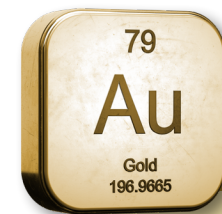


PRECIOUS APPRAISAL

- 01 GOLD
- 02 SILVER
- 03 PLATINUM
- 04 PALLADIUM
- 05 RHODIUM, RUTHENIUM, IRIIDIUM
- 06 TRENDS AND INVESTMENTS
- 07 ABOUT HERAEUS

PRECIOUS METALS REVIEW

Gold



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	2,328	0.07%	2,369	21/06/2024	2,307	18/06/2024
€/oz	2,177	0.12%	2,217	21/06/2024	2,152	18/06/2024

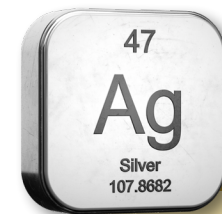
Central banks’ affinity for gold is expected to continue. A recent survey by the World Gold Council showed that the majority of the 70 central banks surveyed indicated a preference to increase gold purchasing and reduce dollar holdings over the next five years, although only 29% expected their institutions to increase gold reserves within the next 12 months. Interest rate levels, inflation concerns and geopolitical instability are ranked as the top three drivers behind reserve management decisions. Data shows that net central bank purchases in the year to April reached 110.5 tonnes, largely in line with the past two years. Notably, the People’s Bank of China (PBoC) paused gold purchasing in May after 18 months of continual additions to reserves. However, a lack of reported additions to Chinese central bank gold holdings does not necessarily mean that official holdings in other institutions (e.g. sovereign wealth funds) have halted. For example, the reported increase in gold holdings of 604 tonnes in June 2015 was the result of a transfer of metal built up over time into PBoC reserves, rather than one large on-the-market purchase. It is possible, therefore, that the PBoC is still accumulating gold behind the scenes. With an absence of buying from the PBoC, total purchases by global central banks are projected to hit 273.7 tonnes this year. If central bank purchases continue robustly, as implied by the survey, they could offer demand support over the next five years.

The gold price remained relatively flat over the past week at around a \$2,330/oz line, as traders await clearer signals on the Fed’s rate-cutting path and US inflation figures. On Thursday, the Bank of England decided to hold its baseline interest rate steady, a decision that mirrored the Fed’s caution on the pace of relaxing monetary policy.

- 01 GOLD
- 02 SILVER
- 03 PLATINUM
- 04 PALLADIUM
- 05 RHODIUM, RUTHENIUM, IRIIDIUM
- 06 TRENDS AND INVESTMENTS
- 07 ABOUT HERAEUS

PRECIOUS METALS REVIEW

Silver



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	29.73	1.93%	30.85	21/06/2024	28.93	18/06/2024
€/oz	27.80	1.98%	29.22	20/06/2024	26.97	18/06/2024

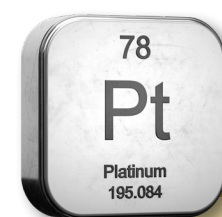
A late monsoon in India may crimp precious metal demand later this year. India has witnessed 20% less rainfall since the beginning of June than typical, according to the India Meteorological Department, and the seasonal arrival of the monsoon is approximately two weeks behind schedule. Rainfall during the monsoon season is important to India’s agricultural sector, and delays to its arrival could negatively impact crop yields at the autumn harvest, with a knock-on effect for rural incomes. Rural communities are an important buyer of precious metals. In 2023, India accounted for 3,771 tonnes of silver demand in jewellery and silverware, or 46.9% of global demand in these two sectors (source: The Silver Institute). If rural disposable incomes are negatively impacted, silverware and silver jewellery demand could be hit, as well as demand for gold. If Indian silverware fabrication declines by 10% this year, demand is at risk of falling below 1,000 tonnes for the first time in three years. Year-to-date, silver imports by India have been relatively strong, having already reached 4,335 tonnes, representing a 77.6% increase year-on-year, which could mean that even with a slowdown in H2’24, year-on-year imports may be in line with those in 2023.

Silver failed to hold above \$30/oz. After a sharp rally on Thursday, the price retraced that move on Friday, closing at \$29.73/oz, but still held on to a weekly gain of 1.93%.

