Heraeus

PRECIOUS APPRAISAL

No. 32

31st August 2026

MARKET SPOTLIGHT

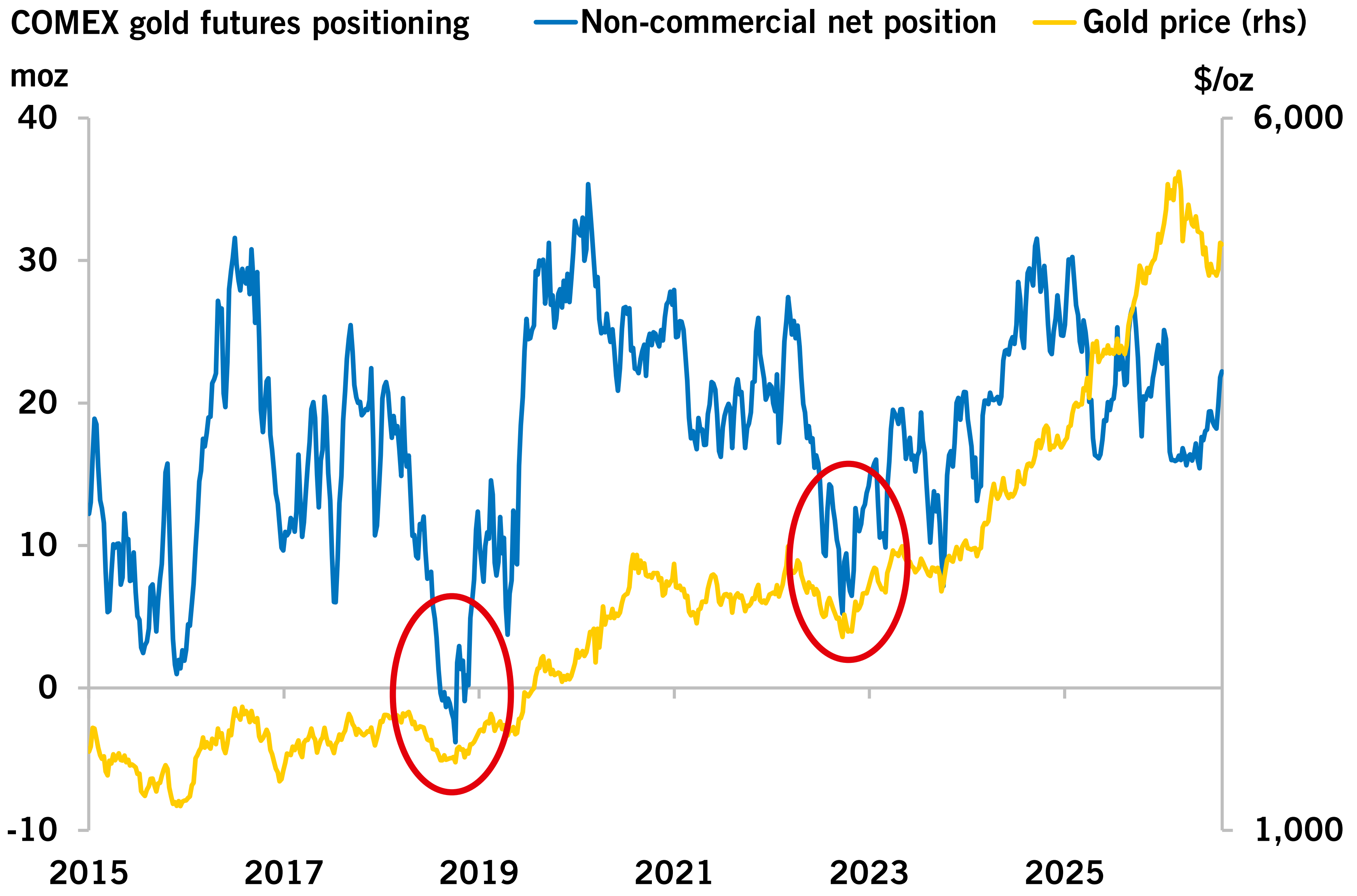
Gold breaks out, but has the rally resumed?

The gold price has been in its largest and longest price correction since 2022, following its rally to a record $5,595/oz in January. The price has broken through a downtrend line so the question is whether that correction is over or has further to go. After such a large price hike, 246% in 3.5 years, a period of consolidation is no great surprise. Six months is a similar length to the larger corrections since 2016 and a 29% price decline is larger, but those previous, shallower corrections followed much smaller price gains. However, the recent price rise has also taken it above its 200-day moving average that itself is still rising, which is a sign of an uptrend.

