



gold.org

Gold in 2024

Market update

August 2024





Agenda

- Introduction to the World Gold Council
- Gold market update and outlook
- Strategic significance and importance
- Key industry initiatives and developments
- Q&A





About us

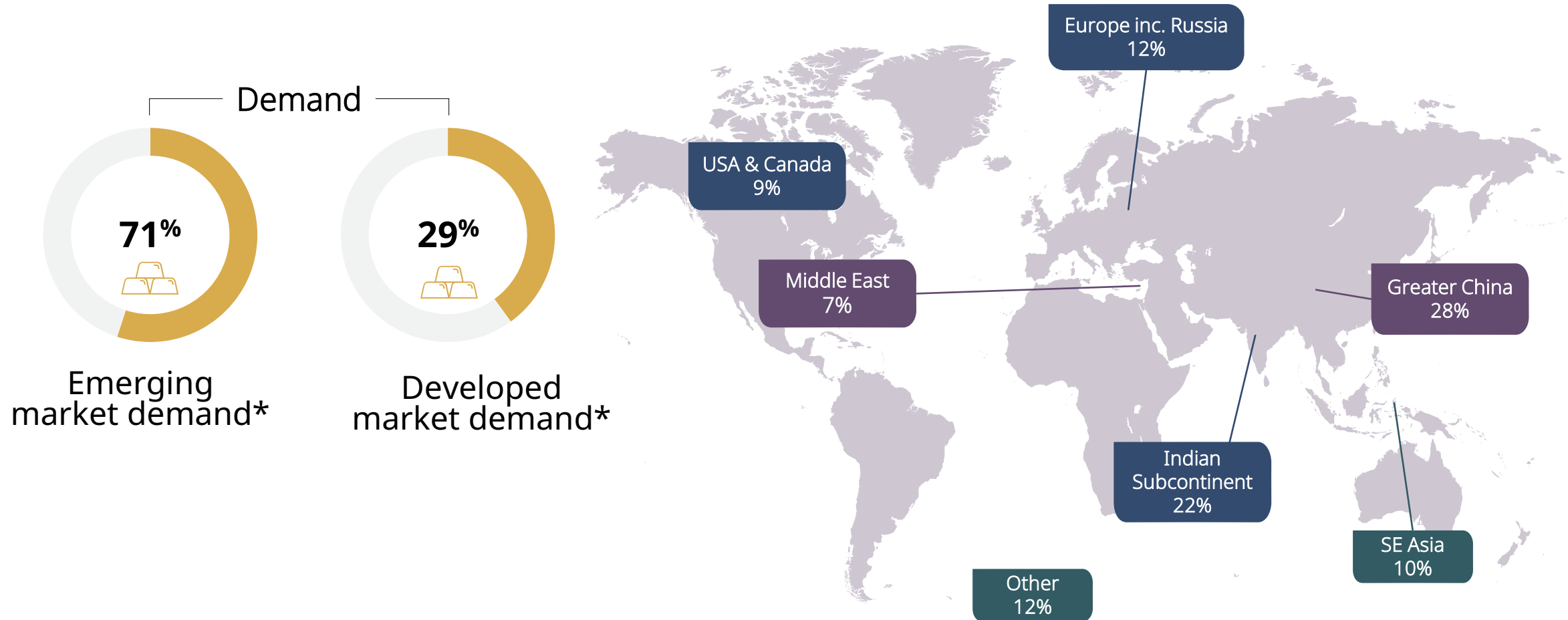
The World Gold Council is a:

- Membership organisation
- Champion the role gold plays as a strategic asset, shaping the future of a responsible and accessible gold supply chain.
- Team of experts builds understanding of the use case and possibilities of gold through trusted research, analysis, commentary and insights.
- Firm focused on driving industry progress, shaping policy and setting the standards for a perpetual and sustainable gold market.





Gold is a global market



Source: IMF, Metals Focus, Refinitiv GFMS, World Gold Council

*Based on 10-year average demand estimates ending in 2023. Includes jewellery, bars, coins, ETF demand, and technology demand. Excludes over-the-counter transactions, and central bank purchases. Developed and emerging market categorisations are taken from the IMF World Economic Outlook World Economic Outlook: <https://www.imf.org/external/pubs/ft/weo/2020/02/weodata/groups.htm#ae>



What drives gold

Strategic, long-term impact

Economic expansion

- periods of growth are very supportive of jewellery, technology, & long-term savings

Risk and uncertainty

- market downturns often boost investment demand for gold as a safe-haven

Tactical, short-term impact

Opportunity cost

- competing assets such as bonds (through interest rates), currencies and other assets, influences investor attitudes towards gold

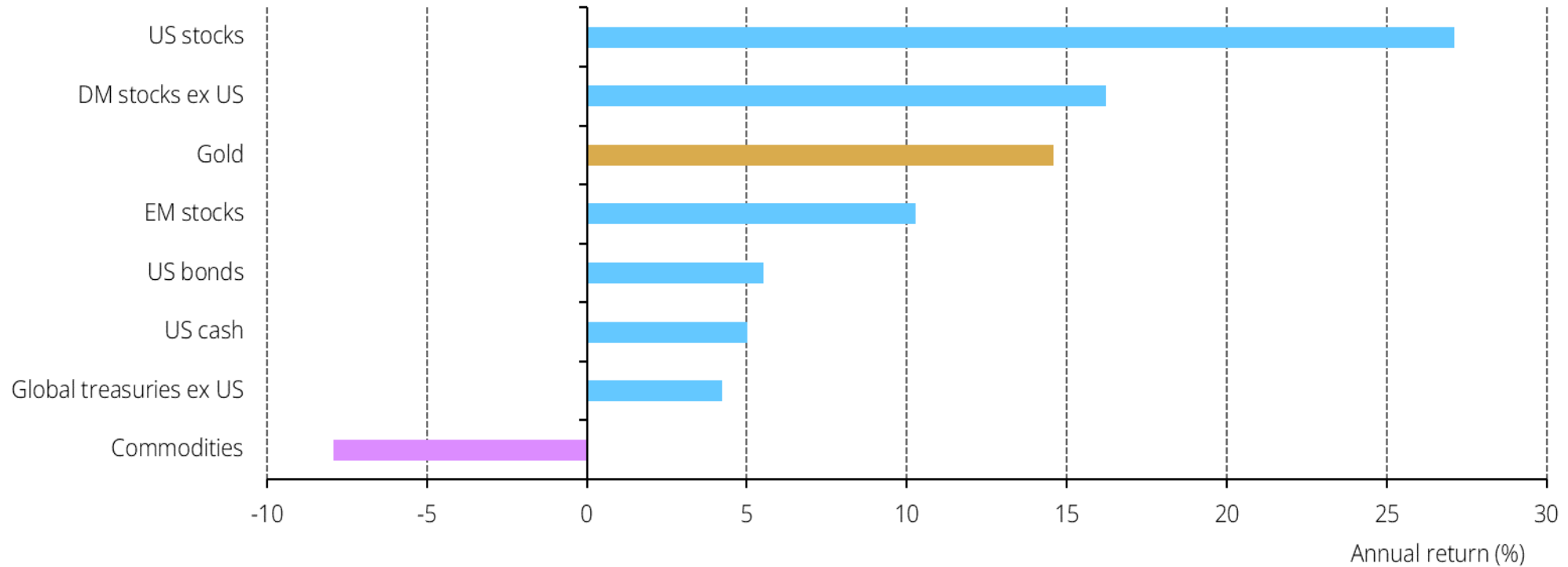
Momentum

- capital flows, positioning and price trends can ignite or dampen gold's performance



