 2015

<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/publications/price_reports.html

Contents

- 1. Commentary
- 2. Gold
 - 2.1 News and Fundamental Considerations
 - 2.2 Technical Comments
- 3. Silver
 - 3.1 News and Fundamental Considerations
 - 3.2 Technical Comments
- Appendix More about this report

1. Commentary

Both gold and silver fell significantly in November.

2. Gold

2.1 News and Fundamental Considerations

Selected News Items from the Month

London, 12th November 2015, (WGC) – Gold Demand Trends Third Quarter 2015 Summary.

India at the forefront of a price-led surge in gold jewellery demand to 631.9t

Global demand for gold jewellery grew 6% year-on-year as lower prices during July and early August attracted consumers. Q3 2015 was the strongest third quarter for jewellery demand since 2008.

A jump in bar and coin demand drove 27% growth in the investment sector

With their eyes on the lower gold price, bargain-hunting investors came out in their droves in the third quarter to buy 295.7 tonnes of gold bars and coins. Demand for these products was 33% higher year-on-year. Outflows from ETFs in July were slightly offset by small inflows throughout August and September.

Central banks again bought in bulk, adding 175.0t to their gold reserves

Gold demand among central banks and other official institutions almost matched the 179.5 tonne record from Q3 2014. This is now 19 quarters of consecutive net purchases as gold continues to be recognised for its diversification benefits.

The technology space remains a challenging environment for gold

Gold used in technological applications diminished further in Q3. Substitution to lower-cost alternatives and further economies in the volume of gold used in wireless chip production, saw demand in the sector weaken by 4% year-on-year to 84.3 tonnes.

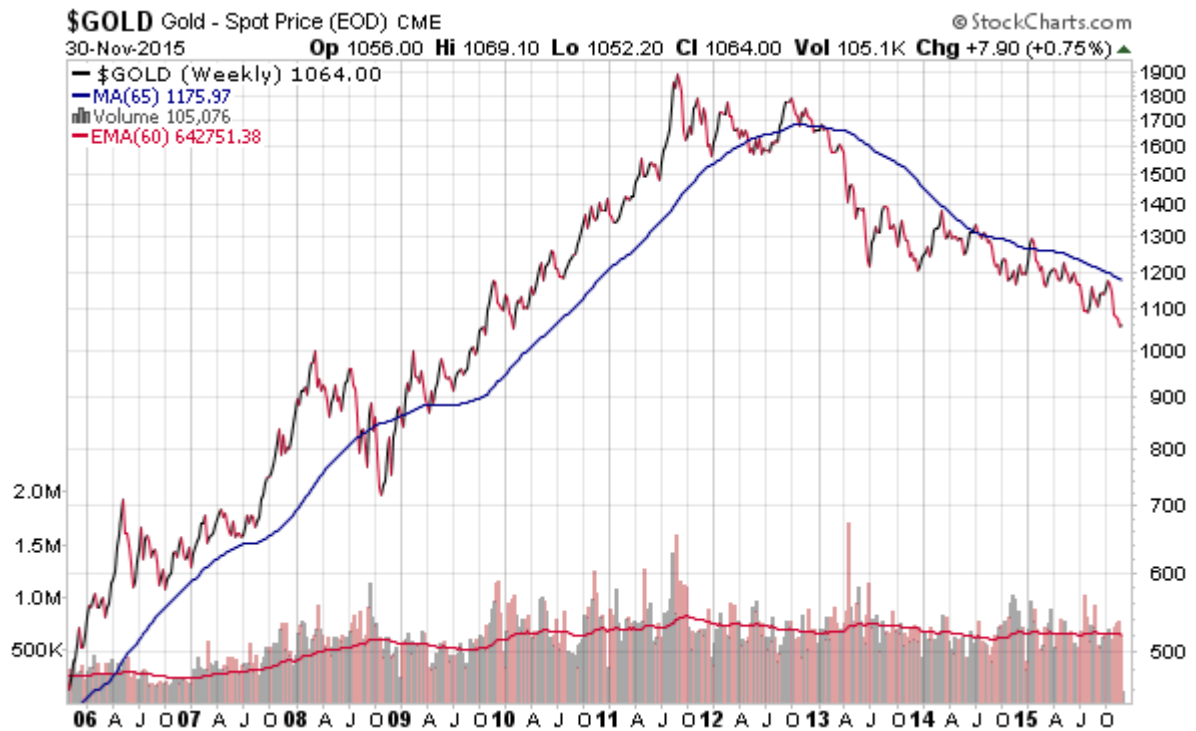
Total supply increased marginally to 1,100.1 tonnes, despite a slight decline in mine production

Mine production inched lower to 827.8 tonnes as a number of new projects neared steady state production levels. Recycling activity shrank, as falling price encouraged consumers to buy rather than sell. A modest 20 tonnes of producer hedging was therefore the reason behind overall growth in the sector.

