

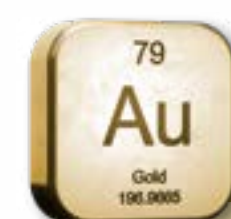
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PRECIOUS METALS REVIEW

Gold



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	2,807	1.28%	2,817	31/01/2025	2,731	27/01/2025
€/oz	2,700	2.40%	2,717	31/01/2025	2,604	27/01/2025

Wholesalers in China are anticipating a rise in consumer demand.

Shanghai Gold Exchange (SGE) withdrawals, a key indicator of wholesale and fabrication demand, typically rise in December and January as fabricators stock up for the Chinese New Year, which fell on 29 January this year. Consumer demand tends to also adhere to similar seasonality. Despite a strong start to 2024, cumulative withdrawals for the full year were among the lowest on record (excluding 2020), totalling 1,450 tonnes. This comes amid ongoing contractions in China’s jewellery industry, reflected in year-on-year revenue declines among major retailers such as Richemont, Chow Tai Fook and Chow Sang Sang. However, given that December 2024 withdrawals were up 23% month-on-month, January withdrawals could still align with the historical average of 190 tonnes (based on SGE data since 2016). SGE withdrawals tend to pre-empt consumer demand. The uptick in December suggests that although on a lower level than in 2024, consumer demand in China could pick up in Q1 this year. However, the performance of consumer demand is somewhat contingent on how the gold price performs. So far this year, gold has risen every week, including to a new all-time high in dollar terms last week. This could temper any positive impact from the Chinese New Year gifting cycle.

Gold continues to migrate to the US from London. Gold shipments have been swiftly flowing into COMEX inventories this year and are approaching 30,000 koz, the highest since August 2022. Since 1 January gold inventories have grown by nearly 8,000 koz, including 1,720 koz additional ounces last week, as traders and institutions have raced to beat potential tariffs in the US. As London’s vaults see outflows, this has extended waiting times, usually measured in days, to as much as a month.

Last week the Federal Reserve held its baseline interest rates despite pressure from President Trump to cut, while the European Central Bank implemented a 25-basis-point cut, in line with market expectations. Meanwhile, the gold price pushed to new all-time highs on Thursday and Friday reaching \$2,817/oz. However, US futures continue to trade at contango to spot gold and hit an all time high of \$2,853/oz on the March contract.

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Silver



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	31.44	2.45%	31.74	30/01/2025	29.70	27/01/2025
€/oz	30.23	3.58%	30.56	31/01/2025	28.33	27/01/2025

China spearheaded growth of PV demand for silver, but can it be sustained?

Total installed photovoltaic (PV) capacity in China reached 886.66 GW in 2024, marking a 46% year-on-year growth (source: National Energy Administration). This addition of 277 GW exceeded industry forecasts and surpassed China’s own 2024 capacity estimate by 17 GW. However, the growth rate, while notable, fell short of 2023’s record 54% increase, and prior to that, 28% in 2021. This trend suggests that China’s peak PV capacity growth rate may have already occurred. The past two years of solar growth have coincided with record-low module prices caused by intense manufacturer competition. However, entering 2025, polysilicon producers (GCL and Tongwei) have agreed to limit production, while module makers (Jinko, JA Solar and Canadian Solar) have reached a minimum pricing consensus to restore profitability. This could raise solar module prices, increasing project capital expenditure. Forecasts indicate that 232 moz of silver was used (source: The Silver Institute) in the 495 GW of PV applications in 2024 (source: PV magazine). If growth in the rate of installation is the same year-on-year, solar demand for silver could rise by another 39 moz in 2025, reaching a record 270 moz.

Fresnillo’s production guidance for 2025 is lower than for 2024.

The Group’s full-year attributable silver production in 2024 was 56.3 moz, remaining flat year-on-year and within the 55-62 moz guidance range. Despite operating within expectations, Fresnillo has lowered its 2025 production forecast to 49-56 moz, in part owing to lower silver grade expectations at the Juanicipio and San Julián mines year-on-year. Fresnillo is the largest primary silver producer globally and any declines will offset expected growth in output this year in other regions. Total primary silver supply is forecast to rise to an 11-year high of 1,050 moz in 2025 (source: The Silver Institute).