Gold outperformed most assets in 2023

Annual performance of major asset classes*

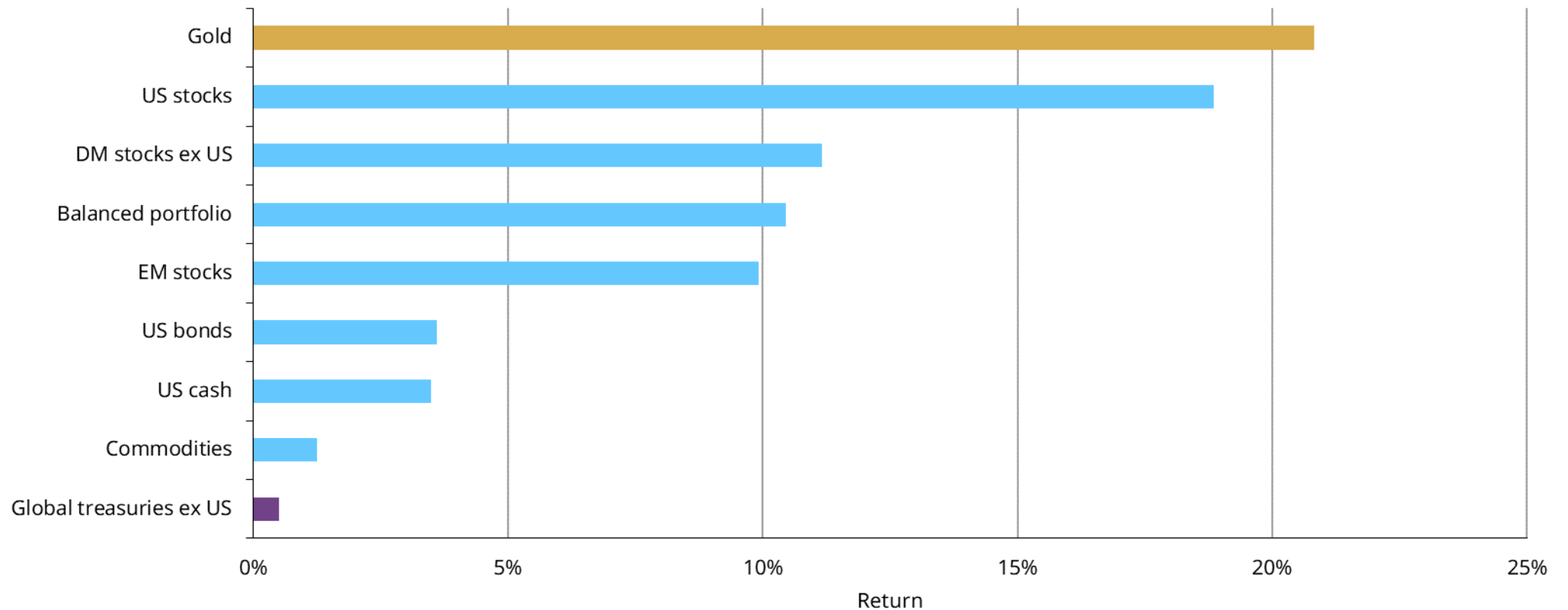


*As of 31 December 2023. Annual returns calculated using the last available value for the year in USD of MSCI US Total Return Index, MSCI World ex US Total Return Index, LBMA Gold Price PM, MSCI EM Total Return Index, Bloomberg Barclays US Bond Aggregate, ICE BofA US 3-Month Treasury Bills, Bloomberg Barclays Global Treasury ex US, Bloomberg Commodity Total Return Index. Source: Bloomberg, ICE Benchmark Administration, World Gold Council



Gold outperformed all major asset classes in 2024

2024 y-t-d returns for key asset classes



Note: Data as of 23 August 2024. Indices used Bloomberg Barclays Global Treasury ex US, Bloomberg Barclays US Bond Aggregate, ICE BofA US 3-Month Treasury Bills, New Frontier Global Institutional Portfolio Index, MSCI World ex US Total Return Index, Bloomberg Commodity Total Return Index, MSCI EM Total Return Index, LBMA Gold Price PM (USD/oz), MSCI US Total Return Index.

Source: Bloomberg, ICE Benchmark Administration, World Gold Council



Ongoing record highs in all key currencies in 2024



Price of gold in various currencies*

	USD (oz)	EUR (oz)	JPY (g)	GBP (oz)	CAD (oz)	CHF (oz)	INR (10g)	RMB (g)	TRY (oz)	AUD (oz)
Last price	2,511	2,244	11,656	1,900	3,392	2,129	67,739	575	85,339	3,696
Y-t-d average price	2,256	2,082	11,064	1,776	3,073	2,002	60,454	523	72,420	3,419
Y-t-d return	20.8%	19.2%	23.7%	16.4%	23.3%	21.8%	21.8%	21.2%	39.1%	21.1%

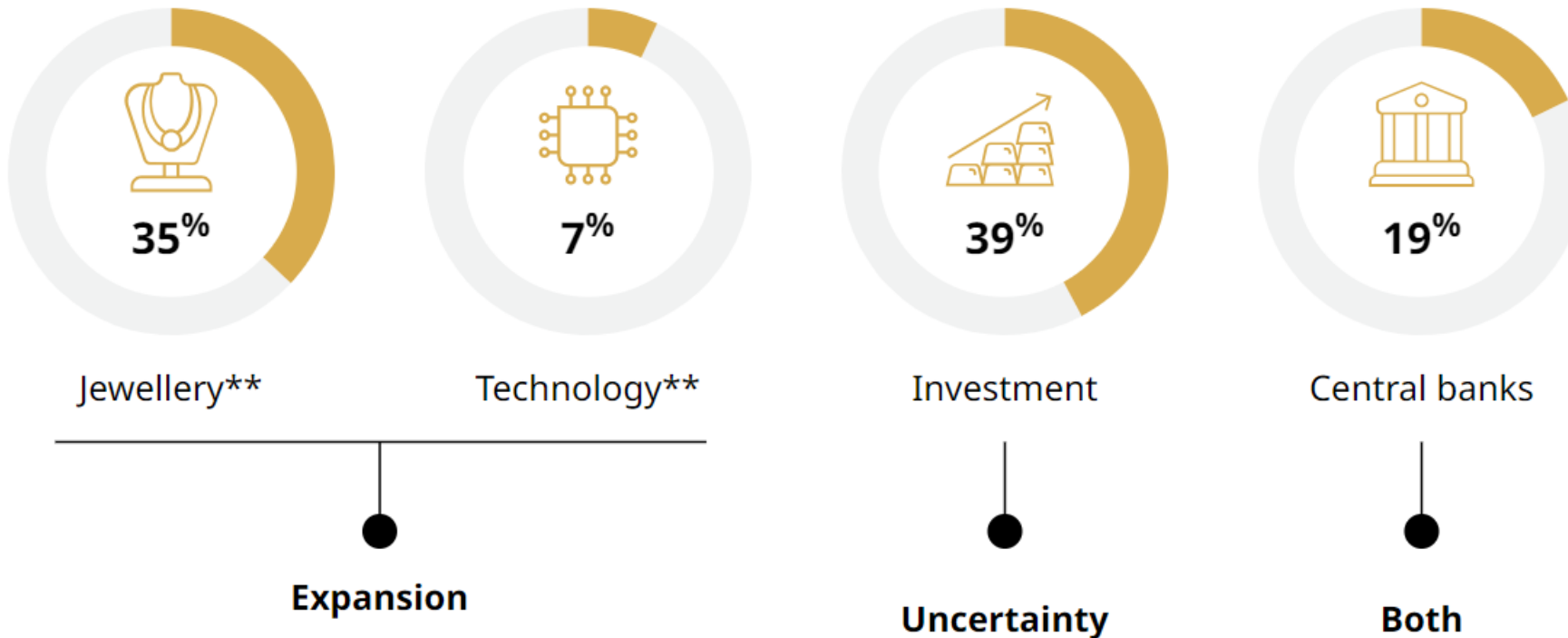
*Data to 23 August 2024. Based on the LBMA Gold Price PM in USD, expressed in local currencies.

