



MKS PAMP GROUP
Precious Metals Price Forecast
Year 2018

MKS PAMP GROUP - 2017 Precious Metals Forecast Review

MKS PAMP GROUP - 2017 Forecast vs. London Fixing						
2017	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	1120.00	1380.00	1272.00	1148.65	1350.90	1257.00
XAG	15.2000	18.8000	17.6500	15.2200	18.3400	17.0500
XPT	870.00	1180.00	1033.00	877.00	1033.00	948.49
XPD	650.00	890.00	791.00	684.00	1060.00	868.96

2017 Precious Metals Performance						
2017	Fixing 03 Jan 2017 USD/oz	Fixing 29 Dec 2017 USD/oz	2017 Performance %	Low Fix USD/oz	High Fix USD/oz	Average Fix USD/oz
XAU	1148.65	1296.50	+12.87	1148.65	1350.90	1257.00
XAG	15.9500	16.8650	+5.74	15.2200	18.3400	17.0500
XPT	906.00	927.00	+2.32	877.00	1033.00	948.49
XPD	684.00	1056.00	+54.39	684.00	1060.00	868.96

MKS PAMP GROUP - 2018 Precious Metals Forecast Summary

MKS PAMP GROUP - Precious Metals FCST Summary				
2018	Fixing 02 Jan 2018 USD/oz	Low Fixing MKS USD/oz	High Fixing MKS USD/oz	Average Fixing MKS USD/oz
XAU	1312.80	1220.00	1440.00	1365.00
XAG	17.0600	16.2000	20.2000	18.6000
XPT	937.00	920.00	1100.00	1008.00
XPD	1071.00	950.00	1420.00	1230.00



MKS PAMP GROUP - Gold Forecast 2018

Low 2018	High 2018	Average 2018
1220.00 USD/oz	1440.00 USD/oz	1365.00 USD/oz

In 2017, gold further recovered ending the year 12% higher. In 2018 we expect gold to climb moderately. On one side of the argument there is a general expectation for a 50 bp FED interest rates hike and the recent US corporate tax cut which in theory could be in favor of a stronger USD on the back of assets repatriation. On the other side the tax cut could result in a lower US treasury income and logically a widening budget deficit, putting pressure on the USD. A further risk is a major correction in global stock markets. Jewelry and industrial demand are set to be on the rise on improving global growth. As the demand is set to improve the supply side will remain under pressure. This combined with ongoing geopolitical tensions and the official sector expected to be a net buyer prompts us to set the yearly average at 1365.00 USD/oz.

MKS PAMP GROUP - Silver Forecast 2018

Low 2018	High 2018	Average 2018
16.2000 USD/oz	20.2000 USD/oz	18.6000 USD/oz

Silver rose by 5.74% in 2017, underperforming gold. Silver has uncoupled from its big brother and shall continue to trade on its own path. After having been somewhat neglected the past year we expect silver to attract more interest in 2018. Improving global growth will spur more demand from the industrial and jewelry sector. New technologies containing silver, even if marginal at this stage shall add to the demand.

Mine output is set to decline as some mines producing silver as a by-product have cut down their production. We do expect more speculative buying to kick in over the course of the year providing some short to medium term support and an acceleration in the upside swing. Erratic and volatile sessions are likely. We expect silver to average at 18.6000 and to peak at 20.2000 USD/oz.

MKS PAMP GROUP - Platinum Forecast 2018

Low 2018	High 2018	Average 2018
920.00 USD/oz	1100.00 USD/oz	1008.00 USD/oz

Platinum rose by 2.32% in 2017, sharply underperforming the 3 other precious metals. Several factors shall contribute in a more substantial upside swing in 2018. We are taking into consideration a possible decrease in mining supply as a result of South African mine closures in H2 2017. Some other mines reduced production stating they prefer to focus on value over volumes and to remove unprofitable ounces from production. A partial shift from palladium into platinum in the auto catalyst sector remains likely over time as palladium rockets and its supply deficits widen. On the demand side, we expect the global growth recovery to prompt more demand in the jewelry and auto catalyst car industry. Considering those factors, we predict Platinum to average 1008.00 USD/oz in 2018.



MKS PAMP GROUP – Palladium Forecast 2018

Low 2018	High 2018	Average 2018
950.00 USD/oz	1420.00 USD/oz	1230 USD/oz

Palladium was the top performer in 2017, closing the year 54% higher and we expect palladium to be again the top performer again in 2018.

The already massive years-long supply deficit is set to further increase this year..

The China Passenger Car Association expects car sales to growth by 4 % in 2018, which is partially offset by US sales expected to decline 2%. Still there is a slow but certain shift from diesel into gasoline cars, especially in Europe. The jewelry and industrial demand is also set to recover further. On the other hand, the car industry will probably attempt to start shifting from palladium to platinum in auto catalyst, but this will not happen overnight. We expect palladium to attract decent speculative interest and to trade in very volatile sessions with ample moves. We see a high at 1420.00 and the average at 1230 USD/oz in 2018.

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