2.2 Technical Comments

Long Term Technical Comments

Gold broke support at 1100 USD/oz in November:



Daily/Weekly Technical Comments

London afternoon fix in USD/toz:

Open	High	Low	Close
02.11	02.11	30.11	30.11
1134	1134	1062	1062

London afternoon fix in €/toz:

Open	High	Low	Close
02.11	02.11	27.11	30.11
1028	1028	999.5	1004



Gold fell further in November.

3. Silver

3.1 News and Fundamental Considerations

New York, 30th November 2015, (Reuters) – The U.S. Mint's sales of American Eagle coins surged in November, with gold nearly tripling month-over-month and silver already reaching a new annual record as bullion prices fell to multi-year lows, data released on Monday showed.

The mint sold 97,000 ounces of American Eagle gold coins in November, up 185 percent from October and 62 percent higher from a year ago, after selling out of most of the 2015-dated coins as falling bullion prices attracted buyers.

Strong demand came as spot gold prices fell around 7 percent to the lowest in nearly six years. This was the gold market's biggest monthly drop in 2-1/2 years as traders and investors widely anticipated that the U.S. Federal Reserve will raise interest rates at its next meeting in mid-December.

Higher interest rates raise the cost of holding non-yielding gold.

Toward the end of this month, the mint said it had sold out of all remaining 0.1-ounce, 0.25-ounce and 1-ounce American Eagle gold bullion coins dated 2015 and would not be making any more for the calendar year.

Demand for American Eagle silver coins has also been strong, with year-to-date sales already reaching an annual record at 44.67 million ounces, breaking the full-year record of 44 million ounces in 2014.

Sales in November were up 27 percent from October at 4.82 million ounces, an increase of 41 percent from November 2014. This surge in buying came after spot silver prices XAG= fell for five of the past six months to the lowest levels in more than six years in November.

Low prices spurred strong silver coin demand, forcing the U.S. Mint and others around the world to put them on weekly allocations.

The mint said it will not take final orders for 2015 American Eagle silver coins until Dec. 14. This differs from the mint's statement last week when it said it expected the last weekly allocation for 2015 to be on Dec. 14 after it planned to stop making 2015-dated coins after the week of Dec. 7.

3.2 Technical Comments

Long Term Technical Comments

Silver fell with gold in November:



Daily/Weekly Technical Comments

London fix in USD/toz:

Open	High	Low	Close
02.11	02.11	23.11	30.11
15.40	15.40	13.98	14.11

London fix in €/toz:

Open	High	Low	Close
02.11	03.11	23.11	30.11
13.98	14.02	13.16	13.32



Silver found support at around 14 USD/oz, is oversold on the monthly chart and the downtrend is waning on the daily chart. The current correction in the bull-market is five years old. Although the downtrend may continue, industrial users may wish to seriously consider, buying some silver at these levels.

John Fineron, 1st December 2015.

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

This document is supplied in PDF format. To view, you may need to download the free Adobe Acrobat Reader:

<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.

Special Legal Notice/Disclaimer concerning this report

This report represents the views of Johnson Matthey & Brandenberger AG, which may be materially different from those of Johnson Matthey plc and other group companies.

General Legal Notice/Disclaimer

Information and images contained within the web pages published by Johnson Matthey & Brandenberger AG ("JM&B") are copyright and the property of JM&B.

JM&B authorises you to copy documents or pages published by JM&B on this Web site for your non-commercial use only. Copies may be made for others for their personal information only. Any such copy shall retain all copyrights and other proprietary notices, and any disclaimer contained thereon.

None of the content of these pages may be incorporated into, reproduced on, or stored in any other Web site, electronic retrieval system, or in any other publication, whether in hard copy or electronic form. You may not, without our permission, 'mirror' this information on your own server, or modify or re-use text or graphics on this system or another system.

Certain links on this Web site lead to resources located on servers maintained by third parties over whom JM&B has no control. JM&B accepts no responsibility for the information contained on such servers.

The information, text, graphics and links contained in these pages are provided for information purposes only. JM&B does not warrant the accuracy, or completeness of the information, text, links, and other items contained on this server or any other server.

JM&B accepts no responsibility for loss, which may arise from reliance on information contained in this site.

No warranty of any kind, either expressed or implied, is made as to the information contained in these pages, including, but not limited to any implied warranty of merchantability, fitness for a particular purpose or non-infringement of third party intellectual property of or by JM&B products. Some jurisdictions do not allow the exclusion of implied warranties, so the above exclusion may not apply to you.

JM&B may make changes to the information contained in these pages, or to the products described in them, at any time without notice, however JM&B makes no commitment to update the information given in these pages.