Source: Bloomberg, ICE Benchmark Administration, World Gold Council



Gold has a dual nature with defined use cases

Average annual net demand \approx 3,126 tonnes* (approx. US\$195bn)



*Based on 10-year average annual net demand estimates ending in 2023. Includes: jewellery and technology net of recycling, in addition to bars & coins, ETFs and central bank demand, which are historically reported on a net basis. It excludes over-the-counter demand owing to limitations in data availability.

** Net jewellery and technology demand computed assuming 90% of annual recycling comes from jewellery and 10% from technology.

Source: Metals Focus, Refinitiv GFMS, World Gold Council



Gold demand firm with OTC, central banks decisive

Total gold demand (incl. OTC) increased 4% y/y to 1,258t – the strongest Q2 on record

- **Central banks:** net buying 6% higher y/y at 184t
- **OTC:** significant component of Q2 total at 329t
- **Gold ETFs:** net outflows of 7t but signs of uptrend
- **Bar and coin:** 5% lower at 261t owing to Western weakness
- **Jewellery:** down 19% y/y on widespread weakness
- **Technology:** jumped 11% y/y fuelled by AI trend
- **Supply:** mine production up 3% y/y; recycling up 4%

Historical Q2 total gold demand by sector, tonnes

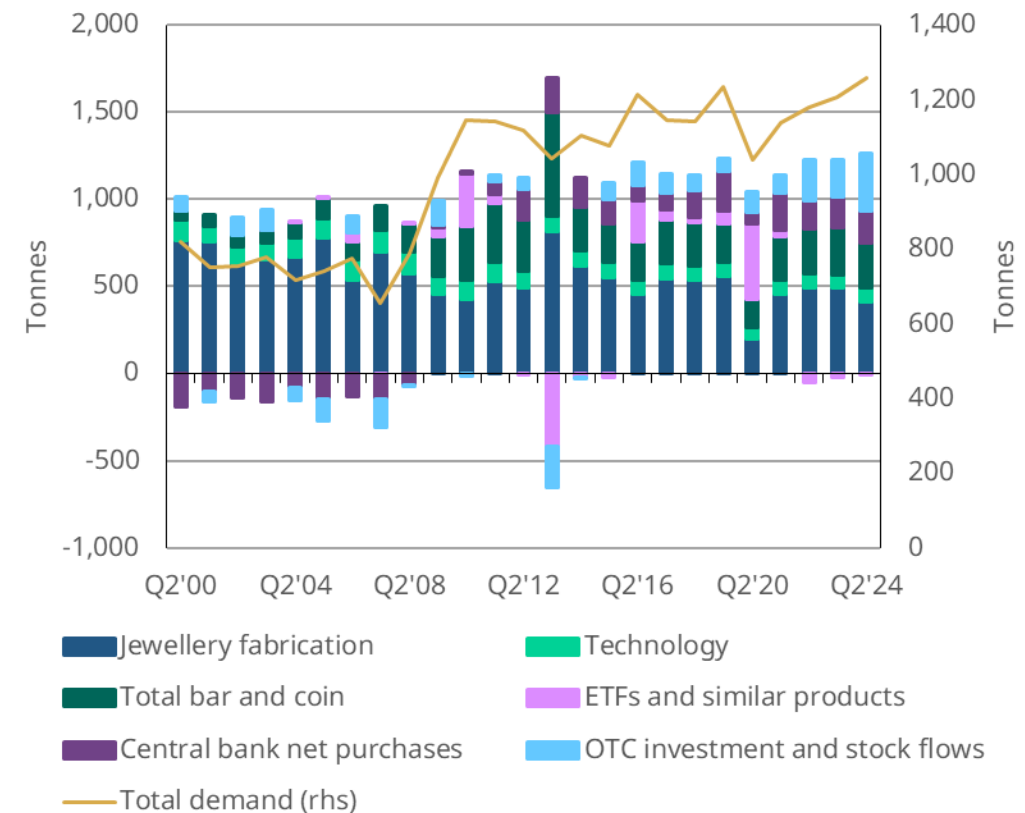
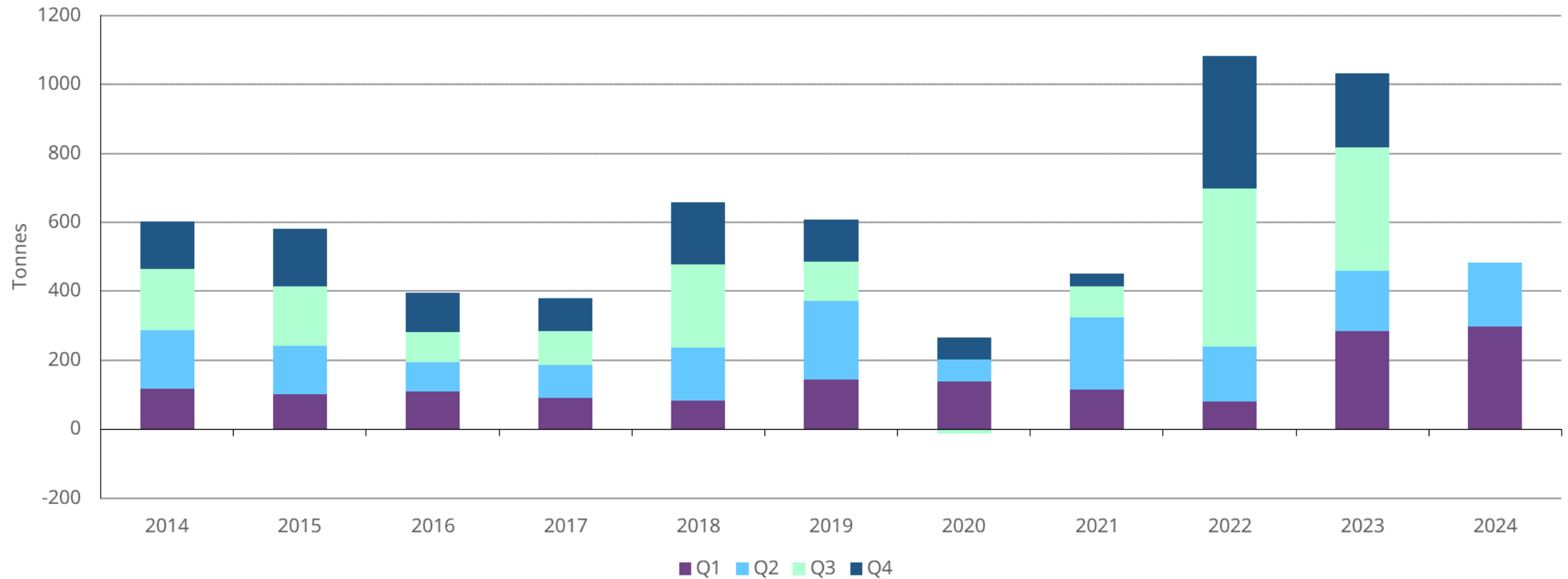


Chart note: Data as of 30 June 2024. For an explanation of gold market sectors, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council



Central bank H1 gold demand highest on record



Note: Data as of 30 June 2024. For an explanation of central bank demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: Metals Focus, World Gold Council



Central Banks critical to strong price performance

WGC annual survey:

- 70 response this year
- Pessimism towards the future of the USD as a reserve asset
- Optimism towards the future of gold as a reserve asset
- 62% of CB's have been active in gold in the past 5 years (mainly EM/DE)

Key factors for holding gold:

- "long-term store of value" now #1
- "performance during times of crisis" now #2,
- "effective portfolio diversifier" now #3,
- "no default risk" now #4,
- and "historical position" falling to #5.
"Historical position" had been the #1 reason in almost all previous surveys

Note: Data as of 31 March 2024. For an explanation of central bank demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q1-2024/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council



Eastern investors have stepped in

Asian investors have been a key component

Flows into financial products

- Record level ETF flows of over US\$3bn and gold futures indicate strong interest