- 01 GOLD
- 02 SILVER
- 03 **PLATINUM**
- 04 PALLADIUM
- 05 RHODIUM, RUTHENIUM, IRIIDIUM
- 06 TRENDS AND INVESTMENTS
- 07 ABOUT HERAEUS

PRECIOUS METALS REVIEW

Platinum



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	995	4.18%	1,004	21/06/2024	948	17/06/2024
€/oz	930	4.28%	939	21/06/2024	885	17/06/2024

A high gold price may be impacting Chinese jewellery demand, but platinum’s slowdown is more structural. Several indicators point to cooling gold demand from the Chinese jewellery sector in the last two months. Withdrawals by wholesalers from the SGE fell to 82 tonnes in May (-49 t month-on-month and -30 t year-on-year). The latest reporting from large jewellery retailer Chow Tai Fook showed no quarter-on-quarter growth in “gold jewellery and products” from mainland stores to date in Q2’24. This is likely to be related to the sustained highs in the gold price dissuading consumers, rather than a material softening of demand. The retailer also reported a 20.5% drop in sales volume growth in the “gem-set, platinum and k-gold jewellery” segment for the same period. Platinum jewellery demand has been in decline despite platinum’s growing discount to gold in the last few years. Headwinds for Chinese platinum jewellery demand are three-pronged. A relatively sluggish economy, an aging population and high youth unemployment have resulted in a shift in jewellery sales patterns. Falling marriage rates among the younger generations are resulting in fewer ring sales, and consumers are showing an increasing preference for gold pieces. In 2023, Chinese gold jewellery fabrication totalled 630 tonnes, while platinum jewellery fabrication reached just 392 koz (source: World Gold Council, Platinum Guild International).

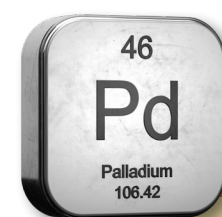
Global platinum jewellery demand is forecast to fall this year from 1,320 koz to 1,270 koz – primarily as a result of the contraction in the Chinese market which makes up approximately one-third of the market.

The successful formation of the new coalition government in South Africa helped to buoy the rand last week, which reached its strongest point since August last year. This provided some moderate support for the platinum price, which rose as high as \$1,004/oz on Friday before cooling into the end of trading.

- 01 GOLD
- 02 SILVER
- 03 PLATINUM
- 04 **PALLADIUM**
- 05 RHODIUM, RUTHENIUM, IRIIDIUM
- 06 TRENDS AND INVESTMENTS
- 07 ABOUT HERAEUS

PRECIOUS METALS REVIEW

Palladium



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	967	8.19%	1,029	21/06/2024	872	18/06/2024
€/oz	905	8.30%	952	21/06/2024	813	18/06/2024

Slower EU car sales in H2'24 could drag on palladium demand.

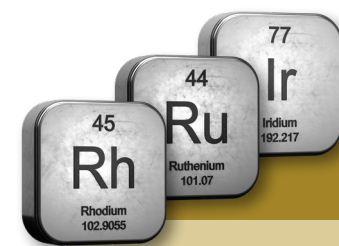
European passenger car sales dipped by 3% year-on-year in May, led by declines in Germany, the largest market of 4.3% year-on-year. This follows a strong 13.7% gain in new sales in the previous month. Year-to-date, total new passenger car sales in the EU have grown by 4.6% to 4.6 million units (source: ACEA). The ACEA estimated last year that European new car sales will grow by ~2.5% year-on-year in 2024, versus growth of ~14% in 2023. Sales would have to slow in the second half of the year to match this forecast. The supply chain reconstruction and pent-up demand (plus comparisons to historically low sales in 2022) that helped growth in 2023 are mostly resolved, and with a weak economic background in the region, the sales growth rate, if not unit sales, is expected to fall on an annual basis. The palladium price could see pressure if sales slow over the summer and the second half of the year and automakers pull back on spot purchasing. OEMs tend to re-enter the market for PGMs in September-October in Europe, which may add support. However, the expectation is that the palladium price will remain subdued owing to falls in global and Western European automotive palladium demand of 2.3% and 2.0%, respectively, this year due to the impact of BEV market share growth.

The palladium price caught some buying interest last week, having settled below \$900/oz for four consecutive trading days. By Friday's close it had risen to \$967/oz.

