

## REVIEW

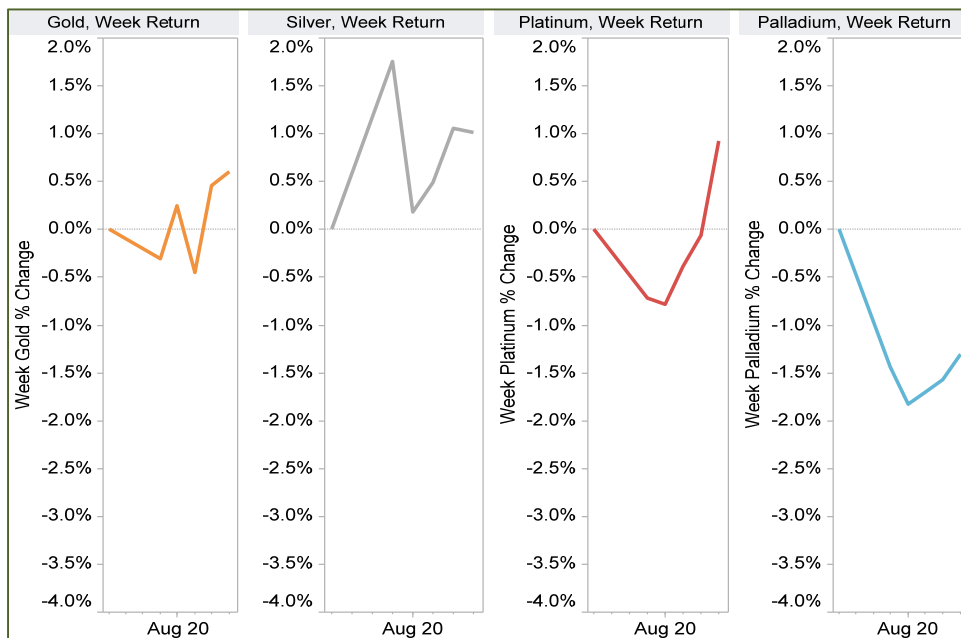
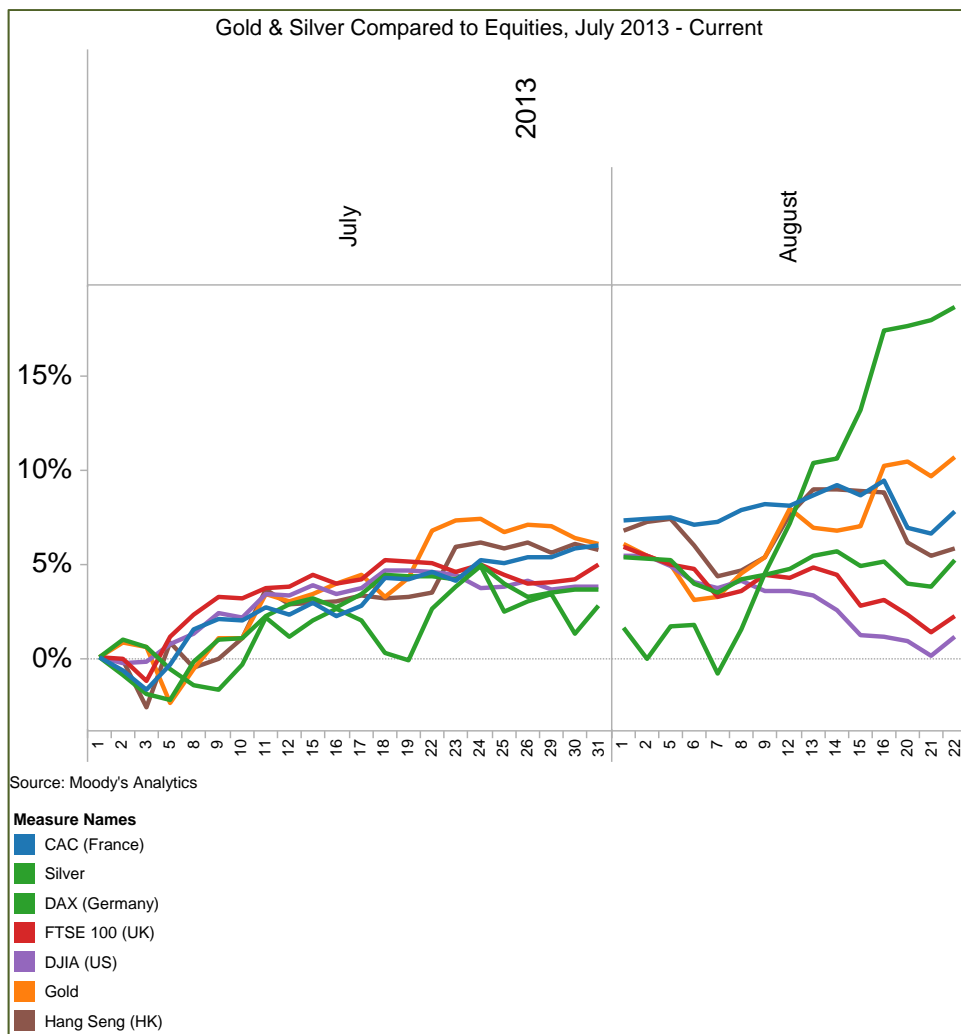
The summer continues to be a time to remember for owners of precious metals, with gold up about 11% since the first of July, silver up almost 19%, platinum up about 12%, and palladium up almost 11%.