Silver underperformed gold last week as most precious metals rallied. After initially dipping below \$30/oz on Monday, silver climbed back to sit within its recent range and close at \$31.44 on Friday following a post-FOMC surge.

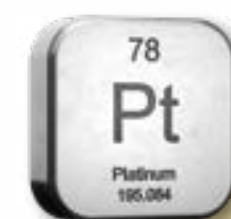
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Platinum



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	982	3.44%	984	31/01/2025	938	28/01/2025
€/oz	944	4.58%	949	31/01/2025	896	27/01/2025

Europe's demand for trucks hampers platinum autocatalyst demand. Volvo Group's full-year results show a 0.4% year-on-year increase in cumulative new orders for heavy-duty vehicles. This was driven primarily by a strong Q3'24 and Q4'24 which increased by 11% and 37%, respectively, offsetting losses in H1'24. However, the European heavy-duty truck market as a whole is in decline. New commercial truck registrations in the EU fell by 6.3% year-on-year to just under 330,000 units in 2024 (source: ACEA). Volvo's outlook anticipates a second consecutive year of decline in 2025, forecasting an 8% drop to 290,000 units. The Eurozone's industrial sector has been in contraction territory for two years. Lower industrial activity reduces demand for new trucks, and therefore poses a downside risk for platinum autocatalyst demand.

Although diesel internal combustion engines (ICEs) still dominate the European heavy-duty vehicle market, holding over 95% market share (source: ACEA), the EU's 2030 emissions target requires a 45% reduction in heavy-duty vehicle emissions, with zero-emission trucks expected to make up 15% of the fleet. Electrification is gradually gaining traction, with the market share of electrified heavy-duty vehicles in the EU increasing from 3.2% to 4% over the first three quarters of 2024. This was echoed by Volvo's order intake for fully electric trucks which was also up 4% year-on-year in 2024. However, despite weak freight demand in the EU – due to declining manufacturing output – global platinum demand from diesel medium- and heavy-duty trucks is still expected to grow by 8% year-on-year.

This is primarily driven by growth in China and India where platinum demand from these trucks is forecast to rise in 2025, which would offset Europe's decline.

The price of platinum struggled early in the week but then climbed steadily to reach \$982/oz on Friday.

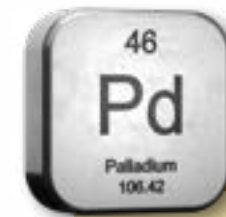
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Palladium



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	1,010	1.92%	1,017	31/01/2025	950	29/01/2025
€/oz	971	3.11%	978	31/01/2025	910	29/01/2025

Steady supply from Russia. Nornickel, the world's largest palladium producer, exceeded its 2024 production target by just over 1% despite major smelter refurbishment during the year. Fourth-quarter output fell by 10% quarter-on-quarter owing to the earlier work on the Nadezhda flash smelting furnace. As PGMs have a longer production cycle than base metals (also mined and refined on-site), the impact of downtime in the middle of the year was lagged and realised only in Q4'24. The rebuilt smelter is now fully operational and has increased smelting capacity by 25%, allowing for potential future expansions. Production guidance for 2025 of 2,704-2,756 koz of palladium is in line with that for 2024. Historically, Nornickel has managed to exceed guidance, and may exceed guidance again in 2025 given there is no major planned maintenance. As a result, Russian palladium production could surprise to the upside in 2025. The palladium market is expected to be relatively finely balanced this year, and any additional supply poses a near-term downside risk to the price of palladium.

The price of palladium remained flat until Wednesday when it started to climb. On Friday the price rallied over \$1,000/oz to a peak of \$1,017/oz, it then closed at \$1,010/oz.