- 01 GOLD
- 02 SILVER
- 03 PLATINUM
- 04 PALLADIUM
- 05 RHODIUM, RUTHENIUM, IRIDIUM**
- 06 TRENDS AND INVESTMENTS
- 07 ABOUT HERAEUS

PRECIOUS METALS REVIEW

Rhodium, Ruthenium, Iridium



	RHODIUM	RUTHENIUM	IRIDIUM
Reporting Week	\$5,150/oz	\$430/oz	\$5,200/oz
Previous Edition	\$5,025/oz	\$430/oz	\$5,200/oz

The rhodium price rose by \$125/oz last week. The price has been trending lower since the beginning of April, and this was the first increase since 28 March. Although the general trend in the rhodium price is neutral, it could find some support from a larger market deficit this year. Net rhodium demand from the industrial sector is forecast to grow in 2024, offsetting losses from the automotive sector which remains by far the largest end-use for rhodium.

Both the ruthenium and iridium prices failed to show any movement in the last week, though the downward trend in both metals remains in place. All three metals face potential upside price risk if further PGM supply cuts are announced in H2'24 in South Africa, where production of the small PGMs is concentrated. The major PGM miners begin to report half- and full-year results in July and August, which may shed some light on how likely, and severe, further cuts to production could be. Closures are the last resort of the miners as the process itself tends to be expensive, and can increase the unit cost of production for still active shafts within their operations, as closures do not completely eliminate overheads.