Bar and coins are also seeing significant flows

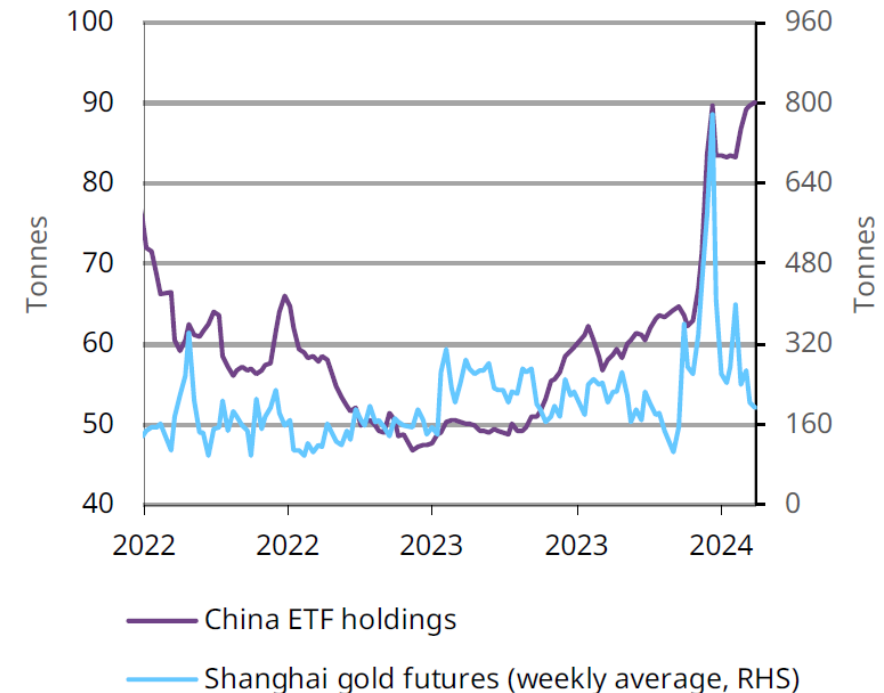
- Demand numbers are up even with high prices and withdrawals from SGE are at record pace

OTC flows are strong and regionally based

- Increased levels of physical demand tracked as OTC levels are high with family offices, private banks and others adding to their portfolios

Asian investors have contributed to gold's strong

Chinese gold ETF holdings and futures positioning*

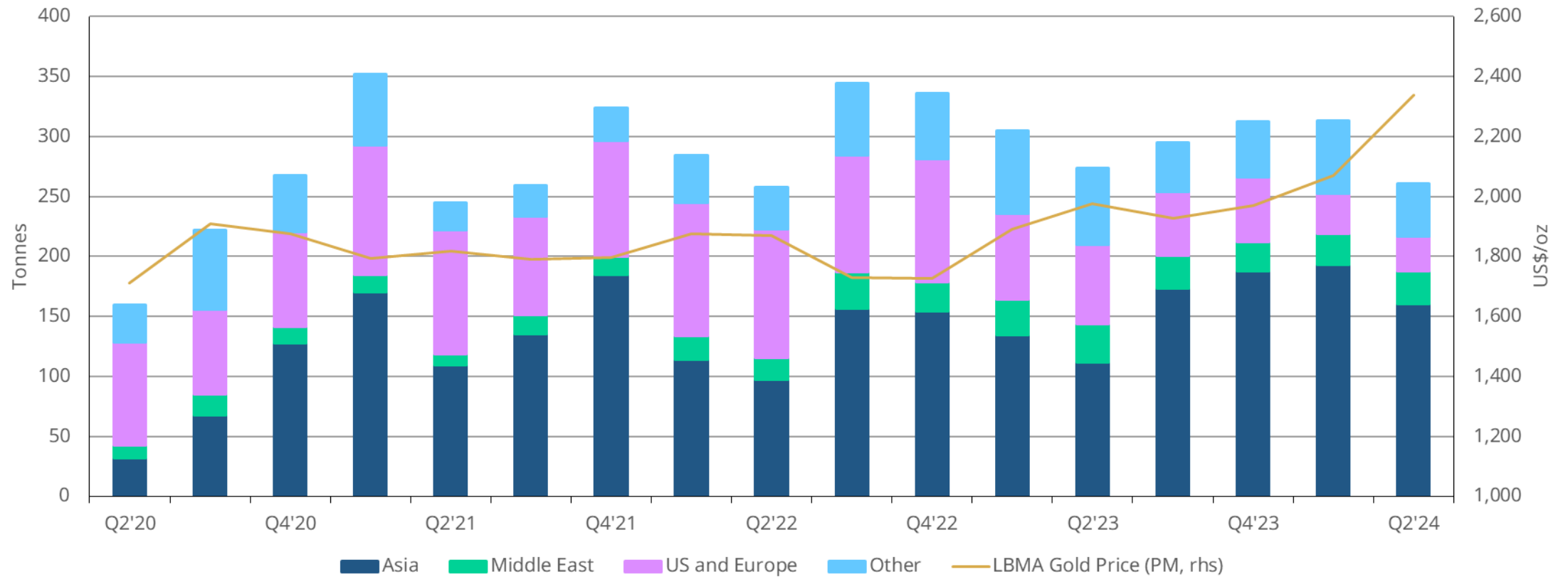


*Data as of 22 June 2024

Source: Bloomberg, Shanghai Futures Exchange, World Gold Council



Diverging West and East trends

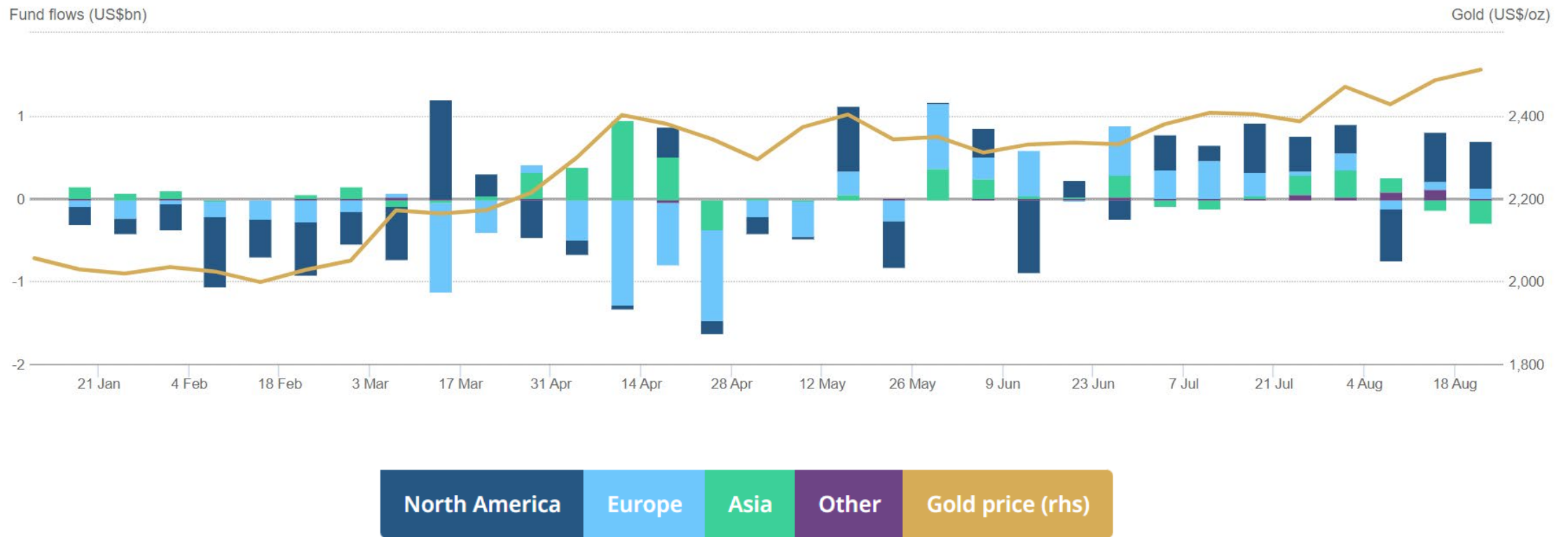


Note: Data as of 30 June 2024. For an explanation of total bar and coin demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: ICE Benchmark Administration, Metals Focus, World Gold Council