Investor sentiment has cooled but it is unclear whether it has receded sufficiently to set the stage for further sustainable gains. The rally tends to resume once traders and investors are uninterested if not outright bearish. In January, sentiment was extremely positive with retail traders rushing to buy in many countries, causing local shortages of gold bars. Demand has certainly eased since then. Bar and coin sales were down 36% in Q2'26 from Q1'26, at a still decent 307 tonnes (source: World Gold Council), and ETF holdings fell by 45 tonnes. The non-commercial traders' net long position in gold futures had declined to 15 moz at its recent low point, down from 25 moz in January. However, that is still noticeably higher than in 2018 and 2022 at the end of two prior lengthy corrections in the gold price.

Central banks continue to buy gold. The Word Gold Council's Central Bank Gold Survey noted that reasons to hold gold included gold's performance during times of crisis, portfolio diversification, inflation hedging and as a geopolitical risk hedge. Central banks' gold purchases have slowed to 345 tonnes in the first half of 2026 but still look likely to come in higher than the average over the last 15 years.

Investors may well return to gold, for similar reasons to those of central banks. The US continues to run large budget deficits and government debt has passed $40 trn, which is substantially larger than the size of the economy. The US is far from alone in having debt above 100% of GDP and governments are not making a concerted effort to rein in their spending and reduce their deficits. That means that debts will continue to climb, leading to ongoing concerns about debt sustainability, inflation and currency depreciation. In that environment, it seems likely that investors will continue to buy gold, suggesting that the longer-term path for gold is higher, even if in the shorter term the price is volatile.



Source: SFA (Oxford), Bloomberg Finance LP. Note: Right-hand axis is logarithmic, base 10.

PRECIOUS METALS REVIEW

Gold

	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
$/oz	4,523	-1.99%	4,697	25/08/2026	4,523	28/08/2026
€/oz	3,900	-1.27%	4,025	25/08/2026	3,900	28/08/2026

Gold showing signs of weakness having slipped below $4,600/oz as investors get little guidance from the Federal Reserve. The US-Iran conflict is increasingly resembling a prolonged stalemate, with no final settlement reached after almost six months of fighting and negotiations. Iran and Oman have discussed a temporary shipping corridor, with a framework between those two countries reached albeit without US approval. Meanwhile, US inflation remains elevated, with the headline PCE price index rising 3.7% year-on-year in July compared with expectations of 3.6%, while core PCE was unchanged at 3.3% and in line with forecasts. Federal Reserve Chairman Kevin Warsh's first Jackson Hole address on 28 August offered little of the forward guidance markets had been hoping for, maintaining the reluctance to guide markets that has characterised his first months as Fed Chairman. Gold fell following the speech as Warsh hailed a resilient economy while maintaining his rhetoric that inflation was too high.

Gold ETF holdings have rebounded from their July low as the gold price has moved higher. Registered gold ETF holdings bottomed at 96.2 moz on 20 July and have since increased by 2.7 moz, or 2.8%, to 98.9 moz. Over the same period, the gold price has risen by almost 15%, from around $4,010/oz to $4,600/oz as of 27 August. The recovery has brought ETF holdings back to the 98.9 moz registered at the start of the year, although they remain around 2.0% below their year-to-date peak of 100.9 moz that was reached in late February. Gold ETF holdings have generally followed movements in the gold price during 2026, and the latest rally has again encouraged investors to once again increase their exposure.

Gold Fields' gold production increased in H1'26 as Salares Norte completed its ramp-up to steady-state production. Attributable gold production rose by around 9% year-on-year to approximately 1.20 moz in H1'26, up from 1.10 moz in H1'25. Salares Norte was the principal driver of the growth, with its gold production rising by 144% to 294 koz from 121 koz in H1'25 as higher throughput and improved recoveries followed the mine's ramp-up. Gold Fields also produced 2.55 moz of silver at Salares Norte in H1, up from 0.26 moz in H1'25. Performance elsewhere was more mixed, with Tarkwa's gold production down 18% year-on-year. If H2 gold production matches the first half, Gold Fields would produce around 2.40 moz of gold in 2026. At this level, Gold Fields' annual production would be equivalent to roughly 2% of 2025 global mined gold supply. The company expects overall production to be towards the upper end of its full-year guidance of 2.4-2.6 moz gold-equivalent.

