

PRECIOUS APPRAISAL

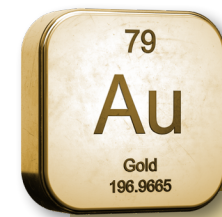
No. 31

26th August 2024

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

PRECIOUS METALS REVIEW

Gold



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	2,510	0.73%	2,532	20/08/2024	2,471	22/08/2024
€/oz	2,246	-0.89%	2,281	20/08/2024	2,225	22/08/2024

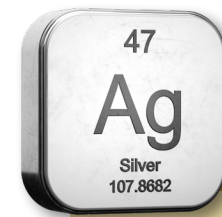
Gold gains as markets ready themselves for interest rate easing. Last week, gold managed to hold on to a position above \$2,500/oz and made another new all-time high of \$2,531/oz mid-week, building on the gains from the previous week’s trading. Investor sentiment and the interest rate speculation seem to be key drivers for gold at present. Managed money investors have accumulated one of the largest net long positions since the Covid rally four years ago at 22 moz (as of 16 August). A weaker US dollar and a fall in US government bond yields have also contributed to gold’s strength. Two-year yields are currently sitting just below 4% versus the Federal Funds Rate of 5.5%, suggesting that the next few interest rate cuts by the Fed are now priced into money markets, and with the recent rise of gold, perhaps the precious metals markets too. The huge downward revision to US employment figures last week bolsters the hypothesis that the Fed will begin cutting interest rates at the September meeting of the FOMC, as the US economy now looks weaker than the data had suggested over the last 12 months.

Despite a breakout in dollar terms, gold is yet to move out of the summer holding pattern in most other major currencies, including the Chinese yuan and the euro. Greater breadth in the breakout may be required for a move substantially above the \$2,500/oz mark. Given this, and the stretched futures positioning, the gold price may see some retracement before the next US interest rate decision.

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

PRECIOUS METALS REVIEW

Silver



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	29.70	4.36%	29.97	20/08/2024	28.79	22/08/2024
€/oz	26.57	2.70%	27.01	20/08/2024	25.52	22/08/2024

Silver bullion sales at the Perth Mint rebounded in July but demand is still down year-on-year. Sales of silver bars and coins improved by 91% month-on-month in July to 939,473 oz and made July the first month this year with growth in demand year-on-year. Despite this, on a year-to-date basis, sales of silver bullion are down 47% versus last year, at 5.55 moz. In contrast, sales of silver coins from the US Mint have been relatively robust year-to-date and are on track to match last year’s level of demand (~25 moz). Sales from the Perth Mint have been trending lower since the end of 2022.

Silver has not seen the same level of appreciation that gold has in the last fortnight. Sluggishness in global industrial production has capped upside for silver, while it has not benefited from the geopolitical risk premium aiding gold. However, with interest rate cuts now firmly on the horizon, silver could begin to rise with gold. Additionally, industrial demand for silver looks relatively strong going into 2025, particularly as demand from solar photovoltaics looks to retain a good pace of growth.

The silver price managed to hit \$29.97/oz in the middle of last week before pulling back slightly to finish higher than the previous close.

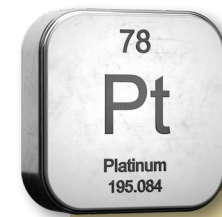
PRECIOUS APPRAISAL

26th August 2024

- 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	957	0.60%	975	21/08/2024	941	22/08/2024
€/oz	857	-0.91%	876	21/08/2024	847	22/08/2024

Pressure on primary and secondary supply will keep the platinum market in deficit this year. Global primary platinum supply is forecast to contract by 2% to 5.5 moz this year, and secondary supply is expected to improve year-on-year but remain well below pre-pandemic levels. With net demand predicted to rise, the platinum market is forecast to remain in deficit for a second year running.

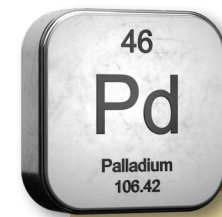
At \$957/oz, the platinum price remains firmly within the trading range established over the last two-and-a-half years.

