

Silver market summary Jul 27-31

BEIJING (Asian Metal) 3 Aug 15 - Silver price rebounded slightly during the week, and trading calmed down slightly compare with last week. Palladium powder prices declined slightly during the week.

International market review

During the week, the international precious metals market was lack of stimulation, and both gold and silver prices were struggling in a narrow range. Loco London gold price increased slightly from USD1,094.14/oz to USD1,095.78/oz, up by USD1.64/oz. Loco London silver price increased slightly from USD14.57/oz to USD14.78/oz, up by USD0.21/oz during the week. US dollar index moved up from 96.564 to 97.208.

The silver inventories held by iShares Silver Trust declined by 62.37t to 10165.53t during the week.

Silver inventory of iShares Silver Trust

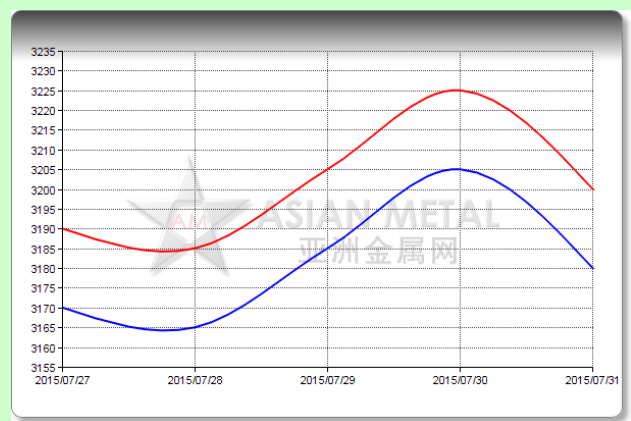
Date	Inventory (t)	Change (t)
2015-7-24	10,227.90	0.00
2015-7-27	10165.53	-62.37
2015-7-28	10165.53	0.00
2015-7-29	10165.53	0.00
2015-7-30	10165.53	0.00

Chinese domestic market review

Silver ingot 99.99%min prices on Chinese spot market saw oversold rebound from last week, and increased from RMB3,170-3,190/kg to RMB3,180-3,200/kg, and up by RMB10/kg during

the week. Trading calmed down compared with last week, while the average sale volume was still higher than the same period at last month. The discounts between spot market and future market stood at RMB35-40/kg. Discounts between spot market and TD market stood at RMB0-3/kg. As the silver smelters were still reluctant to sell the materials, silver stocks in Shanghai market witnessed a decline recently, but there was still around 600t of silver ingot over ground stocks. Due to the steady bases, arbitragers felt it was hard to make profits.

The price graph for silver ingot 99.99%min in China (Unit: RMB/kg):



Chinese silver ingot 99.99%min market prices by region on 31 Jul

City	Item	Spec	Price	Up/Down	Unit
Hunan	Silver ingot	99.99% min	3180-3200	-25	RMB/kg
Shanghai	Silver ingot	99.99% min	3190-3210	-25	RMB/kg
Zhejiang	Silver ingot	99.99% min	3190-3210	-25	RMB/kg
Henan	Silver ingot	99.99% min	3190-3210	-25	RMB/kg

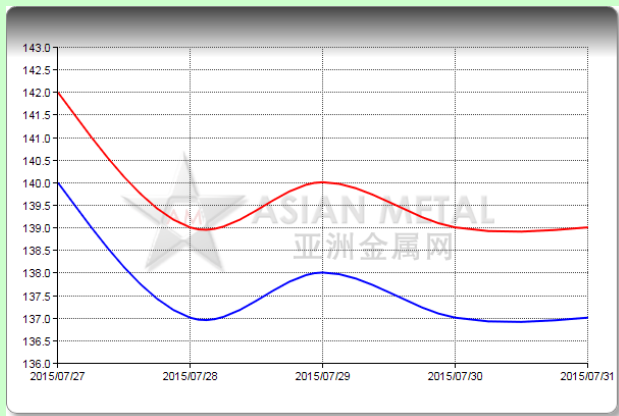
Related industry developments

Palladium powder prices decrease

Loco London palladium prices declined slightly from USD611.15/oz to USD608.47/oz.

Palladium powder 99.95%min prices on Chinese spot market declined from RMB140-142/g to RMB137-139/g, down by RMB3/g, and trading was flat compared with last week. With the strong uptrend of US dollar index, participants were pessimistic towards palladium market. Demand from auto and petrochemical industries were still on the decline.

The price graph for palladium powder 99.95%min in China (Unit: RMB/g):



Chinese palladium powder 99.95% market prices by region on Jul 31

City	Item	Spec	Price	Up/Down	Unit
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Yunnan	Palladium powder	99.95%	138-140	0	RMB/g
Shanghai	Palladium powder	99.95%	138-140	0	RMB/g
Zhejiang	Palladium powder	99.95%	137-139	0	RMB/g

Company news

Jiangxi Copper Co., Ltd produced around 270t of silver ingot in the first half of 2015, unchanged compared with the same period of 2014. The company has silver ingot production capacity of 560tpy, usually running with the outputs of 45-50tpm.

Tongling Nonferrous Metals Group Holding Co., Ltd plans to produce around 30t of silver ingot in July, down from 35t in June. Due to the sluggish market, the company decreased the silver percentage in copper concentrate this year, and cut the output target to 400t in 2015, down from 470t in 2014.

Jinye Precious Metal Co., Ltd's silver ingot output will reach around 8t in July 2015, down by 20% compared with last month. Silver ingot prices dropped by RMB200/kg in July, and the company was hard to collect the raw materials at low prices, and thus the silver output in July declined. The

company was reluctant to sell silver ingot and held around 6t of the products on hand.

**Market Outlook: Up ↑ Chance 70%
+RMB10/kg**

The US employment performance was weaker than expect and the Federal Reserve may not raise the interest rate in September. Silver ingot 99.99%min price on Chinese spot market will go around RMB3,130-3,350/kg. Palladium powder 99.95%min price will fluctuate around RMB133-148/g.