

Silver market summary Jan 14-18

BEIJING (Asian Metal) 21 Jan 13 – Support by the expectation for the US easing monetary, silver price increased slightly during the week. As most large-sized silver producers hold on from selling in spot market these days, the gap between silver prices in spot market and SHFE shrank. In Chinese spot market, silver price increased to RMB6,420/kg on Friday from RMB6,200/kg on Monday. Deals were thin as producers hold back from selling during the week.

Company news

Jiyuan Wanyang Smelting Group Co., Ltd produced 610t of silver ingot in 2012 and they will increase the output to at least 800t in 2013.

Shandong Humon Smelting Co., Ltd produced about 120t of silver ingot in 2012 and plans to increase the output to at least 200t in 2013.

Gansu Jinchuan Group Co., Ltd produced 300t of silver ingot in 2012 and fulfilled their target in 2012.

Jiangxi Copper Corporation produced 510t of silver in 2012 and plans to increase silver production to 550-560t in 2013.

Yuguang Gold & Lead Co., Ltd produced 690t of silver ingot 99.99%min in 2012 and plans to increase output to above 800t in 2013.

Chinese domestic market review

Many silver producers showed little interest to supply silver to spot market during the week. On the one hand, silver price stayed at the low level; on the other hand, participants hold the will that silver price will go higher continuously and producers hold the metal, waiting for silver price to go up. Traders lacked silver source and kept a low level of sales volume every day. The shortage of silver supply supported silver price in spot market. Silver price went up to RMB6,420/kg on Friday from RMB6,200/kg on Monday.

Chinese silver ingot 99.99%min market prices by region on 18 Jan

City	Item	Spec	Price	Up/Down	Unit	Basis
Hunan	Silver ingot	99.99%min	6,380-6,400	+50	RMB/kg	Ex works
Shanghai	Silver ingot	99.99%min	6,390-6,410	+50	RMB/kg	Free market
Zhejiang	Silver ingot	99.99%min	6,380-6,400	+50	RMB/kg	Ex works
Henan	Silver ingot	99.99%min	6,380-6,400	+50	RMB/kg	Ex works

International market review

The increasing platinum price and the gold recall of German Central Bank gave support to bullion prices. What's more, president of Fed showed that he did not want to give up easing monetary policies in a hurry. Both bullion prices and Euro got momentum to go up. Loco London Silver increased to the highest of USD31.84/oz on Friday from the lowest of USD30.39/oz on Monday.

Gold inventory of 8 main ETFs in global

Unit: t

Date	Inventory	Change
14-Jan-13	1908.749	-0.62
15-Jan-13	1908.39	-0.359
16-Jan-13	1906.07	-2.32
17-Jan-13	1903.729	-2.341
18-Jan-13	1904.129	+0.4

Silver inventory of iShares Silver Trust

Unit: t

Date	Inventory	Change
14-Jan-13	10,133.28	0
15-Jan-13	10,734.99	+60.71
16-Jan-13	10,734.99	0
17-Jan-13	10,734.99	0

18-Jan-13	10,734.99	0
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Related industry development

Most producers supplied anode mud normally although bullion prices remained low during the week. Chinese spot market lacked anode mud that with high bullion content that silver content is above 100kg/t and gold content is above 1,000g/t within anode mud.

Outlook for next week Up ↑ Chance 70% +RMB200/kg

German central bank plans to recall their overseas gold inventory and bullion prices may get momentum from the news. The president of Fed showed that he did not want to suspend easing monetary policies at current situation, and bullion prices and Euro will keep increasing in the near term. Silver price in Chinese spot market will remain the uptrend for a short time.