PRECIOUS METALS REVIEW

Silver

	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
$/oz	68.04	-2.14%	71.14	28/08/2026	67.45	25/08/2026
€/oz	58.67	-1.41%	61.06	28/08/2026	57.11	24/08/2026

Silver ETF holdings have turned higher since reaching their year-to-date low in July, although inflows have lagged the recent price rally. Registered silver ETF holdings bottomed at 780.8 moz on 14 July and have since increased by 20.4 moz, or 2.6%, to 801.2 moz. Over the same period, the silver price has risen by 16% from $58.75/oz to more than $68/oz as of 27 August. ETF investment has therefore responded positively to the rally. Despite the recent inflows, silver ETFs still hold 62.4 moz, or 7.2%, less metal than at the start of the year. The 863.6 moz held on 1 January was also the year-to-date high, meaning the recent recovery has so far reversed only around one-quarter of the roughly 83 moz of ETF outflows recorded between January and mid-July. Silver ETF investors therefore appear to be returning as the price strengthens, but investment demand remains notably weaker than it was at the beginning of 2026.

PRECIOUS METALS REVIEW

Platinum

	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
$/oz	1,861	-1.32%	1,905	24/08/2026	1,817	27/08/2026
€/oz	1,605	-0.49%	1,632	28/08/2026	1,561	27/08/2026

Karo Platinum's new 25-year mining lease and concentrate offtake agreement remove two of the remaining uncertainties surrounding the project's development. On 24 August, Karo signed a Special Mining Lease with the Zimbabwean government covering its project area on the Great Dyke, providing long-term security of tenure and establishing the fiscal framework for the mine. Phase 1 is designed to produce around 226 koz of PGMs annually once ramped up. Three days later, Karo signed a deal with a subsidiary of Valterra Platinum for the purchase of PGM and base-metal concentrate from the project for an initial five-year period, providing certainty over the sale of future production and strengthening Karo's ability to finance the project. Earlier this year, Tharisa said it was progressing funding intended to cover the remaining capital required for construction, but that completion was subject to final agreement with the government. The lease and offtake agreement remove two important hurdles, although final financial agreement has not yet been announced. Tharisa's last stated target was for first ore to be processed in H2'27, making an updated funding and construction timetable the next important milestone for the project. Zimbabwe produces over 500 koz of platinum annually and more than 1 moz 3E, so the Karo project represents a roughly 20% increase in annual output.

The platinum price traded roughly flat last week as investors were kept waiting for further direction from the Federal Reserve. The platinum price opened to briefly trade above $1,900/oz at the start of last week, but has since fallen back to around $1,870/oz. Despite a slightly higher than expected PCE print, Platinum remains above the $1,800/oz level that had previously acted as resistance.

PRECIOUS METALS REVIEW

Palladium

	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
$/oz	1,436	6.88%	1,470	28/08/2026	1,308	27/08/2026
€/oz	1,239	7.78%	1,265	28/08/2026	1,124	27/08/2026

Hyundai plans for hybrids to make up half of its North American sales by 2030, supporting automotive palladium demand. The company plans to offer more than 10 hybrid models in the region by the end of the decade, after its total US sales reached close to 490,000 vehicles in H1'26, up 3% from nearly 477,000 in H1'25. This reflects a wider shift towards hybrids in the US, where conventional hybrid sales increased by 20.5% year-on-year in the first seven months of 2026 and their market share rose to 15.4% (source: NADA). By contrast, the BEV share fell by 1.9 percentage points to 5.9%, diverging from Europe where BEVs increased their share of new EU registrations to 20.7% in H1'26 from 15.6% a year earlier.

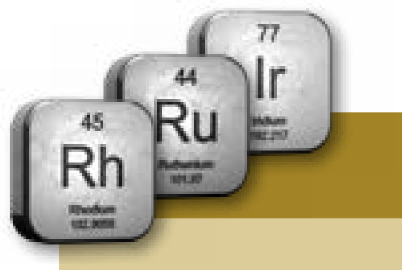
The US policy environment has also become less supportive of rapid BEV adoption following the expiry of federal EV tax credits last year and the removal of federal vehicle greenhouse-gas standards in February. Hyundai's strategy therefore suggests that electrification in the US could increasingly proceed through hybrids, keeping more catalyst-equipped vehicles on the road for longer and bolstering automotive palladium demand.

