



gold.org

Responsible gold Mining Conference

May 2024





Snapshots of gold in Turkey



Gold in new Turkish lira (TRY)



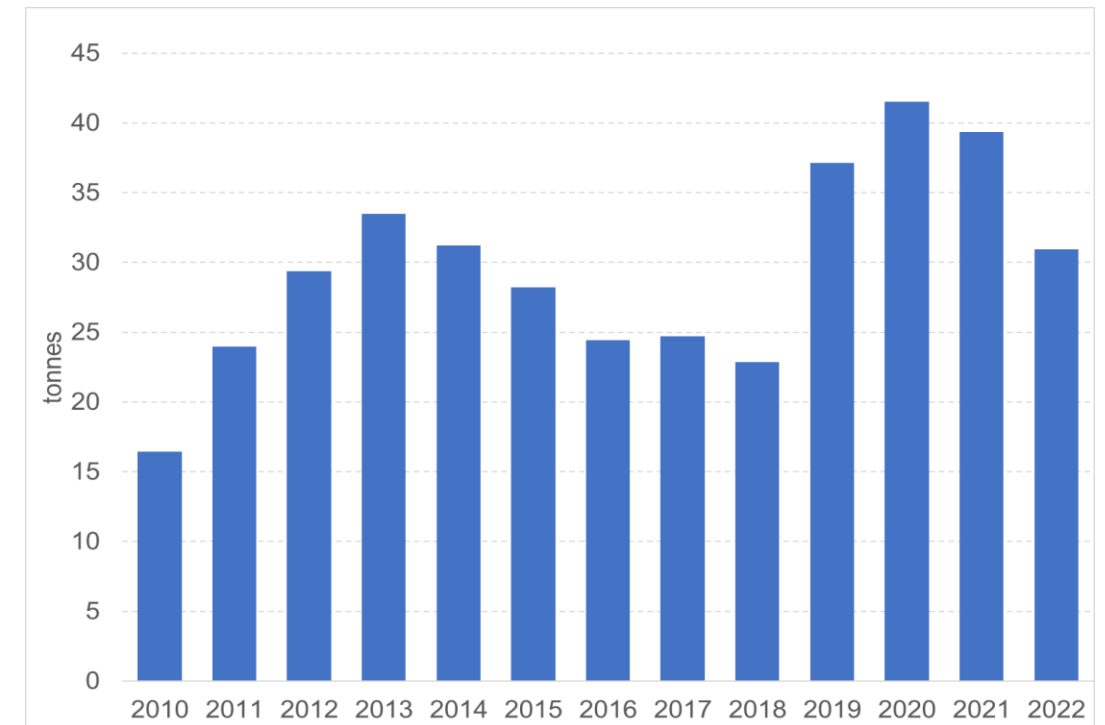


Mine Production

The location of some of the oldest gold mining in the world

- Averaged 31t of gold production 2013-2022
- Mines as much gold as the whole of western Europe
- In 2022 Turkey was the 29th largest producing country.
- This has varied between 22nd and 30th largest country over the past decade