Downside risk exists to South African supply (75% of global total), as the strong rand and falling metal prices have kept the South African basket price low and margins under pressure. With producer results just around the corner, there is the possibility of cutbacks in supply beyond those already announced. Depleted Western Limb shafts are most likely to see cuts, though these are not likely to happen until 2025. Moderate deficits in 2023 and 2024 have, and will, draw down legacy above-ground platinum stocks, built up during the period of persistent market surplus in 2017-2022. If the market remains in deficit going into 2025, the platinum price could see some support.

- 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	952	0.65%	972	21/08/2024	919	19/08/2024
€/oz	852	-0.98%	874	21/08/2024	832	21/08/2024

Ford’s electrification delay is a blow to the US BEV penetration rate but supportive of palladium demand. Last week, Ford announced it has pushed back the release of a second electric pickup, and cancelled an already delayed all-electric SUV that was under development. The pivot comes with a reduction in BEV spending, which will be cramped from 40% to 30% of total company CAPEX. Ford’s quarterly BEV sales have nearly tripled since Q1’21 but profits have not followed suit, the company having lost \$4.7 billion in its EV division last year. Ford is the top light-vehicle brand in the US, and the change in strategy could materially impact BEV penetration in the US, particularly as the company is choosing to push hybrids more strongly as the alternative option to pure-ICE powertrains.

The fallout for palladium demand would be positive, and could maintain demand as widespread adoption of BEVs is pushed further out. This year, US palladium auto demand looks robust, and is expected to grow by more than 2.5% year-on-year to 1.8 moz. Market share of PGM-loaded vehicles has been on the rise, with hybrids (excluding plug-ins) reaching 10% of new sales for the first time in June. Nonetheless, even if at a slower rate, BEVs will continue to expand their market share in the US market and impact palladium demand longer-term.

The palladium price managed to eek out a small gains last week, finishing at \$952/oz.

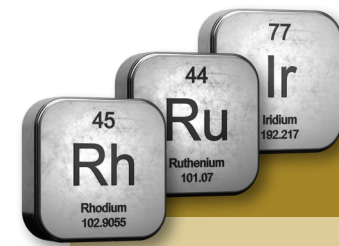
PRECIOUS APPRAISAL

26th August 2024

- 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	\$5,225/oz	\$410/oz	\$5,125/oz
Previous Edition	\$5,225/oz	\$410/oz	\$5,125/oz

North American automotive rhodium demand is forecast to rise this year in line with sales. The US and Canada are big markets for rhodium automotive demand, particularly as pickups and SUVs with large engine displacements are the most popular light vehicles, as opposed to the European market where smaller passenger cars are the most popular. Consequently, the amount of rhodium used in each vehicle is, on average, higher in North American markets. Total light-vehicle sales in the US are expected to improve by ~500,00 units in 2024 to 16 million, an increase of 3.2% year-on-year (source: S&P Global), and rhodium demand is forecast to grow by a similar margin to 220 koz in the region. With an additional boost to demand from industrial end-uses, and supply marginally decreasing, the rhodium market is expected to flip to deficit in 2024.

The rhodium, ruthenium and iridium prices all remained stable last week.