The returns this past week's returns were largely the result of weak economic data, in particular Wednesday's weak new homes sales figures in the U.S., which pushed expectations of Federal Reserve tapering to later on down the line. The myopic concern regarding how soon central bankers will address their ballooning balance sheets continues to surprise analysts watching other factors that should impact the prices of precious metals.

## OUTLOOK

The week ahead is relatively light until Thursday for the European Union, when EMU economic sentiment, EMU unemployment claims, and German retail sales will likely provide a good deal of information for investors to chew on. In addition to the volatility expected on Thursday in Europe, the week ahead also contains a good deal of U.S. economic data, including GDP on Wednesday and personal income and consumer confidence on Thursday.

On precious metal markets outlook, any positive or negative bias is largely the result of how the given



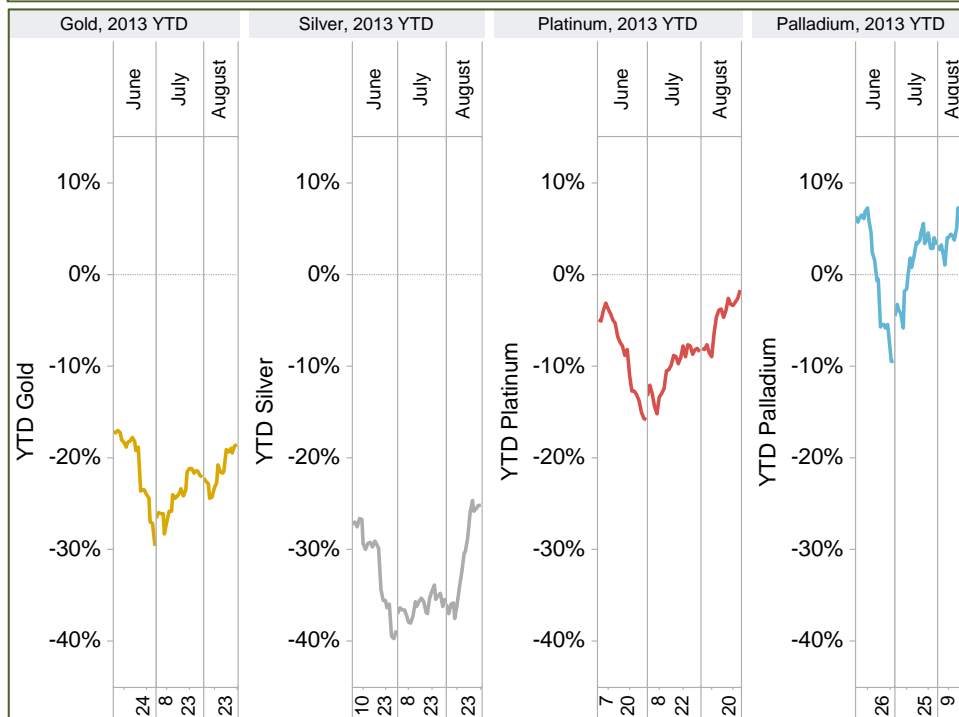
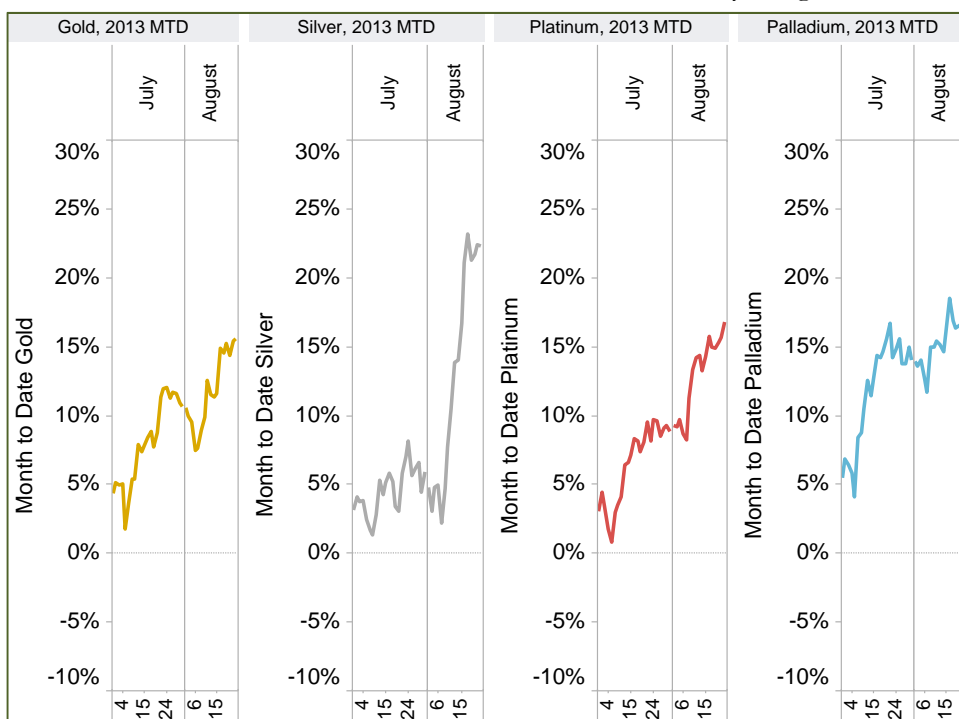
analyst thinks markets will respond to better than expected or worse than expected economic data. Should economic data come in better than expected, the precious metals will likely drop due to concerns about central bankers pulling the plug on keeping short-term and long-term interest rates artificially low. In contrast, should economic data come in worse than expected, precious metals will likely experience positive returns because of investors shifting concerns about central bankers' tapering off further into the future.

## GOLD

Gold was up about half a percent for the week, pushing the precious metal to a three month high. The performance of gold was strongest on Thursday, the day after U.S. new home sales data were released. Presuming economic data in the coming week comes in poorer than expected, analysts give gold about a percent upside bias for the week ahead.

## SILVER

As with gold, presuming economic data comes in weaker than expected, analysts give silver a couple percentage points in upside bias.



## PLATINUM & PALLADIUM

As with gold and silver, platinum and palladium also have an upside bias for the coming week of a little less than one percent according to some analysts. As with gold and silver, the major assumption behind the positive bias is weaker than expected economic data. Should this assumption turn sour, precious metal markets will likely experience a down week.