In the US, contract negotiations between Sibanye-Stillwater and unionised workers at the Stillwater mine remain unresolved after talks that began in April. Union members have rejected two proposed agreements and although no strike has been called, workers are preparing for the possibility of industrial action. A stoppage would pose a particular risk to palladium supply, as Sibanye-Stillwater's Montana mines are the only significant primary source of PGMs in the US and their production is roughly 280 koz 2E, of which approximately 80% is palladium.

Palladium performed well last week, rising around 6% on Friday alone. Palladium prices had rallied more modestly than platinum over the past couple of weeks. This pattern did not hold last week as prices broke recent resistance at $1,400/oz and briefly rose above $1,450/oz on 28 August.

PRECIOUS METALS REVIEW

Rhodium, Ruthenium, Iridium



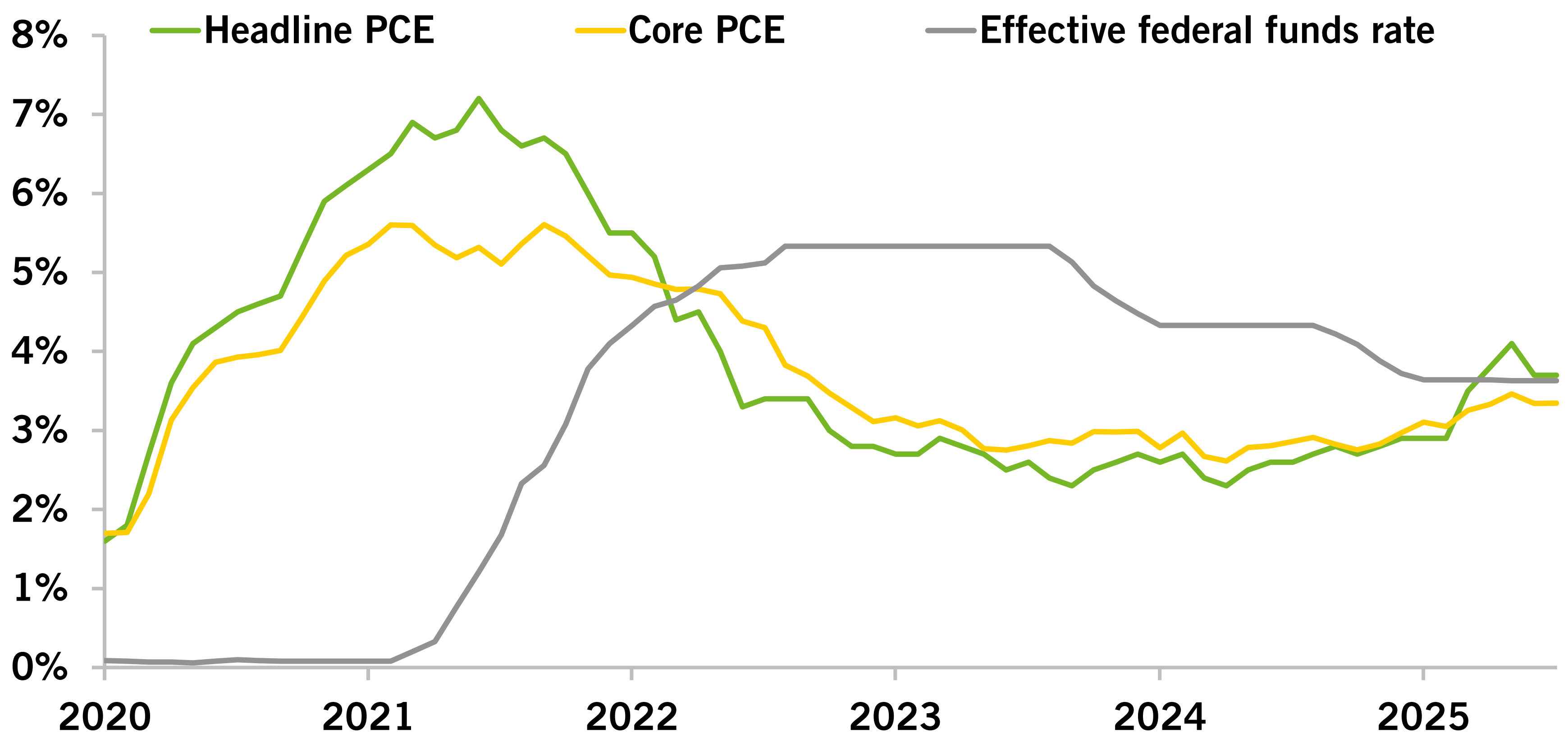
	RHODIUM	RUTHENIUM	IRIDIUM
Reporting Week	$9,450/oz	$1,745/oz	$8,300/oz
Previous Edition	$9,200/oz	$1,745/oz	$8,300/oz