Sentiment turns more positive on global gold ETFs



Note: Data as of 23 August 2024. For an explanation of ETF demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: Bloomberg, company filings, ICE Benchmark Administration, World Gold Council



Jewellery demand down due to record prices

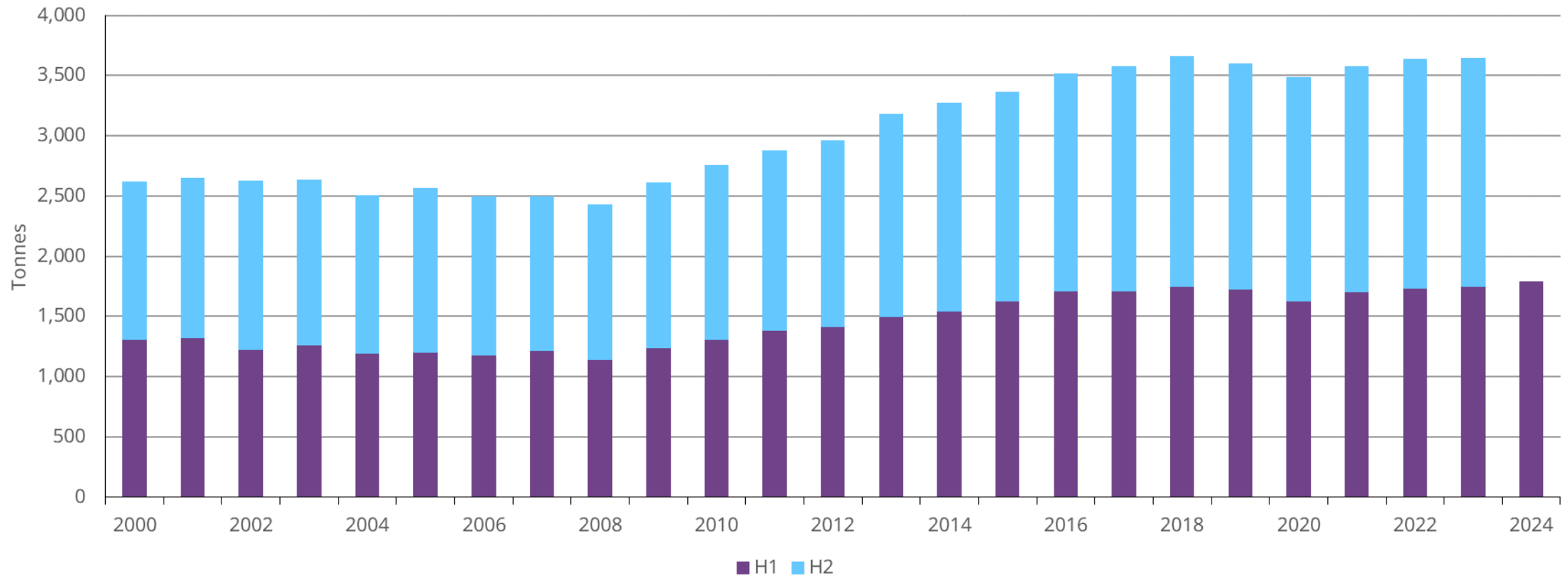


Note: Data as of 30 June 2024. For an explanation of jewellery consumption, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: Metals Focus, World Gold Council



Mine production hit an all-time H1 high in 2024

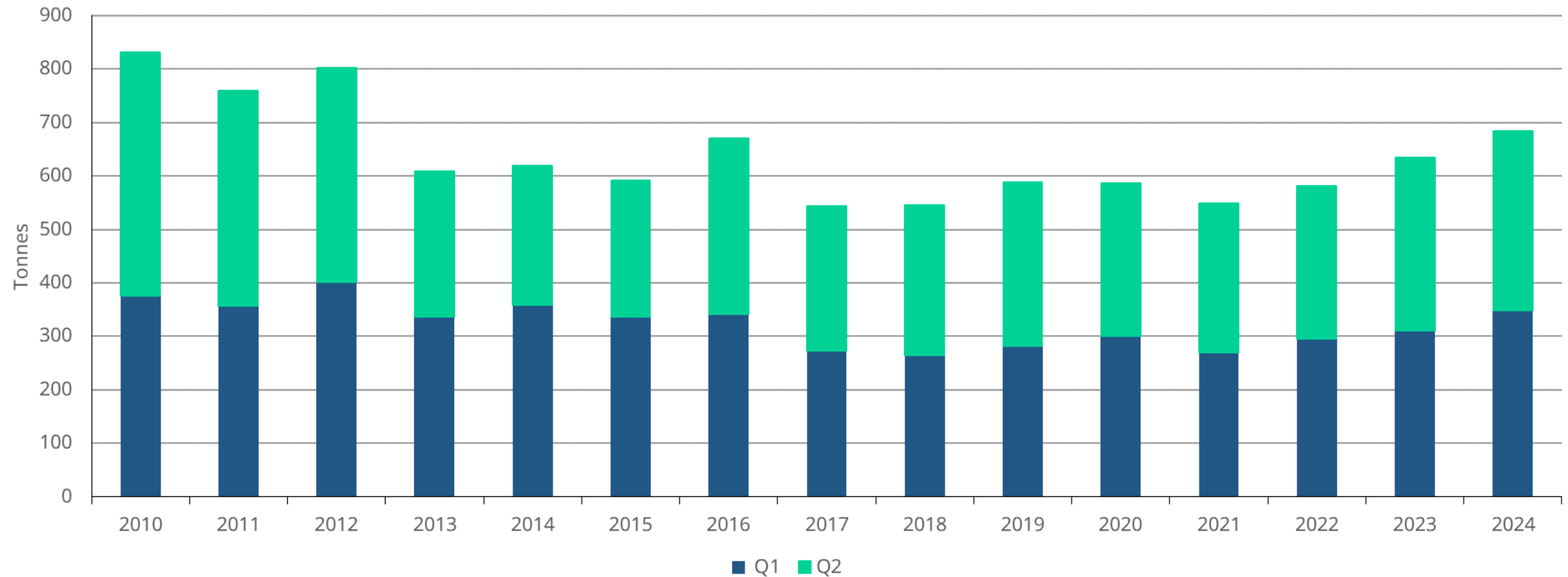


Note: Data as of 30 June 2024. For an explanation of mine production, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council



H1 recycled gold volumes highest since 2012



Note: Data as of 30 June 2024. For an explanation of recycled gold, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council



Key risks impacting gold

Political climate

- Geopolitical
- Local politics
- Global election calendar
- Civil unrest
- Sanctions

Debt and diversification

- Global debt levels
- Diversification away from the US dollar
- Risk of alternatives to cash
- Cryptocurrencies

"The unknown unknowns"

- Inflation volatility
- China developments
- Conflict
- Private markets and liquidity
- Banking crisis

- *Strong rationale for ongoing strategic demand from Central banks, physical investment and jewelry*
 - *Short-term Western investment impacted by US rates and the dollar*

Chart note: *Data to 30 June 2024. Fabrication combines global jewellery and technology demand. Investment includes ETFs, bar and coin and OTC demand. Supply includes mine production and recycling. We have omitted hedging and assume it to be unchanged. Range estimates are generated by a combination of inputs including our independent analysis of the gold market, consensus market expectations for the global economy and Metals Focus forecasts. The width of the range reflects our confidence in the outlook, while the ratio of one tail to the other captures whether we see upside or downside risk to our view

Source: World Gold Council



Gold is acting like the efficient market we know

Setting the record straight...