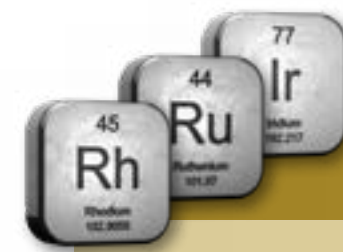
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Rhodium, Ruthenium, Iridium



	RHODIUM	RUTHENIUM	IRIDIUM
Reporting Week	\$5,250/oz	\$535/oz	\$4,950/oz
Previous Edition	\$5,250/oz	\$535/oz	\$4,950/oz

Industrial demand could be rhodium's bright spot this year. Automotive demand for rhodium is forecast to see a fourth straight year of decline in 2025, mainly due to the impact of BEVs extending their market share of global light-vehicle production. However, industrial demand should see moderate growth despite representing only ~15% of total demand. Glass manufacturers in China have been actively reducing the amount of rhodium used in manufacturing equipment since 2021, resulting in excess metal finding its way back into the market and contributing to rhodium's price decline. Much of the stock reduction is likely done, and so the glass sector could be a net-positive contributor again to rhodium industrial demand this year owing to capacity expansions elsewhere in the world. However, there is still a risk that some metal could be returned to the market if rhodium thrifting continues.

All three small PGM prices remained flat last week.

