



## MKS PAMP GROUP

### Precious Metals Price Forecast

Year 2017

#### MKS PAMP GROUP - 2016 Precious Metals Forecast Review

MKS PAMP GROUP - 2016 Forecast vs. London Fixing						
2016	FCST Low MKS USD/oz	FCST High MKS USD/oz	FCST Average MKS USD/oz	Low Fix USD/oz	High Fix USD/oz	Average FIX USD/oz
XAU	950.00	1210.00	<b>1120.00</b>	1072.00	1370.00	<b>1251.00</b>
XAG	23.0000	18.0000	<b>14.5200</b>	13.5800	20.7100	<b>17.1400</b>
XPT	750.00	1200.00	<b>972.00</b>	814.00	1182.00	<b>987.00</b>
XPD	400.00	720.00	<b>599.00</b>	465.00	774.00	<b>613.72</b>

2016 Precious Metals Performance						
2016	Fixing 04 Jan 2016 USD/oz	Fixing 30 Dec 2016 USD/oz	2016 Performance %	Low Fix USD/oz	High Fix USD/oz	Average Fix USD/oz
XAU	1072.70	1159.10	8.05	1072.00	1370.00	1251.00
XAG	14.0000	16.2400	16.00	13.5800	20.7100	17.1400
XPT	878.00	907.00	3.30	814.00	1182.00	987.00
XPD	547.00	676.00	23.58	465.00	774.00	613.72

#### MKS PAMP GROUP - 2017 Precious Metals Forecast Summary

MKS PAMP GROUP - Precious Metals FCST Summary				
2017	Fixing 03 Jan 2017 USD/oz	Low Fixing MKS USD/oz	High Fixing MKS USD/oz	Average Fixing USD/oz
XAU	1148.65	1120.00	1380.00	1272.00
XAG	15.9500	15.2000	18.8000	17.6500
XPT	906.00	870.00	1180.00	1033.00
XPD	684.00	650.00	890.00	791.00



<b>MKS PAMP GROUP - Gold Forecast 2017</b>		
<b>Low 2017</b>	<b>High 2017</b>	<b>Average 2017</b>
1120.00 USD/oz	1380.00 USD/oz	1272.00 USD/oz

In 2017 we expect new and different factors to drive the gold price. With the newly elected US President, France and Germany Presidential elections to come, new nationalist and populist governments in the US and possibly in Europe could change the order of international relations and trade but also lead toward protectionist measures and triggering Brexit –like discussions. These uncertainties could result in increased political and geopolitical tensions and more market volatility until a new global equilibrium is reached. These factors should provide enough support to gold and offset the impact of a possibly strengthening USD on the back of FOMC decisions. The official sector shall continue to be a net buyer of gold. We are expecting gold to moderately strengthen on the back of safe haven buying.

<b>MKS PAMP GROUP - Silver Forecast 2017</b>		
<b>Low 2017</b>	<b>High 2017</b>	<b>Average 2017</b>
15.2000 USD/oz	18.8000 USD/oz	17.6500 USD/oz

Silver rose by +7.13% over the course of 2016, mainly trading in the shadow of gold. We anticipate silver to uncouple from gold in 2017 and trade on its own fundamentals. On one hand the mining supply is set to decrease, mainly as a byproduct. On the other hand, the industrial demand is set to increase as global growth slowly recovers. The installation of new solar plants, especially in China, shall result in increased silver demand from the photovoltaic industry. As a result, the silver supply is to remain in deficit for the fourth consecutive year. We expect silver to average 17.6500 USD/OZ and to move as high as 18.8000 in 2017.

<b>MKS PAMP GROUP - Platinum Forecast 2017</b>		
<b>Low 2017</b>	<b>High 2017</b>	<b>Average 2017</b>
870.00 USD/oz	1180.00 USD/oz	1033.99 USD/oz

Platinum underperformed the other precious metals in 2016. The demand from the automotive sector in Europe is set to slow down over the course of the year. The Chinese Platinum Jewelry consumption shall remain on the weaker side on slower growth expectations. The South African and Russian supply is expected to marginally decline in 2017. The strong currency related investment demand experienced in Japan in 2016 is expected to continue throughout 2017. That could balance eventual ETF outflows. Still, the supply demand deficit is set to narrow resulting in a more balanced market after several years of supply deficit. Overall we expect Platinum to gradually strengthen over the course of the year. Any renewed significant mining production disruption in South Africa would result in a price upswing.



<b>MKS PAMP GROUP – Palladium Forecast 2017</b>		
<b>Low 2017</b>	<b>High 2017</b>	<b>Average 2017</b>
650.00 USD/oz	890.00 USD/oz	791.00 USD/oz

Palladium out-performed the other metals in 2016, closing the year 23% higher. But the story is not over! Tightening emission rules in China could have a significant impact on the market in 2017, resulting in more demand. The supply/demand deficit is set to further widen and would offset any eventual ETF related selling. We also expect more shifting from Platinum to Palladium car catalysts on tighter regulations. Fundamentals are very favorable for palladium and justify a bullish scenario. While our sentiment for the other 3 metals is moderately bullish, we are not getting out of our comfort zone in calling palladium to outperform the other precious metals.

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