Gold performance despite market conditions

- High rates and strong dollar, which are usually a hostile environment for gold

Relationship with “real rates” is not broken

- Rate environment is the factor holding gold back from truly breaking out and seeing much higher levels

In this current environment, these factors have been offset by others that are more dominant

- Central banks and Asian investment (both physical gold and financial instruments)

Market consensus suggest rangebound for H2

Consensus expectations and select gold drivers*

Expected Fed funds rate	Current 5.25% - 5.5%; 25bp lower by year end
Economic scenario	Restrained recovery
Opportunity cost	10yr: stable, marginally down Dollar: flat to slightly down
Economic expansion	Below trend but improving
Risk and uncertainty	Stubborn inflation
	Risk-on positioning
	Geopolitical risks
Momentum	Central bank purchases above trend
	Commodities down marginally
	Gold net positioning is high
Implied gold performance	Rangebound

*We group variables that influence gold into four drivers to understand its performance, namely: 1) economic expansion, 2) risk and uncertainty, 3) opportunity cost, and 4) momentum.

See QaurumSM for more details.

Source: Bloomberg, Oxford Economics, World Gold Council



A market waiting for a catalyst

Upside may come from...

- Western investment flows linked to:
 - Lower interest rates
 - Sustained geopolitical risk
- Stronger than expected India demand

Downside may come from...

- Significantly lower central bank demand
- Profit taking by Asian investors
- More widespread jewellery demand weakness



2024 full-year demand and supply outlook

We expect...

- **Investment:** higher y/y on H1 EM & OTC strength, plus renewed H2 Western investor flows but could see Asian profit taking
- **Fabrication:** lower y/y on affordability constraints, but drop mitigated by Indian tax cuts and AI boom
- **Central banks:** below 2023 but well above average
- **Supply:** higher on mine production and moderate recycling

Expected y/y tonnage change in demand and supply, 2024 vs. 2023*

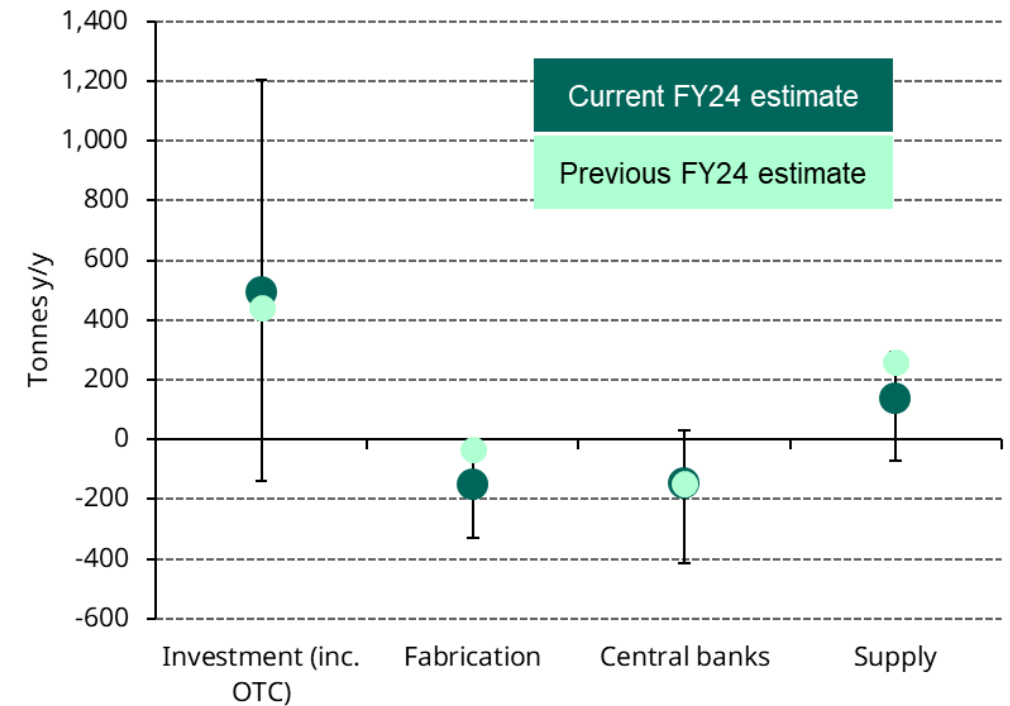


Chart note: *Data to 30 June 2024. Fabrication combines global jewellery and technology demand. Investment includes ETFs, bar and coin and OTC demand. Supply includes mine production and recycling. We have omitted hedging and assume it to be unchanged. Range estimates are generated by a combination of inputs including our independent analysis of the gold market, consensus market expectations for the global economy and Metals Focus forecasts. The width of the range reflects our confidence in the outlook, while the ratio of one tail to the other captures whether we see upside or downside risk to our view

Source: World Gold Council



Strategic significance and importance

Think of gold like a river..

... it is part of a natural world;

... it can be both good and bad;

... it cannot be stopped; but

... we can work with it to optimize it

... and harness its greatest benefits





Strategic significance and importance

Financial significance and inclusion

- National wealth – reserve asset
- Role as a form of savings and wealth transfer
- Investment for long-term
- Role in society as money

Technology

- Super computers
- Consumer electronics
- Medical applications

Employment creation and opportunities

Upstream impact

- Mining and related activities
- Very often not as simple as one asset, one mine
- Done the right way it creates jobs and helps ecosystems
- Done the wrong way and it can be harmful
- Gold provides you the opportunity to lead from the front with your initiatives around mining in general

Downstream impact

- Market related traders
- Gold and jewelry businesses and dealers
- Trade related activities including refining, fabrication, logistics, and storage



Social and economic impact

World Gold Council members in 2022:

- Directly contributed a total of US\$57.7bn to host economies of 34 countries
- This comprised US\$38.3bn of payments to in-country suppliers, US\$10.1bn in employee wages and US\$9.3bn in payments to governments
- Directly employed close to 210,000 people and over 150,000 contractors
- Every local job at gold mining operations supports six more, or close to ten more if induced jobs are included*
- National employees make up 95% of the in-country workforce
- An estimated 16% of employees are women – compared to 5-10% in the wider mining sector

Source: World Gold Council



Note: For a global overview of the data, please refer to *Gold's Contribution to Society*. All data is for the year 2022 and the amounts are in 2022 US Dollars unless otherwise stated.

Country profile - Colombia | November 2023



Key industry initiatives and developments

- Gold Bar Integrity / Gold247
 - Access can be difficult, risky and expensive
 - We will look to improve fungibility, increase access, and create a framework for a successful digital gold market
 - It starts with track and trace technology – aXedras
 - The entire value chain needs to be involved



Key industry initiatives and developments

- ESG
 - Responsible gold mining principles – consolidation of various frameworks
- Artisanal mining
 - Raab report and a call to action with governments
 - “London Principles” - Central Bank engagement and call to action
- Retail Investment Guidance
 - Committees focused on education and trusted access, key participants ‘self certifying’



Key industry initiatives and developments

- Regulatory initiatives
 - Engagement in the US and EMEA on digital legislation
 - Tax treatment
 - New channels
 - Insurance
 - Mutual funds
- Critical Minerals
 - Focus on US, Canada and Australia



Thank you

✕ @goldcouncil

in World Gold Council

f @worldgoldcouncil

gold.org





Important information and disclosures

© 2024 World Gold Council. All rights reserved. World Gold Council and the Circle device are trademarks of the World Gold Council or its affiliates.

All references to LBMA Gold Price are used with the permission of ICE Benchmark Administration Limited and have been provided for informational purposes only. ICE Benchmark Administration Limited accepts no liability or responsibility for the accuracy of the prices or the underlying product to which the prices may be referenced. Other content is the intellectual property of the respective third party and all rights are reserved to them.

Reproduction or redistribution of any of this information is expressly prohibited without the prior written consent of World Gold Council or the appropriate copyright owners, except as specifically provided below. Information and statistics are copyright © and/or other intellectual property of the World Gold Council or its affiliates or third-party providers identified herein. All rights of the respective owners are reserved.

