Mining News – Sunday roundup



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Silver rose 20% in a week, gold 5%, and what a week for investors that have waited patiently for the gold and silver bulls to charge.

Silver, and gold knocked it out of the park, with huge week on week rises.

Copper rose marginally, and is possibly running out of steam as a global recession is beginning to look likely.



Mining News – Sunday roundup July 26th 2020

A memorable week for mining investors as gold and silver soared on covid-19, and central bank money printing fears drove the price of precious metals upwards. In particular the printing of so much confetti money by the central banks, alongside a weakening US$ are pushing investors into the safe haven gold offers.

Gold went up 5%, to reach an all time closing high of just over US$1,900, and silver a whopping 20% in a single week.

The junior mining ETF's, GDXJ, and SILJ, rose 8% and 12% respectively, as increased metal prices raised prices were reflected in the value of those companies within the index.

The SPDR Gold Trust ETF, GLD, rose as new US investors using the Robin Hood platform attracted by the rising gold price are now piling in.to the sector. One hopes they do not overbuy else when they collectively exit the rush will drag it back down again just as quickly.

There are still some oversubscribed placings around, but the number seems to have reduced, and there eventually has to be a limit to the easy money, at least until some of the escrowed 4 month hold new shares come out onto the market.

Stocks

A very positive week for precious metal miners as you would expect after the surge in gold and silver prices. Orla Mining (TSX: OLA) , as did Minera Alamos (TSC.V: MAI), and last week's big loser, Fosterville South (TSX.V: FSX), is rising again and approaching it's recent high.

ASX listed Gold Road Resources (ASX: GOR) reported a very solid set of quarterly results, and maintained full year guidance. They repaid their entire A$25 million debt, a very positive move in my opinion. A$2 is proving a resistance point at the moment, but I expect it will soon be breached with this sold set of results plus the rising gold price.

Coking coal Prices continue to be subdued, rising a dollar or so this week.

ETF Indices

- GDX 41.83 +31.5% YTD
- GDXJ 54.8 +25% YTD
- SIL 46.91 +12.52% YTD
- SILJ 15.16 +3.22% YTD

Metal prices

- Gold $1900
- Silver $22.75
- Copper $2.96
- Nickel $6.10
- Zinc $1

Copper edged up slightly but looks to be running out of steam, as suspicions the Chinese have been influencing the London futures market emerge. Coupled to that, the Peruvian government have confirmed that all mines will reopen this week, adding their significant copper production to the supply chain. THe situation in Chile is less clear.

Iron Ore dipped on recession fears, and zinc edged upwards.

Nickel was buoyed by comments Tweeted by Tesla CEO Elon Musk, where he challenged nickel miners to produce in an ethically and environmentally responsible way, offering “a very large contract” for the company that can do so as Tesla requires so much more of the metal for their expanding battery production.

I still remain bearish on base metal prices, except nickel (see above), as there has surely to be a reduction in demand, due to the covid induced world recession that looks imminent.