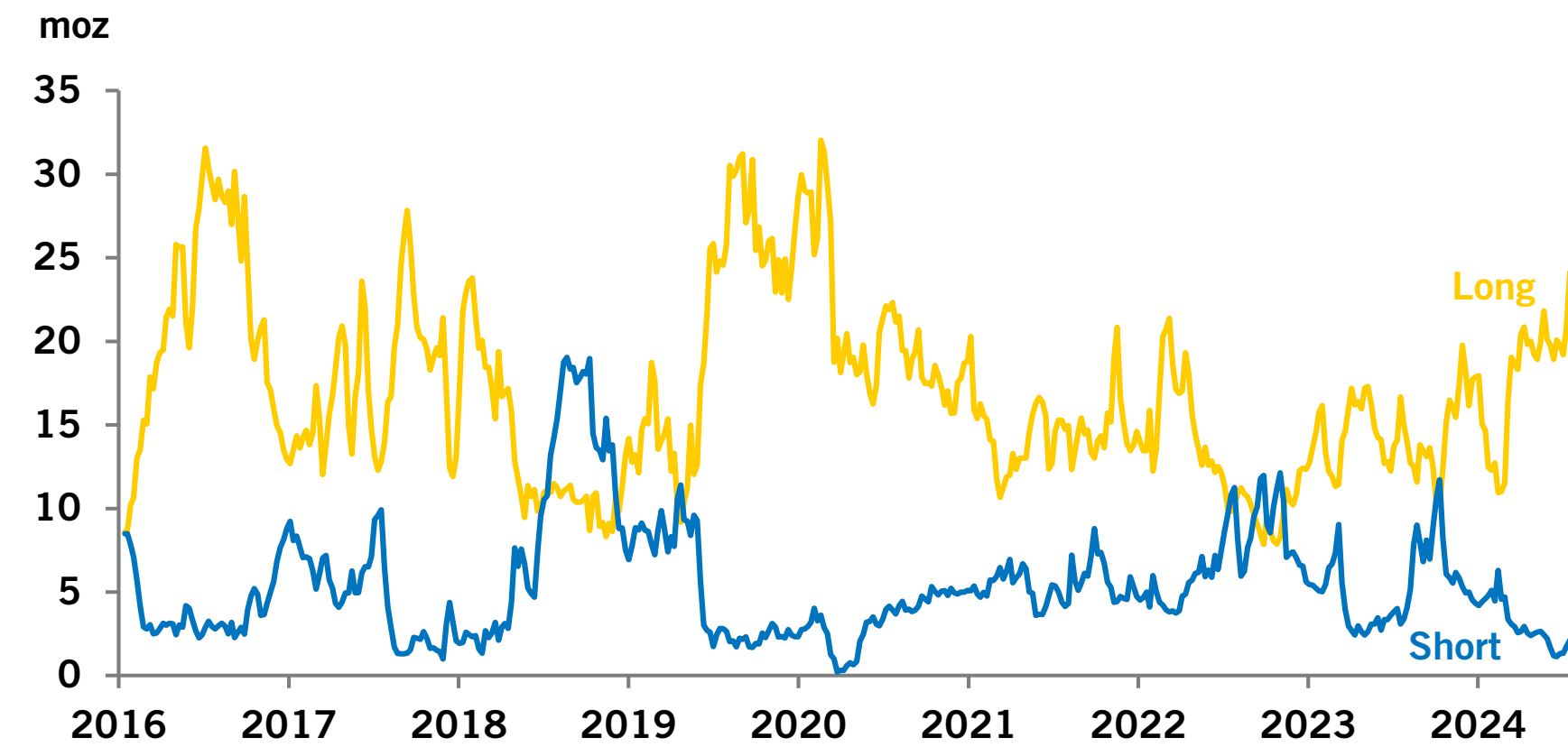
PRECIOUS APPRAISAL

26th August 2024

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

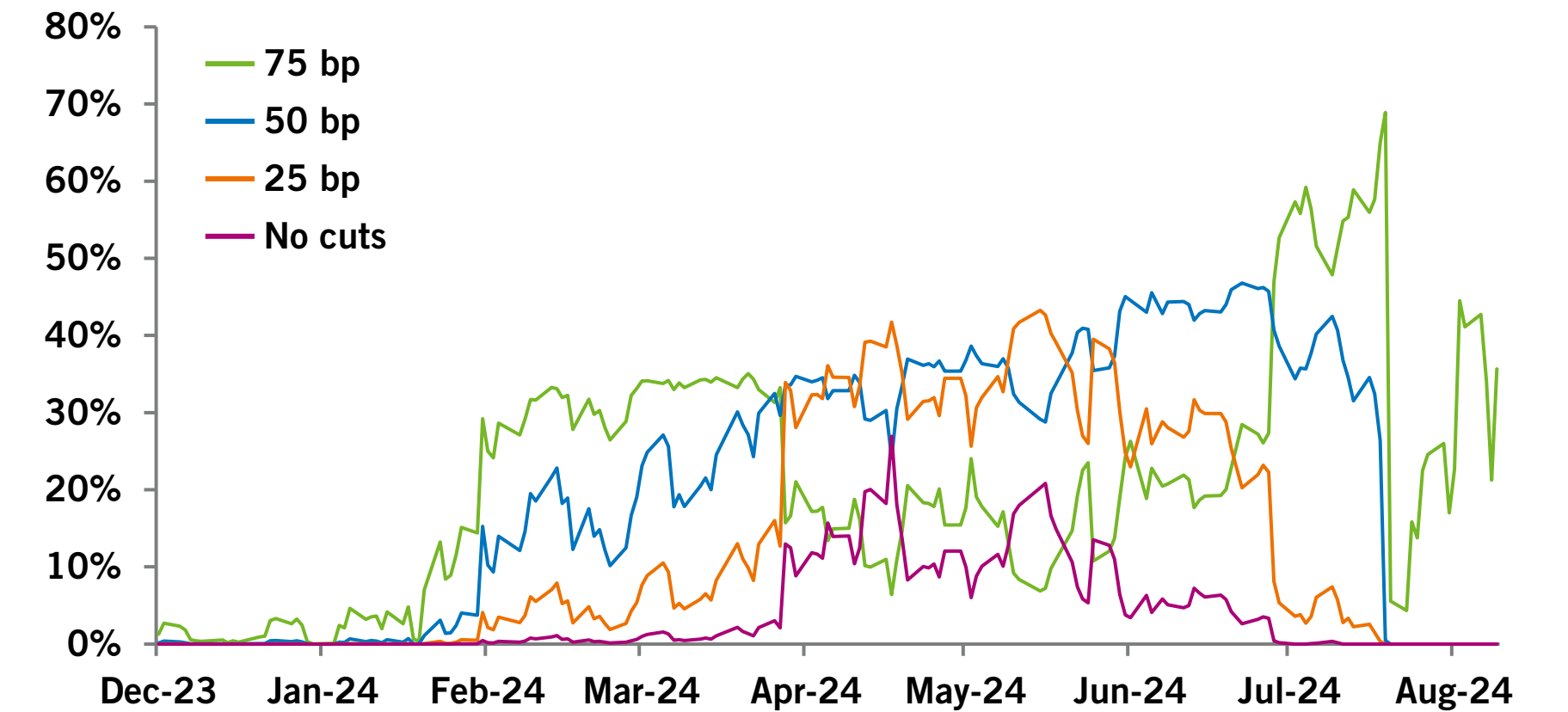
TRENDS AND INVESTMENTS

Managed money gold futures positioning



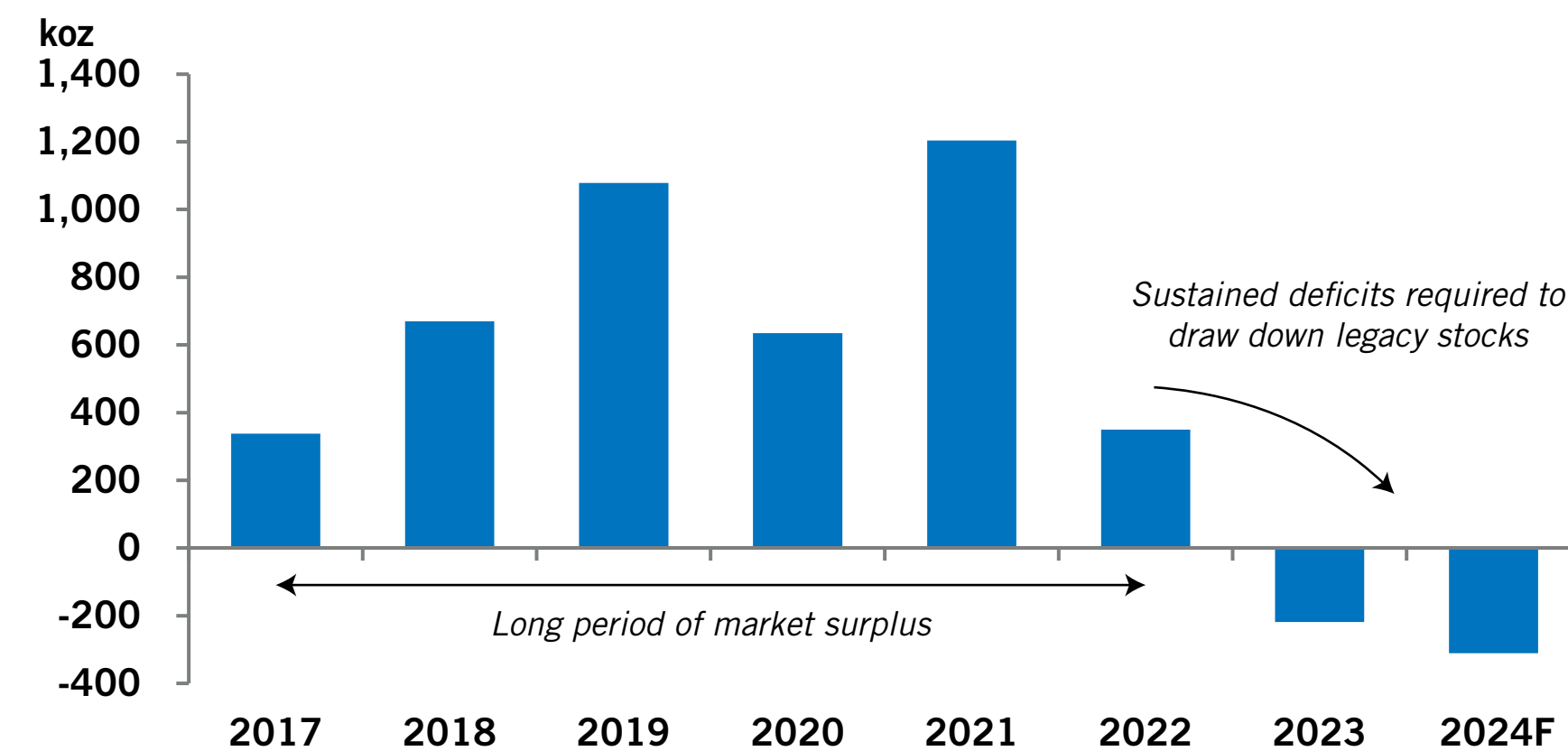
Source: SFA (Oxford), Bloomberg

Probability of US interest rate cuts by year-end



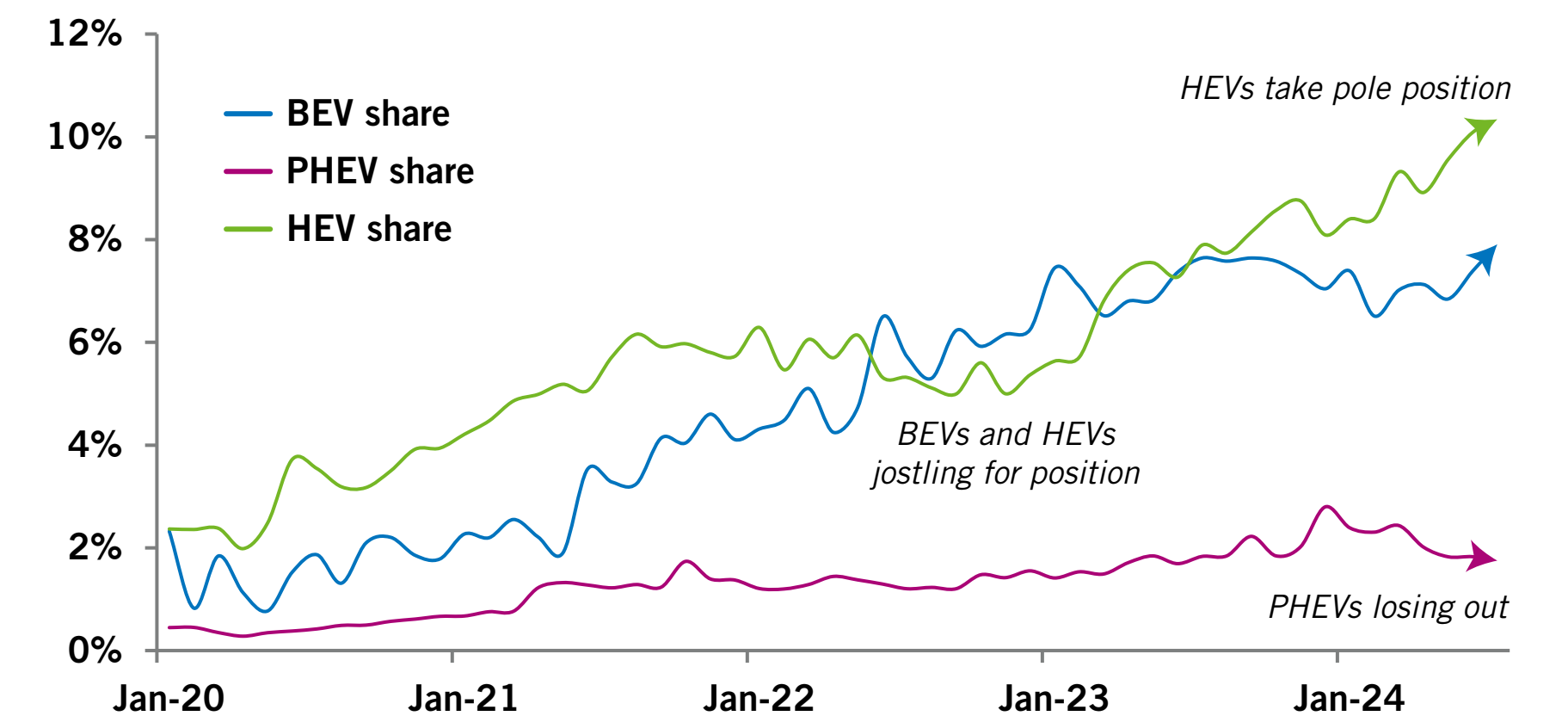
Source: SFA (Oxford), CME FedWatch

Platinum market balance



Source: SFA (Oxford)

US electrified vehicle market share



Source: SFA (Oxford), Argonne National Laboratory, Marklines

PRECIOUS APPRAISAL

26th August 2024

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

ABOUT HERAEUS

Learn more about important trends in the precious metals markets on a weekly basis with our Heraeus Precious Appraisal. **Please subscribe: www.herae.us/trading-market-report.**

Heraeus Precious Metals

Europe, Middle East, Africa & other regions

Phone: +49 6181 35 2750
tradinghu@heraeus.com

South East Asia

Phone: +852 2773 1733
tradinghk@heraeus.com

