



REPORT ON THE GLOBAL PRECIOUS METALS MARKET FOR APRIL 2017

	Gold	Silver	Platinum	Palladium
Highest price USD/oz	1 295,50	18,67	991,00	833,60
Date	13 Apr 2017	13 Apr 2017	17 Apr 2017	28 Apr 2017
Lowest price USD/oz	1 243,55	17,07	934,00	770,75
Date	5 Apr 2017	28 Apr 2017	10 Apr 2017	18 Apr 2017

8 May 2017, Prague - In April, **the volatility** of precious metals observed was **relatively low**. The lowest price difference was recorded in gold, i.e. 4%, in platinum 6.0%, in palladium 8.1%, and the highest difference was recorded in silver, 9.3%.

It is noteworthy that in April, **the gold experienced the highest and the lowest price within only 8 days**. This very fast strengthening was caused by two reasons. The first reason was the decision of the **USA to bomb the Syrian air force base** in retaliation for an attack with chemical weapons. It was followed by strengthening the gold from the value of around 1,245 USD per ounce troy to the value of 1,270 USD. The second reason were **market concerns regarding the development in France**, more precisely the first round of presidential elections. However, **the highest price in April was reached already before Easter**. It is given by the fact that during Easter, there is very low liquidity in the market, and therefore businessmen invested in gold already a week ago **in order to ensure their positions** before elections in France and ensure themselves against a possible global political risk given by the development in Syria and crisis around North Korea.

The result of the first round of elections in France was then **partial appeasement** not only for France but also for financial markets. Nightmare scenarios of Marine Le Pen crushingly winning the first round with an extreme left-leaning candidate moving forward to the second round with her have not been completed. Thus, everything looks quite satisfactorily. The candidate of the democratic right-wing party won the first round and moved forward to the second round together with the extreme right-leaning candidate Le Pen. The gold price dropped from 1,290 USD per ounce troy to 1,260 USD while remaining there till the end of April. After the first round of elections, the markets anticipated that Emmanuel Macron will win the second round as well, and France will not become the country with an unpredictable female-president demanding the departure of France from EU. This time, surveys have not failed as in the case of Brexit or on the election of the U.S. president, and Macron won decisively.

We in the Czech Republic have also persuaded ourselves on how deceptive the presumptions in financial markets can be. At the beginning of the month, **the Czech National Bank stopped its interventions** to weaken the crown, and **everybody expected that the crown would strengthen at least to CZK 25**. So far, however, everything is different. **The crown had strengthened to 26.60** at the very beginning, but **now, it moves again around 27 crowns** per one euro. At this moment, some of the Czech investors in gold are disappointed because their **waiting for the appreciation of the crown and gold lowering was not worth it. If they bought regularly or decided to purchase in January, they would save at least 10%**. We will see what the future development of the Czech crown brings. **From a long-term point of view, it will be probably strengthened. The time and extent of strengthening are really in the stars. Therefore, there is growing evidence that the most favourable form of investing in gold is its gradual purchase in regular intervals**. Thus, the investor shall avoid a possible risk of price fluctuations and purchase at the most unfavourable moment.



The news which should not disappear in political wrangling is the fact that **China has again increased its gold consumption**. According to the data of the Chinese Gold Association, it was **almost by 15%** in the first quarter. When compared to the same period of the previous year, there was the highest **increase in the purchase of investment ingots**, i.e. by **more than 60%**. Purchases in **the first quarter** exceeded the limit of 100 tonnes, exactly **101.19 tonnes**. It can be seen that the most populous country in the world is becoming ever richer while being able to absorb all the gold appearing in the market.

In May, a determining factor for prices of precious metals will be mainly the result of the second round of **the presidential elections in France**. Further, it is necessary to keep track of **the international situation**, first of all, the development around the Syrian civil war and herewith associated relationships between the USA and Russia, as well as the situation in Great Britain where a surprising announcement of extraordinary parliamentary election was made in April.

A handwritten signature in black ink, appearing to read 'Libor Křapka'.

Libor Křapka
Chief Executive Officer of IBIS InGold®, a. s.