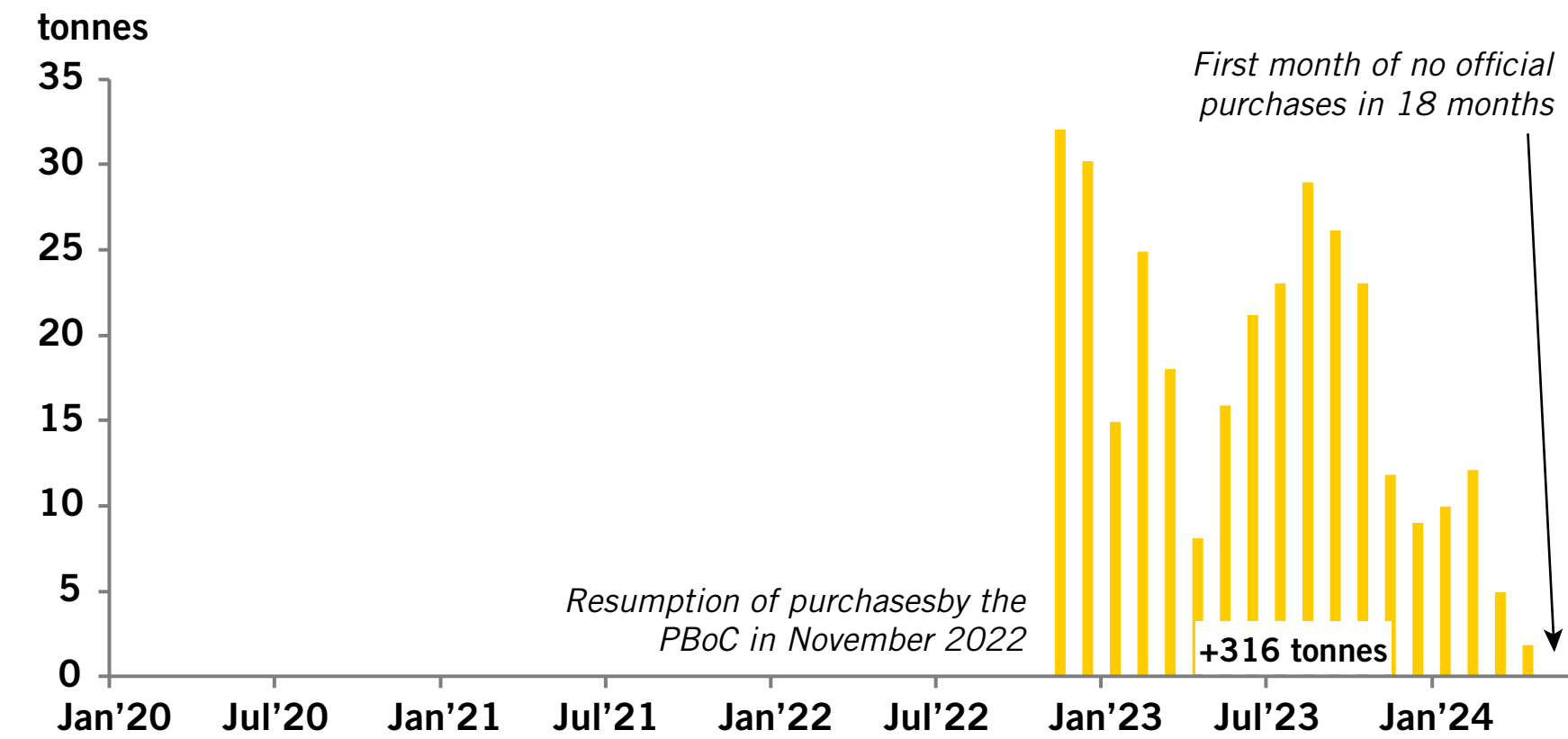
PRECIOUS APPRAISAL

24th June 2024

- 01 GOLD
- 02 SILVER
- 03 PLATINUM
- 04 PALLADIUM
- 05 RHODIUM, RUTHENIUM, IRIIDIUM
- 06 TRENDS AND INVESTMENTS**
- 07 ABOUT HERAEUS