The delivery of the electrolyser stacks for Hamburg's 100 MW Green Hydrogen Hub moves a large PEM project from construction towards commissioning. Siemens Energy has delivered the final electrolyser stacks to the site of the former Moorburg coal-fired power station, where six PEM units will together provide 100 MW of capacity. Commercial operation of the new hydrogen facility is targeted for H2'27, when it is expected to produce around 10,000 tonnes of green hydrogen annually for industrial customers in Hamburg. The electrolyser will use wind and solar electricity supplied through the site's existing high-voltage grid connections, while the hydrogen will be distributed to industrial and port customers via trucks and the HH-WIN hydrogen pipeline network currently in development.

The price of rhodium rose last week, while the ruthenium and iridium prices remained flat.

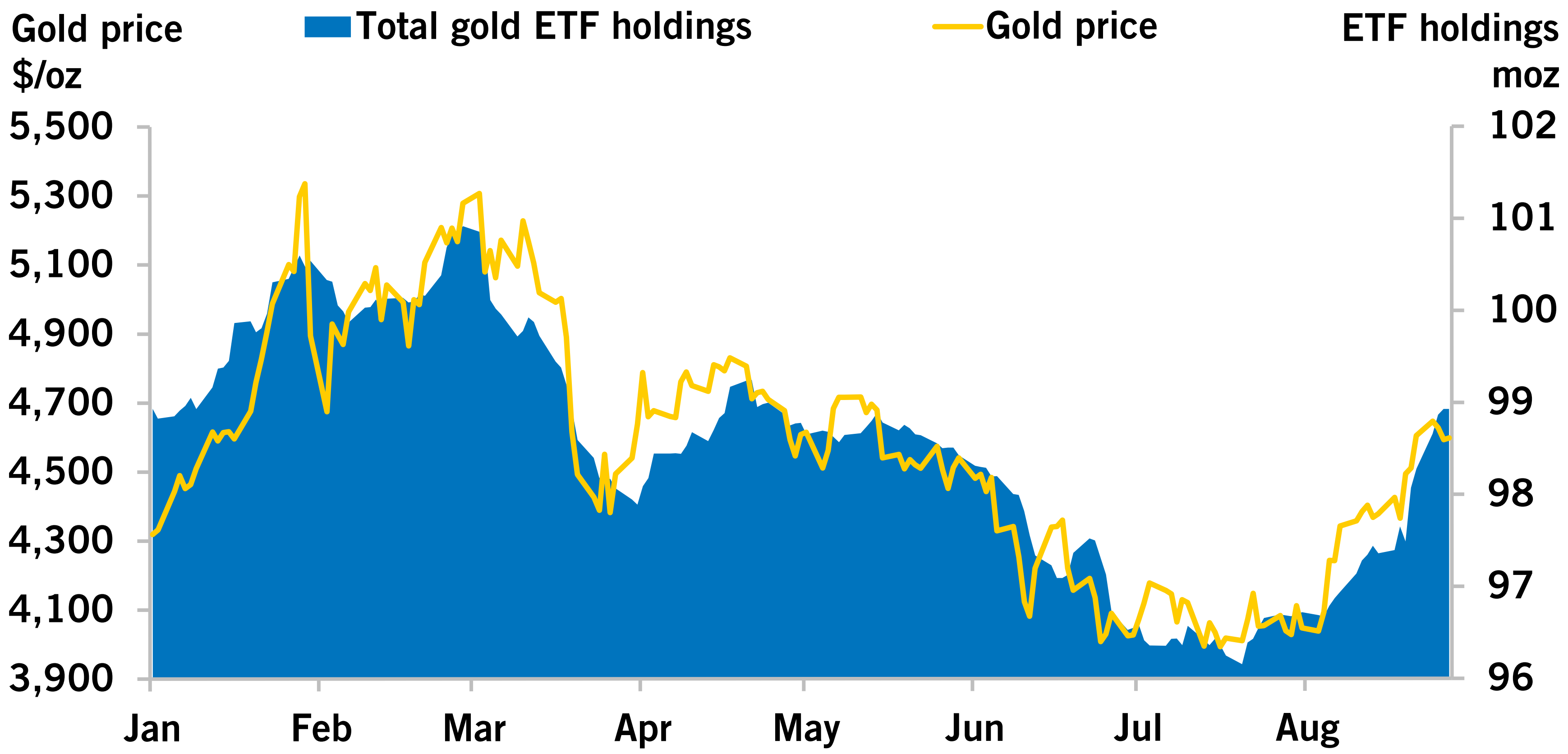
TRENDS AND INVESTMENTS

PCE and Fed rates



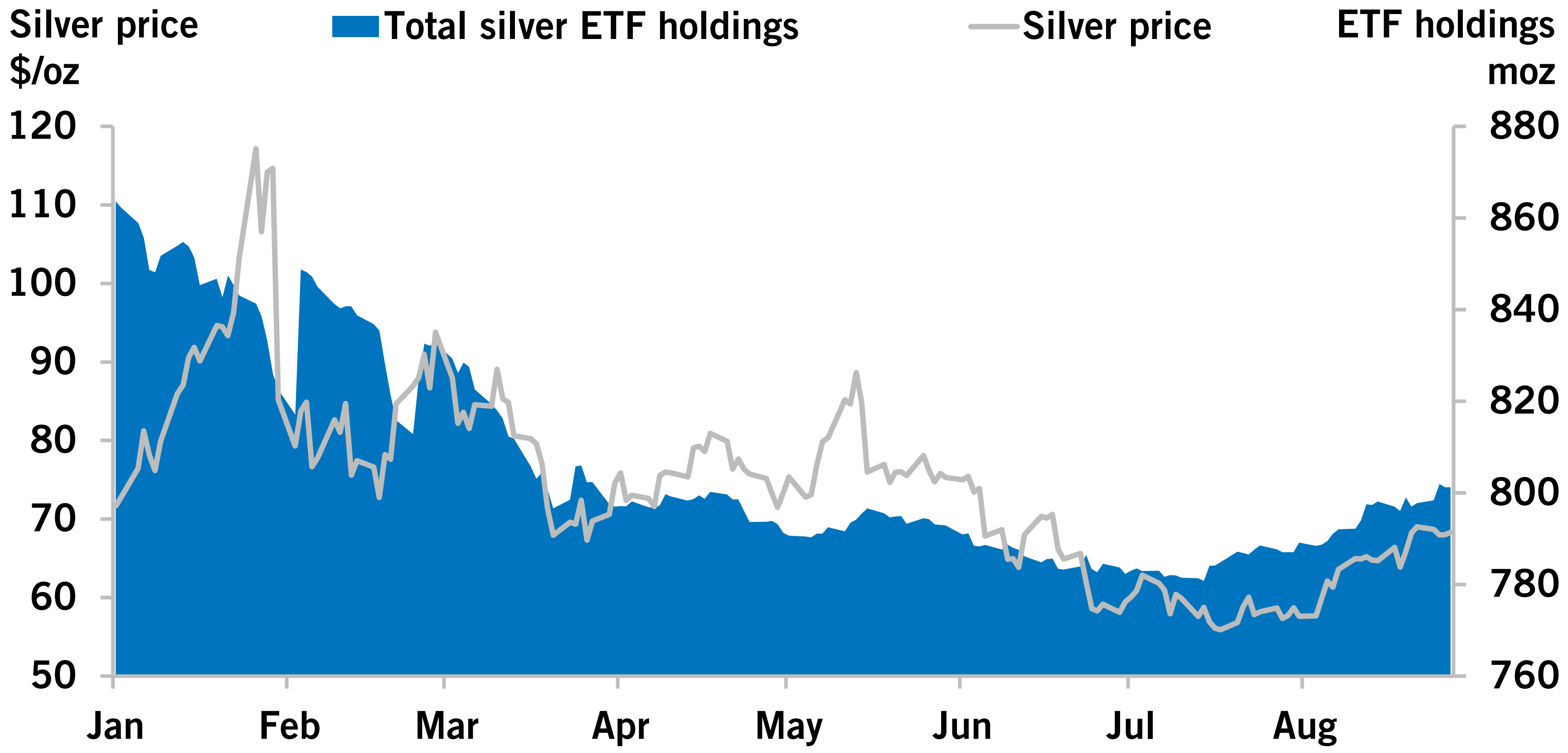
Source: SFA (Oxford), Bloomberg Finance LP