The use of the statistics in this information is permitted for the purposes of review and commentary (including media commentary) in line with fair industry practice, subject to the following two pre-conditions: (i) only limited extracts of data or analysis be used; and (ii) any and all use of these statistics is accompanied by a citation to World Gold Council and, where

appropriate, to Metals Focus or other identified copyright owners as their source. World Gold Council is affiliated with Metals Focus.

The World Gold Council and its affiliates do not guarantee the accuracy or completeness of any information nor accepts responsibility for any losses or damages arising directly or indirectly from the use of this information.

This information is for educational purposes only and by receiving this information, you agree with its intended purpose. Nothing contained herein is intended to constitute a recommendation, investment advice, or offer for the purchase or sale of gold, any gold-related products or services or any other products, services, securities or financial instruments (collectively, "Services"). This information does not take into account any investment objectives, financial situation or particular needs of any particular person.

Diversification does not guarantee any investment returns and does not eliminate the risk of loss. Past performance is not necessarily indicative of future results. The resulting performance of any investment outcomes that can be generated through allocation to gold are hypothetical in nature, may not reflect actual investment results and are not guarantees of future results. The World Gold Council and its affiliates do not guarantee or warranty any calculations and models used in any hypothetical portfolios or any outcomes

resulting from any such use. Investors should discuss their individual circumstances with their appropriate investment professionals before making any decision regarding any Services or investments.

This information may contain forward-looking statements, such as statements which use the words "believes", "expects", "may", or "suggests", or similar terminology, which are based on current expectations and are subject to change. Forward-looking statements involve a number of risks and uncertainties. There can be no assurance that any forward-looking statements will be achieved. World Gold Council and its affiliates assume no responsibility for updating any forward-looking statements.

Information regarding QaurumSM and the Gold Valuation Framework

Note that the resulting performance of various investment outcomes that can generated through use of Qaurum, the Gold Valuation Framework and other information are hypothetical in nature, may not reflect actual investment results and are not guarantees of future results.

Neither World Gold Council (including its affiliates) nor Oxford Economics provides any warranty or guarantee regarding the functionality of the tool, including without limitation any projections, estimates or calculations.



About us

We are a membership organisation that champions the role gold plays as a strategic asset, shaping the future of a responsible and accessible gold supply chain. Our team of experts builds understanding of the use case and possibilities of gold through trusted research, analysis, commentary and insights.

We drive industry progress, shaping policy and setting the standards for a perpetual and sustainable gold market.

