

JM&B Monthly Gold & Silver Report

April 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

April was a mixed month for gold and silver.

2. Gold

2.1 News and Fundamental Considerations

Selected News Items from the Month

Istanbul, 4th April 2017, (Reuters) – Turkish gold imports rose 17-fold to 28.2 tonnes in March, as Turks looking to hedge currency risk ahead of a referendum in two weeks' time followed President Tayyip Erdogan's calls to buy gold instead of dollars.

After the sharpest falls in the Turkish lira since the 2008 financial crisis last November, Erdogan called on Turks to sell dollars and buy lira or gold to prop up the local currency. Gold imports have been rising year-on-year ever since. "People have started opting for gold rather than foreign currencies," said Mehmet Ali Yildirimturk, a gold specialist in Istanbul's Grand Bazaar, adding that a moderate recovery in the lira had also made gold more affordable again.

Gold imports to Turkey rose almost eightfold to 36.7 tonnes in December after Erdogan's calls, their highest monthly level in just over two years, according to data from the Precious Mines and Metals Markets of the Istanbul bourse.

Prices in Turkey surged from 132 lira (\$36) for 24-carat gold in January to 153 lira in February. On Tuesday, gold prices were around 148 liras.

Gold is seen as a safe place to park assets during times of uncertainty. Turkey holds a referendum on April 16 on constitutional changes which would significantly boost Erdogan's powers, with polls suggesting a tight race. (\$1 = 3.6664 liras)

New Delhi, 12th April 2017, (Bloomberg) – Gold imports by India are said to have jumped almost seven-fold in March from a year earlier as jewellers stocked up anticipating a demand recovery during the wedding season that began this month and the auspicious Hindu gold-buying day of Akshaya Tritiya.

Shipments advanced 582.5 percent to 120.8 metric tons last month from a year earlier, according to a person familiar with provisional data from the finance ministry, who asked not to be identified as the data aren't public. Imports dropped 20 percent to 716.4 tons in the year ended March 31. Finance Ministry spokesman D. S. Malik declined to comment on the data.

Consumption in India, the world's second-biggest gold buyer, has been recovering after a falling to the lowest level in seven years in 2016. A strike in March last year after a levy was introduced on jewellery produced and sold in India reduced consumption that was further dented by the government's decision to withdraw high-denomination currency notes. March usually sees a spurt in gold imports due to warehouse clearance and re-stocking, the person said.

"Imports were down till January due to demonetization, so now people are re-stocking," Mehul Choksi, chairman of jewelry store chain Gitanjali Gems Ltd., said by phone from Mumbai.

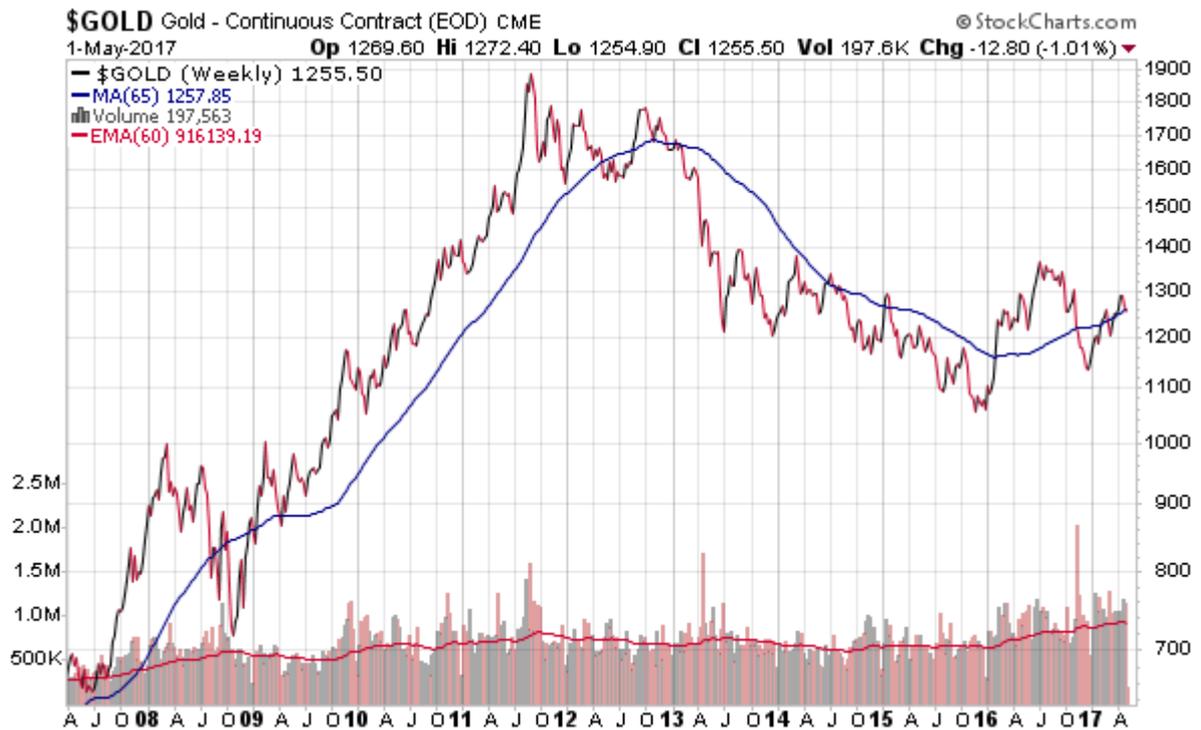
Trade data in India has been encouraging so far and suggests that the challenges to purchases due to demonetization are probably fading faster than initially anticipated, UBS AG said in a report on April 5. Purchases are expected to pick up heading into the Akshaya Tritiya festival that falls toward the end of April this year, while import data for the next couple of months will be a good gauge of underlying demand, according to the report.

Indians buy gold during festivals and for marriages as part of the bridal trousseau or as gifts, and the nation imports almost all the gold it consumes

2.2 Technical Comments

Long Term Technical Comments

Gold prices improved somewhat in April:



Daily/Weekly Technical Comments

London afternoon fix in USD/toz:

Open	High	Low	Close
03.04	13.04	05.04	28.04
1247	1284	1246	1266

London afternoon fix in €/toz:

Open	High	Low	Close
03.04	13.04	26.04	28.04
1170	1210	1159	1160



Gold was essentially unchanged for the month.

3. Silver

3.1 News and Fundamental Considerations

3.2 Technical Comments

Long Term Technical Comments

Silver fell in April:



Daily/Weekly Technical Comments

London fix in USD/toz:

Open	High	Low	Close
03.04	13.04	28.04	28.04
18.16	18.56	17.41	17.41

London fix in €/toz:

Open	High	Low	Close
03.04	13.04	28.04	28.04
17.05	17.45	15.91	15.92



After an initial rally, silver fell in April to close at the March lows.

John Fineron, 2nd May 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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