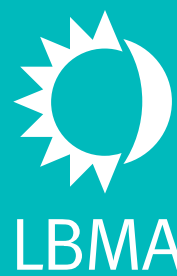


Navigating the Precious Metals Landscape: Insights from the LBMA Annual Forecast Survey



Introduction: The precious metals market serves as a barometer for global economic sentiment, offering insights into investor behaviour, geopolitical tensions, and monetary policy outlooks. Each year, the LBMA Annual Forecast Survey brings together industry experts to dissect the latest trends and projections shaping the gold, silver, platinum, and palladium markets. In this comprehensive analysis, we delve into the nuanced insights shared by esteemed analysts Nikki Shields from MKS, Pam Ross Norman from Metals Daily, James Steele from HSBC, and Jonathan Butler from Mitsubishi Corporation. From gold's potential for new all-time highs to the challenges facing silver and the dynamics between platinum and palladium, we explore the multifaceted landscape of precious metals investing.

Gold Forecast: Gold, often regarded as the ultimate safe-haven asset, has captured investors' attention amid global uncertainties and economic headwinds. Analysts participating in the LBMA survey express cautious optimism, with forecasts hinting at the possibility of new all-time highs. Central bank demand remains a cornerstone of gold's resilience, driven by a persistent need for diversification and mounting geopolitical risks. The anticipation of lower interest rates, particularly in the United States, further enhances gold's appeal as a hedge against inflation and currency devaluation. Despite potential headwinds such as the threat of higher real rates and investor outflows, analysts foresee a positive outlook for gold, buoyed by sustained central bank demand and geopolitical uncertainties that underscore its intrinsic value as a safe-haven asset.

Silver Analysis: While silver boasts robust fundamentals driven by industrial demand, its performance has been lacklustre compared to gold. The metal plays a pivotal role in various industries, including solar photovoltaics, electric vehicles, and electronics, yet this demand hasn't translated into significant price appreciation. Challenges such as abundant above-ground stocks, economic growth concerns, and subdued investment demand have tempered silver's short-term prospects. However, analysts remain bullish on silver's medium to long-term trajectory, citing structural demand drivers and the

potential for price rallies if certain price thresholds are reached, particularly the \$30 mark.

Platinum and Palladium Overview: Platinum and palladium, often overshadowed by gold and silver, have their own unique dynamics shaping their respective markets. Analysts anticipate palladium to maintain its premium over platinum, with both metals grappling with supply-side challenges and demand uncertainties. While platinum may witness increased investment demand, especially from non-automobile sectors, structural issues in the palladium market, including above-ground stocks and substitution dynamics, contribute to bearish sentiment. The swing from deficit to surplus in the palladium market, coupled with short-covering rallies and downside pressure from factors like nickel prices, underscores the prevailing uncertainty surrounding both metals.

Short-Term Outlook and Election Impact: The impending US election casts a shadow over the short-term outlook for gold, with analysts predicting a potential bullish response in the event of a Trump victory, followed by a post-election decline in physical demand from retail investors. However, panellists concur that gold is more likely to scale new all-time highs before reaching the \$1900 threshold, driven by factors such as a resolute dollar and expectations surrounding interest rate cuts. While short-term forecasts may be swayed by immediate events like elections, the overarching trajectory of precious metals remains intrinsically linked to structural demand drivers and global economic trends.

Conclusion: As the precious metals market navigates through a landscape fraught with geopolitical tensions, economic uncertainties, and policy changes, industry experts remain steadfast in their analysis and forecasts. The delicate balance between supply-side dynamics and demand fundamentals underscores the intricate nature of the precious metals market. While short-term outlooks may fluctuate in response to immediate events, the enduring appeal of precious metals as a store of value and portfolio diversifier remains unwavering. Stay tuned for further insights from the LBMA and industry luminaries as we navigate the dynamic terrain of precious metals markets with vigilance and foresight.