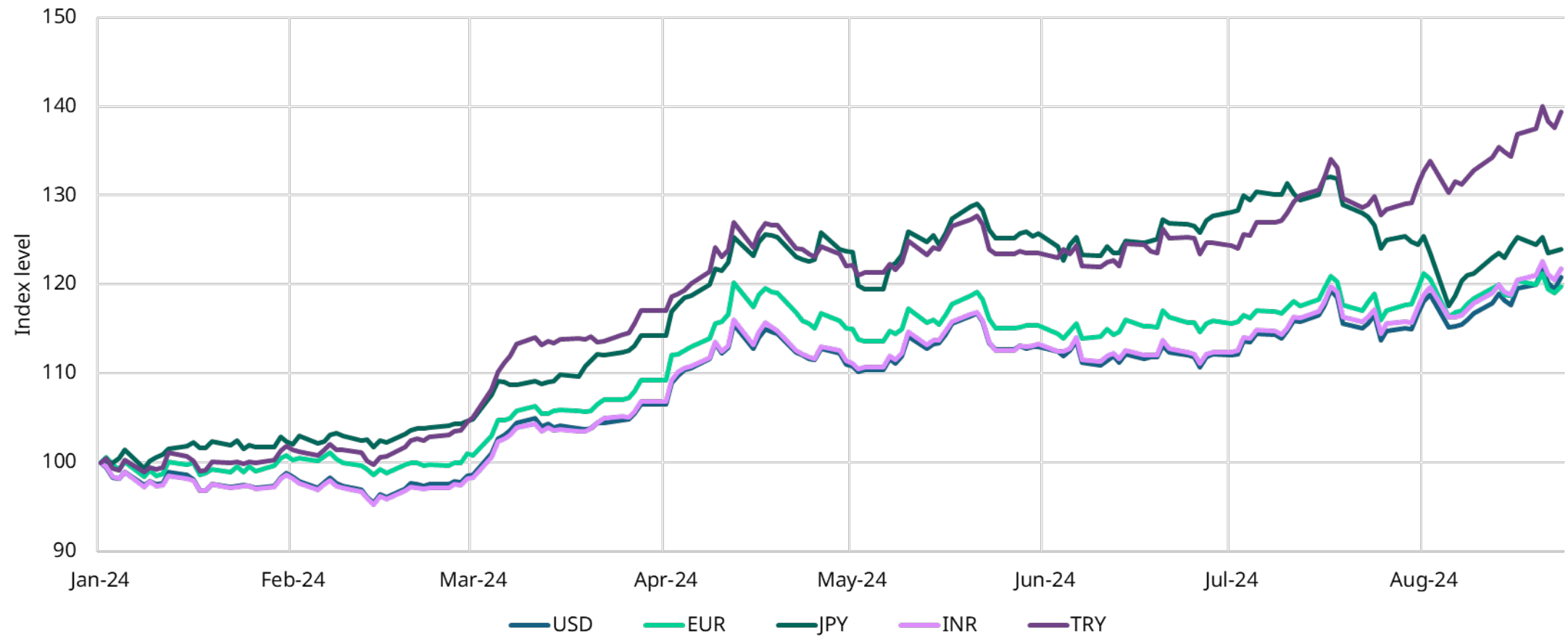
gold.org



Appendix



New records in July and August

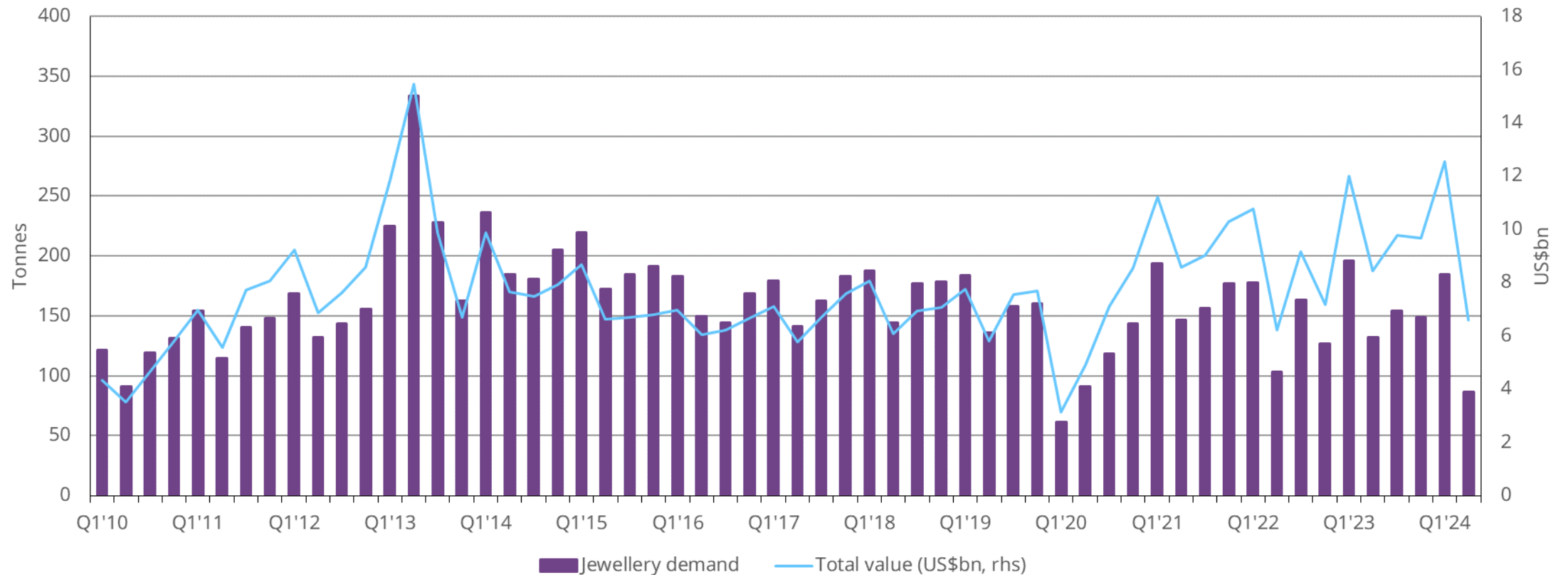


*Data as of 23 August 2024

Source: FactSet, ICE Benchmark Administration, World Gold Council



China slowed by record gold prices and economy

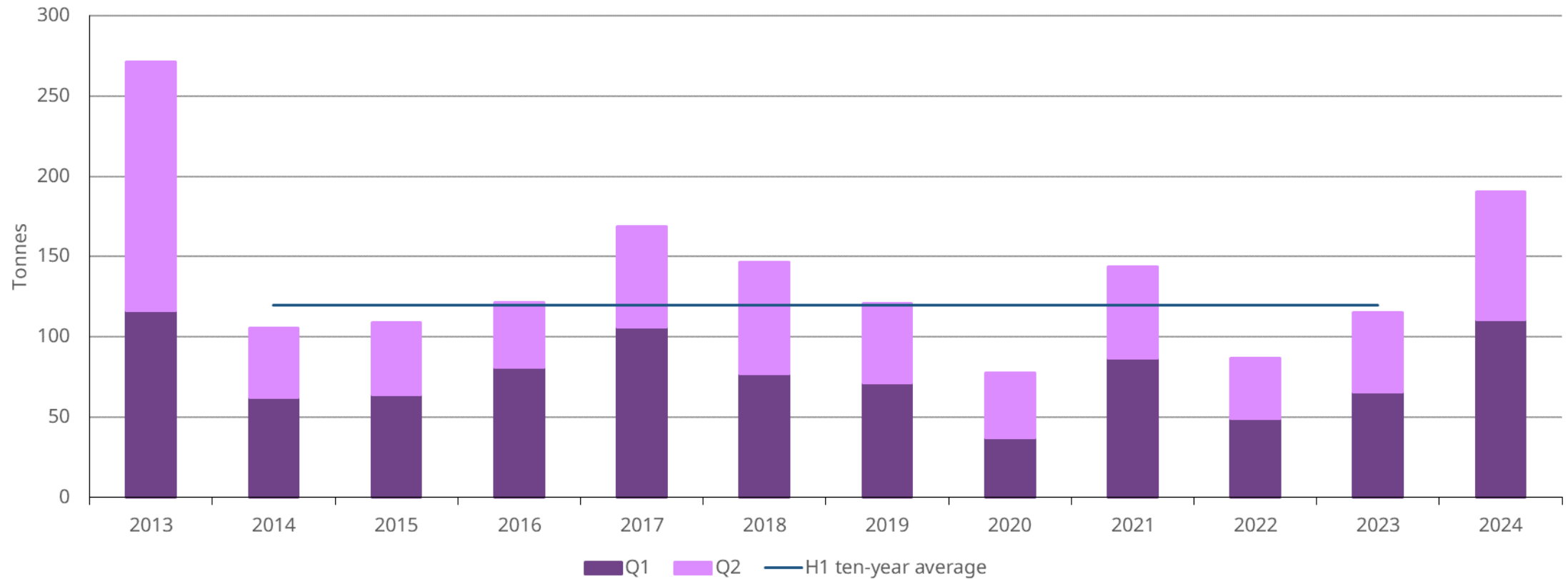


Note: Data as of 30 June 2024. For an explanation of jewellery consumption, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: ICE Benchmark Administration, Metals Focus, Refinitiv GFMS, World Gold Council



China retail investment H1 demand strong

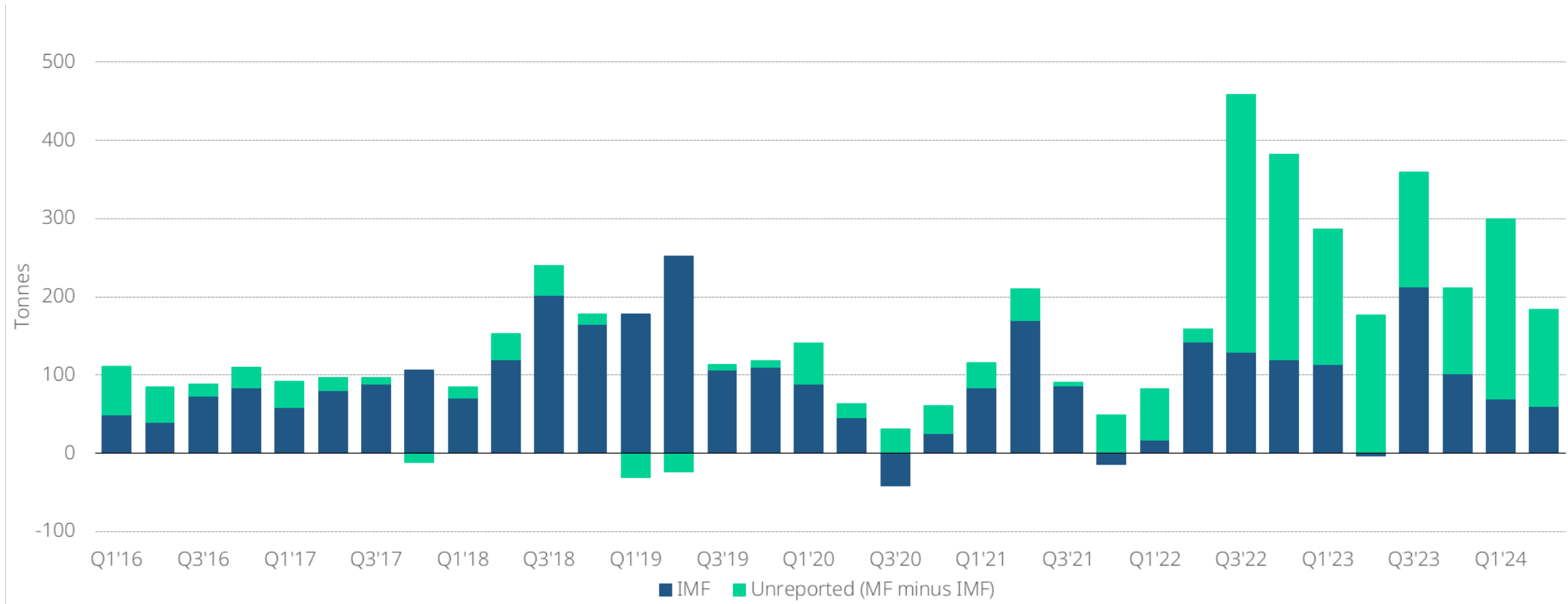


Note: Data as of 30 June 2024. For an explanation of total bar and coin demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council



Net central bank demand: reported vs. unreported



Note: Data as of 30 June 2024. For an explanation of central bank demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q2-2024/notes-and-definitions>

Source: IMF IFS, Metals Focus, respective central banks, World Gold Council



Indian gold import levels will be significant

- Gold import duty was cut by more than half, from 15% to 6%, in the most recent Union Budget
- This is the lowest the levels have been in over a decade
- Long-term capital gains tax on gold was adjusted down and the holding period decreased
- Profits on gold ETFs and mutual funds will no longer be taxed at the short-term capital gains rate if held for at least 12 months (effective 1 April 2026)
- Despite some potential short-term disruptions, we expect the combined effects of these changes to add at least 50t to gold demand in H2 2024.

Significant changes in Indian customs duty on gold