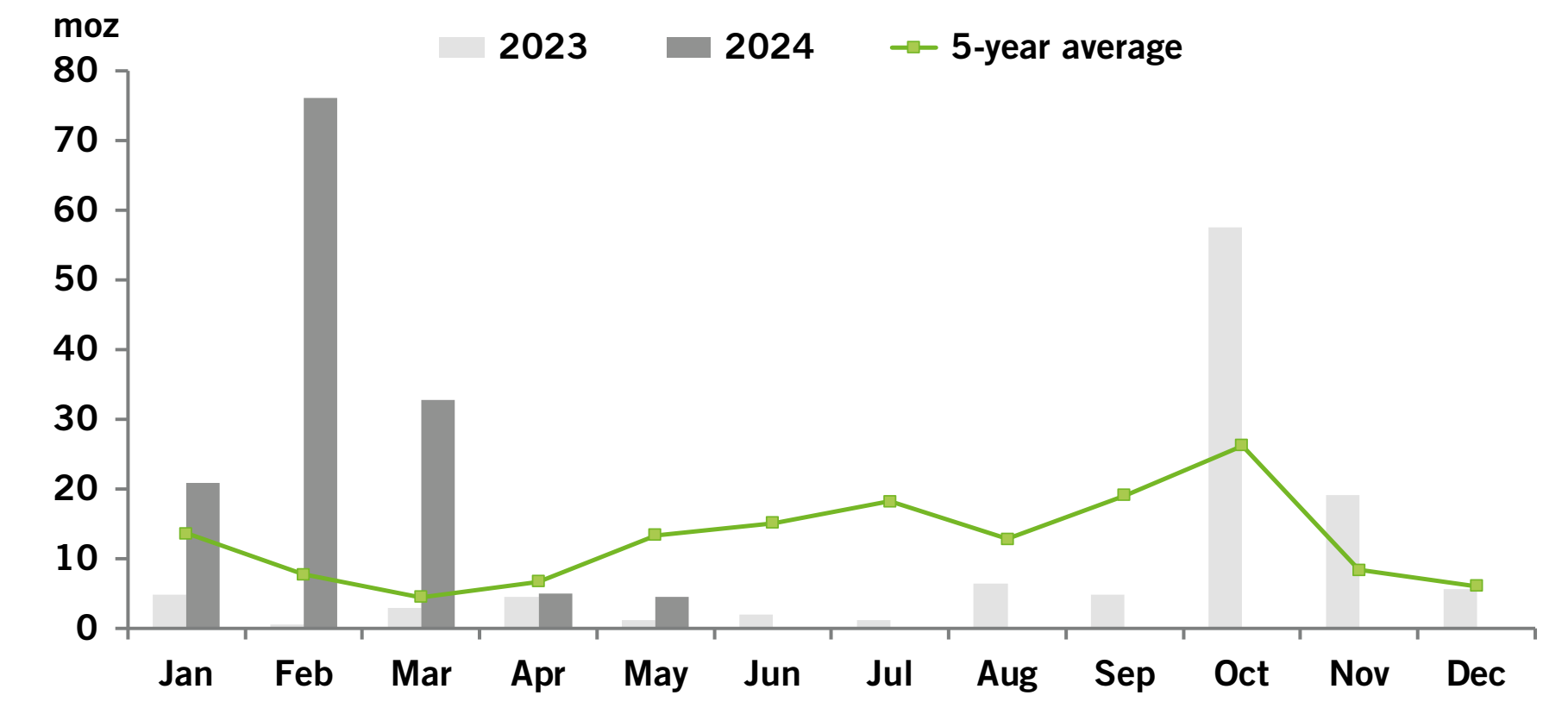
TRENDS AND INVESTMENTS

PBoC's monthly net change in gold reserves



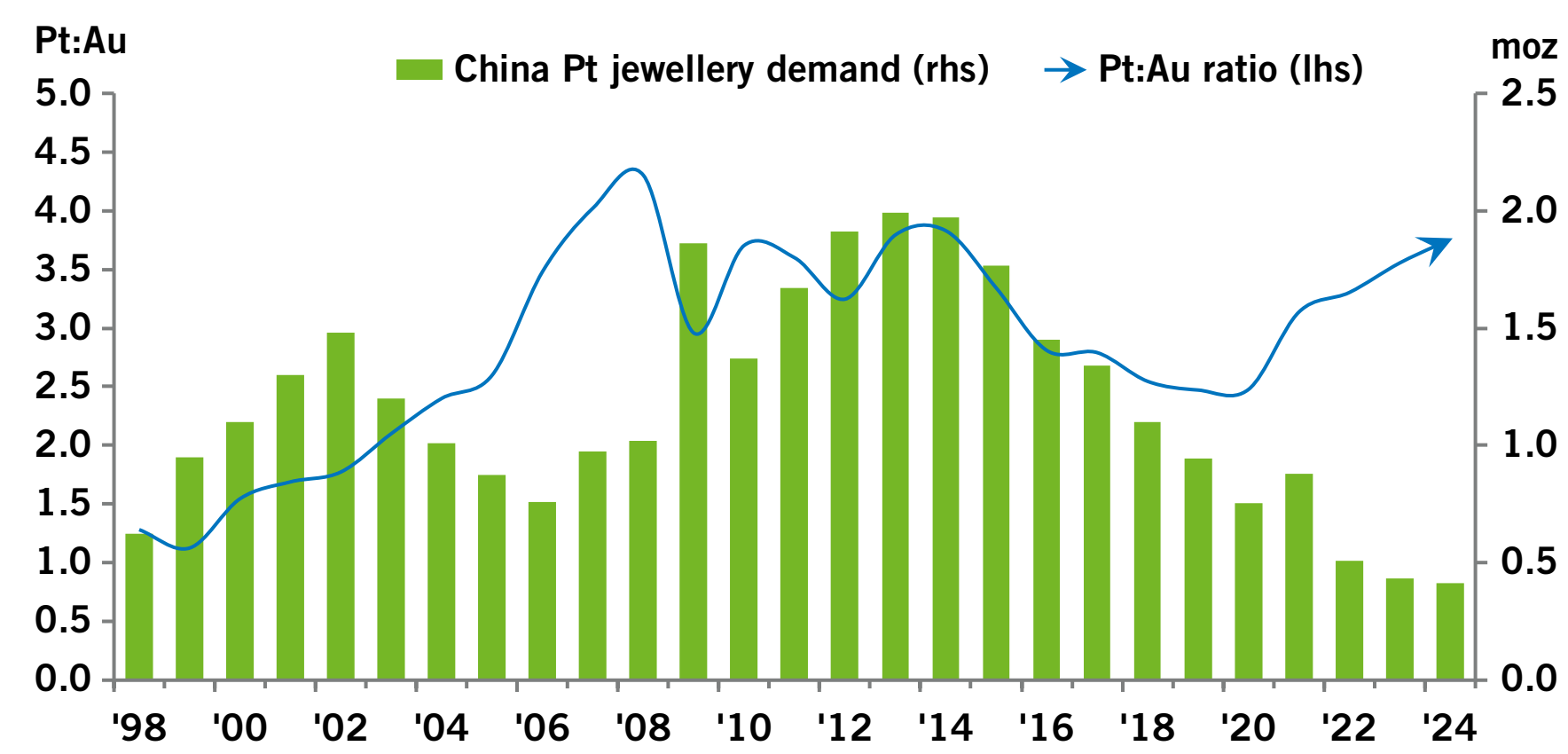
Source: SFA (Oxford), PBoC

India silver imports



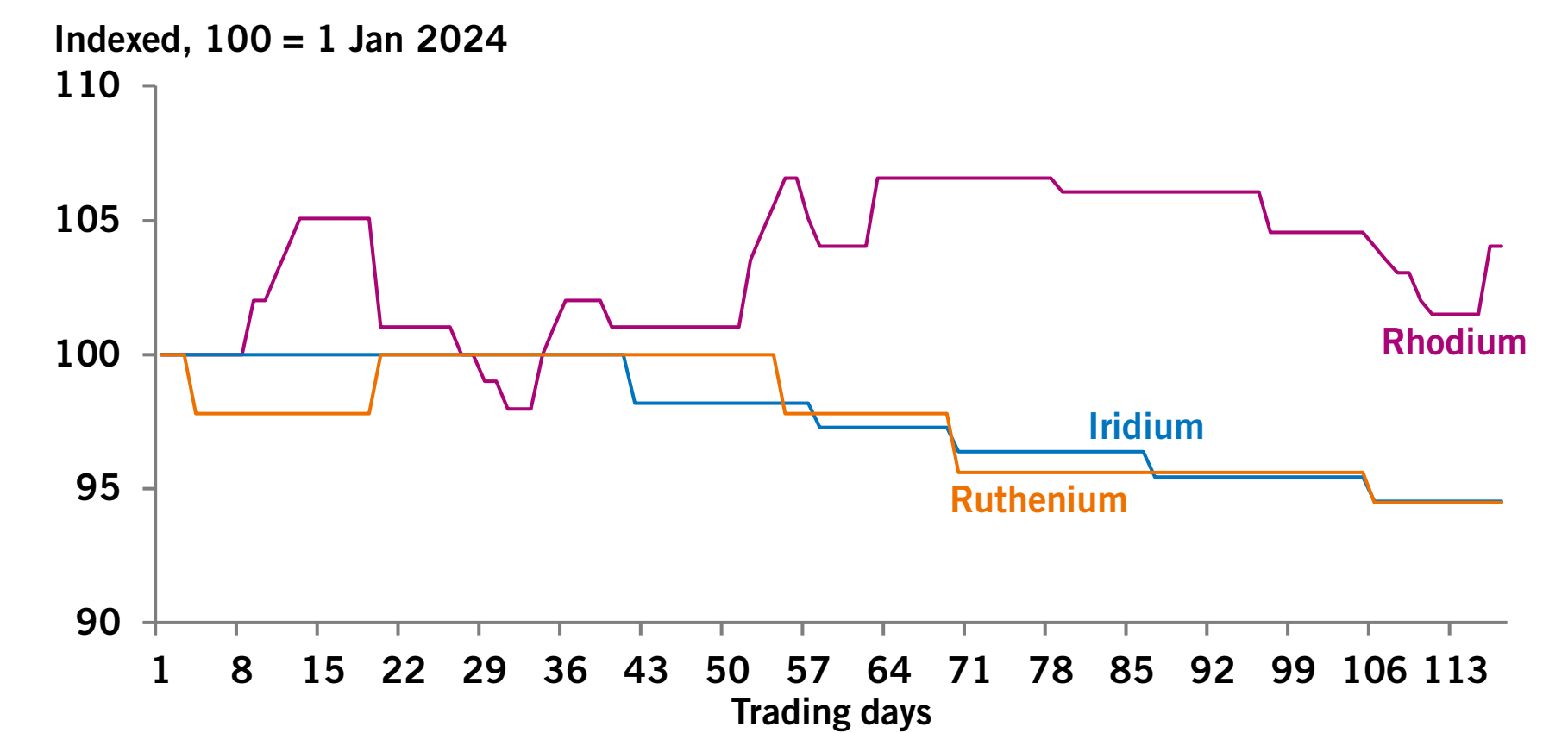
Source: SFA (Oxford), Bloomberg

Chinese platinum jewellery demand



Source: SFA (Oxford), Bloomberg

Small PGMs price performance



Source: SFA (Oxford), Heraeus

PRECIOUS APPRAISAL

24th June 2024

- 01 GOLD
- 02 SILVER
- 03 PLATINUM
- 04 PALLADIUM
- 05 RHODIUM, RUTHENIUM, IRIIDIUM
- 06 TRENDS AND INVESTMENTS
- 07 ABOUT HERAEUS

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