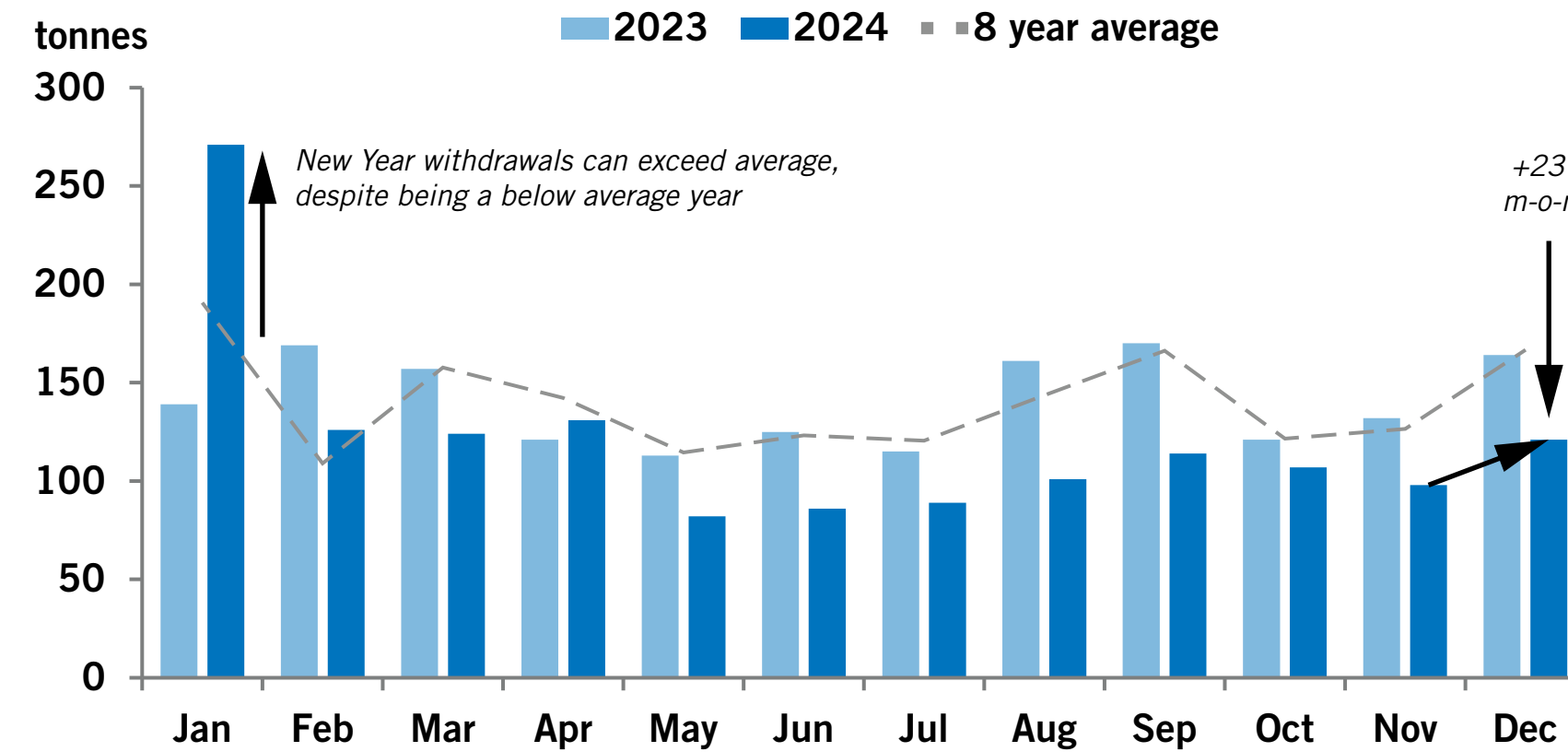
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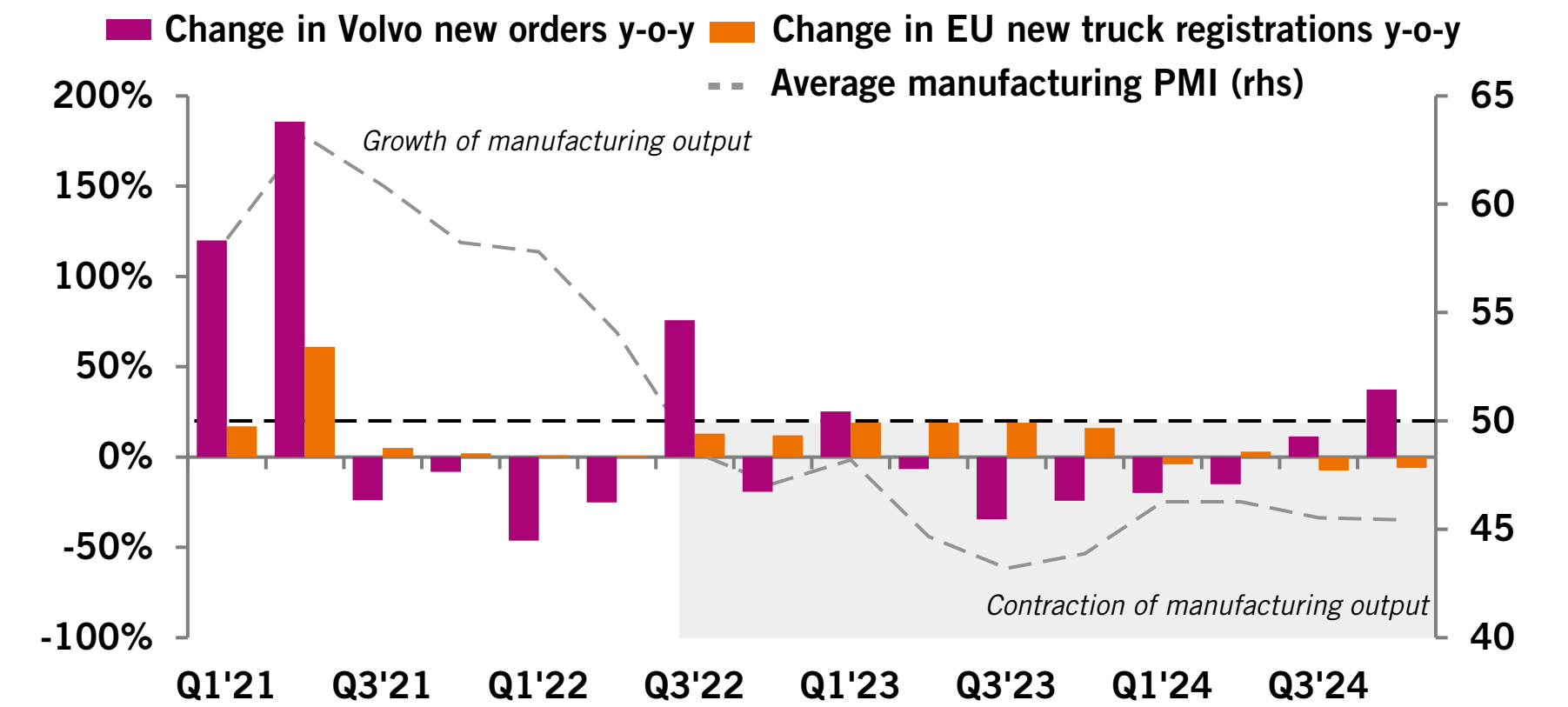
TRENDS AND INVESTMENTS