USA

Phone: +1 212 752 2180
tradingny@heraeus.com

China

Phone: +86 21 3357 5658
tradingsh@heraeus.com



The Heraeus Group is a broadly diversified and globally leading family-owned technology company, headquartered in Hanau, Germany. The company's roots go back to a family pharmacy started in 1660. Today, Heraeus bundles diverse activities in the Business Platforms Metals and Recycling, Health, Semiconductor and Electronics as well as Industrials. Customers benefit from innovative technologies and solutions based on broad materials expertise and technological leadership.

Heraeus Precious Metals is globally leading in the precious metals industry. The company is part of the Heraeus Group and covers the value chain from trading to precious metals products to recycling. In addition to gold and silver, it also has extensive expertise in all platinum group metals.

The Heraeus Precious Appraisal is produced in collaboration with:

SFA (Oxford) Ltd

United Kingdom
Phone: +44 1865 784366

www.sfa-oxford.com

The Oxford Science Park,
Oxford, United Kingdom, OX4 4GA



consulting analysts in tomorrow's commodities and technologies

Disclaimer

This document is being supplied to the recipient only, on the basis that the recipient is reasonably believed to be a professional market participant in the precious metals market. It is directed exclusively at entrepreneurs and especially not intended for the use of consumers.

The material contained in this document has no regard to the specific investment objectives, financial situation or particular need of any specific recipient or organisation. It is not provided as part of a contractual relationship. It is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment or as advice on the merits of making any investment.

This report has been compiled using information obtained from sources that Heraeus and SFA (Oxford) Ltd ("SFA") believe to be reliable but which they have not independently verified. Further, the analysis and opinions set out in this document, including any forward-looking statements, constitute a judgment as of the date of the document and are subject to change without notice.

There is no assurance that any forward-looking statements will materialize. Therefore, neither SFA nor Heraeus warrants the accuracy and completeness of the data and analysis contained in this document.

Heraeus and SFA assume no liability for any losses or damages of whatsoever kind, resulting from whatever cause, through the use of or reliance on any information contained in this document. However, in so far as a liability claim exists under German law, Heraeus and SFA shall have unlimited liability for willful or grossly negligent breach of duty.

Unless expressly permitted by law, no part of this document may be reproduced or distributed in any manner without written permission of Heraeus. Heraeus specifically prohibits the redistribution of this document, via the internet or otherwise, to non-professional or private investors and neither Heraeus nor SFA accepts any liability whatsoever for the actions of third parties in reliance on this document.