

PRECIOUS METALS REPORT

MARKET COMMENT

Uncertainty Helping Gold

Oil continues its climb as a result of short covering rally from the OPEC production cut agreement earlier in the week. The uncertainty surrounding the Italian constitutional referendum this weekend has temporarily halted the recent gold decline. In a reversal of recent precious metal action, gold (up \$8 to \$1177 Feb), silver (up \$0.24 to \$16.75 Mar), and platinum (up \$18 to \$930 Jan) all ended higher while palladium dropped for a second day in a row on profit taking after hitting a high of \$776.

US nonfarm payroll increased 178k in Nov, slightly beating expectations of 175k. The national unemployment rate fell to 4.6%, the lowest level since before the financial crisis. Despite the better than expected headline employment numbers, economists disagree on just about everything else. Some argue that the U6 (the unemployed, the underemployed, and the discouraged) are higher than what's being reported while others argue that there's a historical high number of Americans not counted in the labor force. Bottom line is that this labor number will further pressure the FOMC to raise interest rates in Dec.

Keep an eye on the Italian referendum which will create some short term volatility from Sunday night into Monday.

Have a wonderful weekend!

TRADING RANGE (COMEX/NYMEX Far East and early European ranges)

| | Gold | Silver | Platinum | Palladium | Euro/USD |
|------|---------|--------|----------|-----------|----------|
| Open | 1174.30 | 16.585 | 916.80 | 753.65 | 1.0660 |
| Low | 1173.70 | 16.460 | 914.90 | 744.00 | 1.0637 |
| High | 1179.80 | 16.740 | 922.30 | 758.00 | 1.0689 |

LONDON BENCHMARKS / ECB-EXCHANGE RATE

| | Gold | Silver | Platinum | Palladium | Euro/USD |
|----|---------|--------|----------|-----------|----------|
| AM | 1171.65 | 16.35 | 916.00 | 746.00 | 1.0642 |
| PM | 1173.50 | | 918.00 | 743.00 | |

TRADING RANGE (COMEX/NYMEX)

| | Gold | Silver | Platinum | Palladium | Euro/USD |
|-------|---------|--------|----------|-----------|----------|
| Low | 1168.40 | 16.375 | 914.20 | 737.20 | 1.0623 |
| High | 1180.30 | 16.870 | 935.70 | 758.00 | 1.0689 |
| Close | 1177.80 | 16.832 | 932.70 | 745.50 | 1.0660 |

SUPPORT / RESISTANCE (USD/toz)

| | Gold | Silver | Platinum | Palladium | Euro/USD |
|------------|------|--------|----------|-----------|----------|
| Support | 1150 | 16.00 | 900 | 700 | 1.0500 |
| Resistance | 1250 | 17.00 | 1000 | 775 | 1.0800 |

MINOR PGM METALS

| <u>KII 125-115 II 050-100 Ku 32-44</u> | Rh | 725-775 | lr | 650-700 | Ru | 32-42 |
|--|----|---------|----|---------|----|-------|
|--|----|---------|----|---------|----|-------|

U.S. ECONOMIC CALENDAR (December 5, 2016)

*Italian constitutional referendum

ISM non-manufacturing PMI (Nov)

Service PMI (Nov)

For any comment, question or other inquiry please call us:

South Plainfield (US) +1 908 222 + (extension) Stephan Marczinkowski (5001), Rick Holt (5002), David Lee (5003), Rosanne Rapier (5004)

Hanau (DE) +49 6181 59 + (extension) Paola Castellano-Weisser (6294), Oliver Stoehr (6291), Stephan Henkel (6292) , Sascha Hasenmaier (6297)

This document is intended solely for professional participants of the precious metals markets. It is not designed for private individuals. This document is not and should not be construed as an offer to sell, or a solicitation of an offer to purchase or subscribe to, any investment. This document is based on information that Umicore Precious Metals New Jersey, LLC and Umicore AG + Co. KG Hanau Precious Metals Management ("Umicore") has obtained from sources that it believes to be reliable, but Umicore has not independently verified such information. Accordingly, Umicore makes no guarantee, representation, or warranty as to its accuracy or completeness. Expressions of opinion are those of Umicore and may change without notice. Neither Umicore nor any of Umicore's affiliates assumes any liability for any loss or damage, whether direct or indirect, that you may incur as a result of the use of or reliance on the information about our terms and conditions of sale.