Shanghai gold exchange withdrawals-seasonality



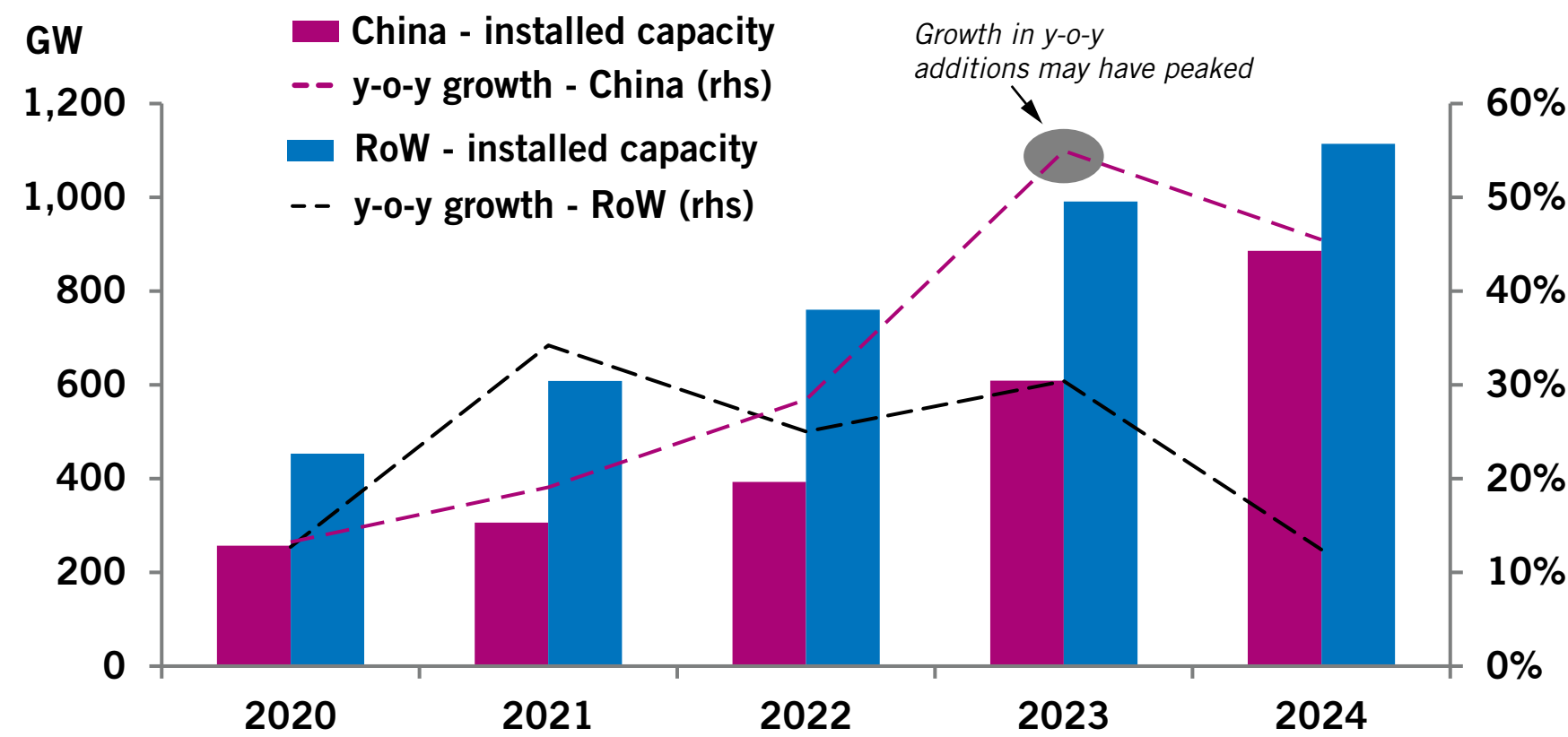
Source: SFA (Oxford), SGE

EU truck demand and manufacturing PMI



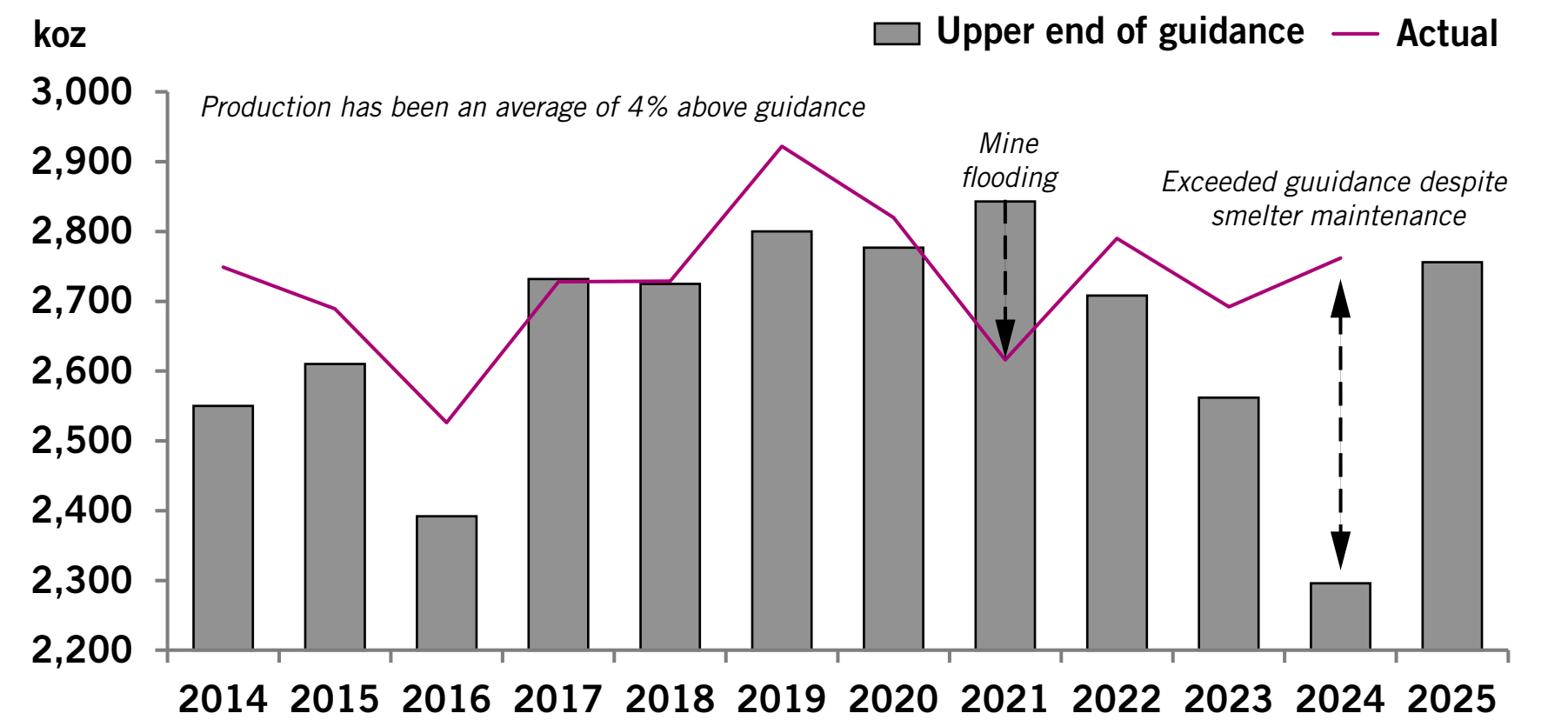
Source: SFA (Oxford), Volvo, ACEA

Installed PV capacity and growth



Source: SFA (Oxford), IRENA, National Energy Administration

Nornickel production exceeds guidance



Source: SFA (Oxford), Nornickel

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