Registered gold ETF holdings



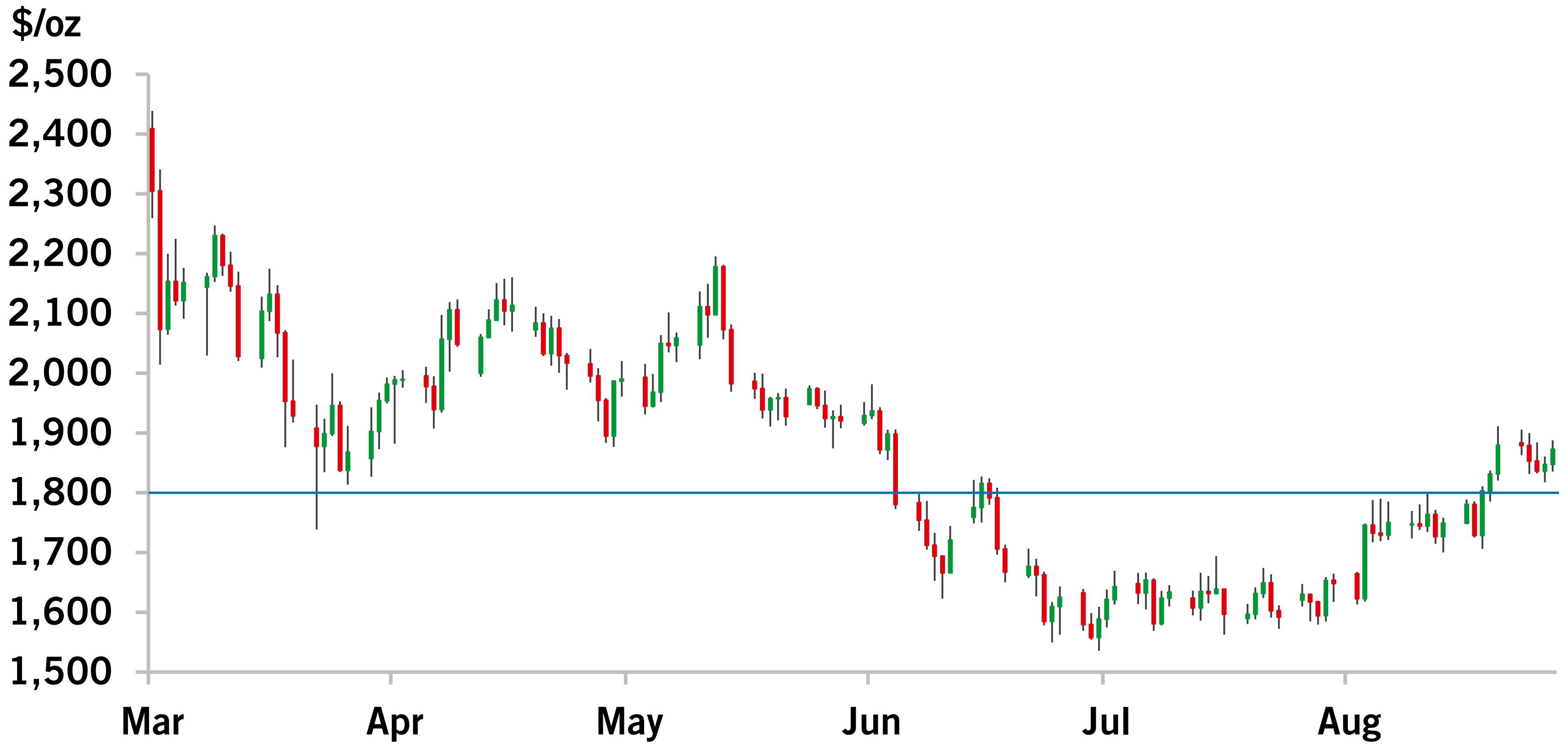
Source: SFA (Oxford), Bloomberg Finance LP

Registered silver ETF holdings



Source: SFA (Oxford), Bloomberg Finance LP

Platinum price



Source: SFA (Oxford), Bloomberg Finance LP

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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

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SFA (Oxford) Ltd
United Kingdom
Phone: +44 1865 784366
www.sfa-oxford.com
The Oxford Science Park,
Oxford, United Kingdom, OX4 4GA

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