Annual Gold Production: Turkey



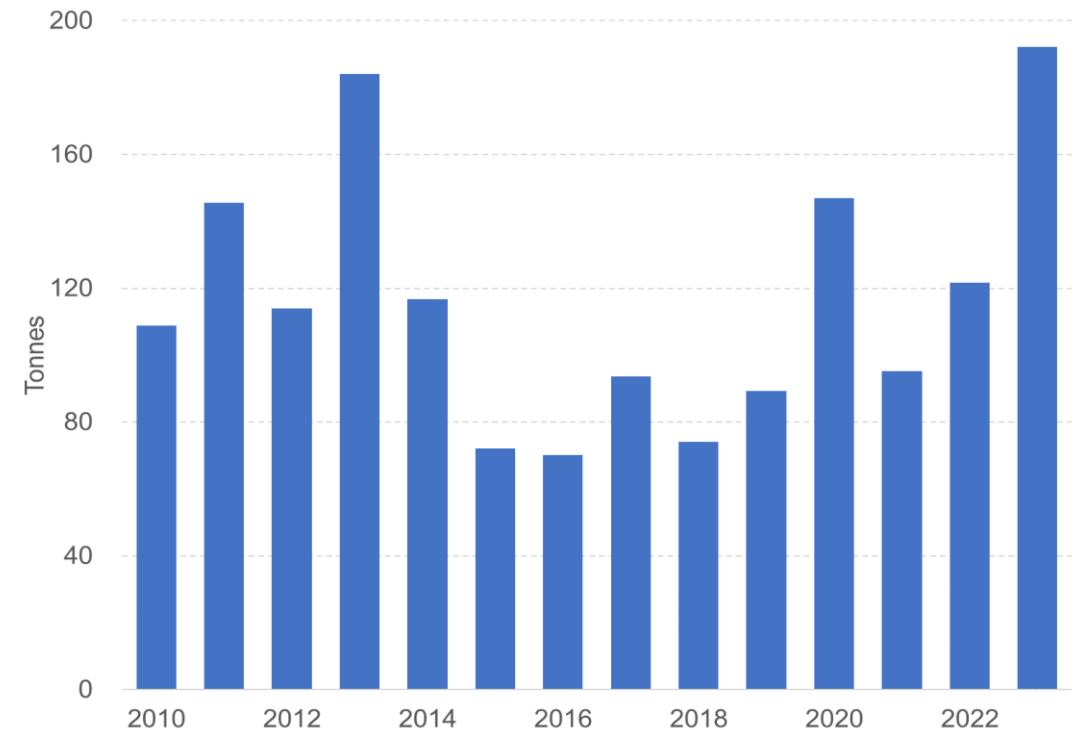


Consumption demand

Where gold was first used as a currency: Gold coins struck in 550BC by King Croesus

- Averaged 107.2t of gold consumption 2014-23
- Ranked **5 globally** by consumption demand
- Mixture of Bar & Coin and Jewellery
- OTC demand (not included) also large too
- Much larger consumption than mine production - Imports important

Annual Gold Consumption: Turkey



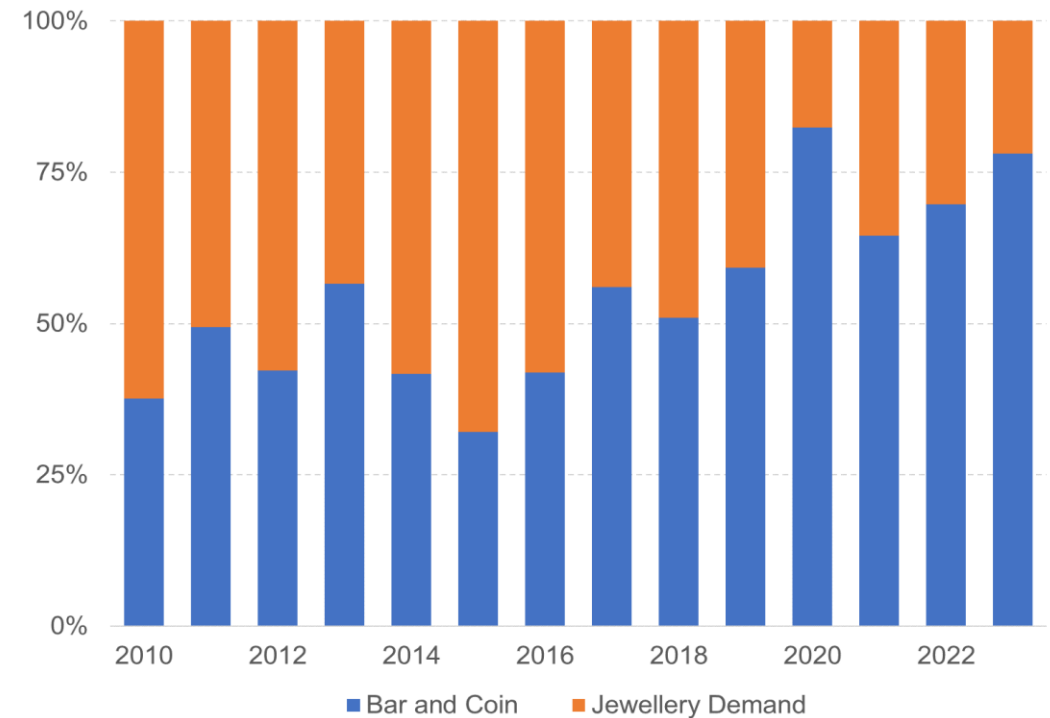


Consumption demand (2)

Shifting trends

- Jewellery demand becoming less important
 - Price-elastic demand
 - Price sensitive tourists
- Bar & coin and OTC (not included) have increased
 - Inflation
 - Currency weakening

Mix of demand types: Turkey



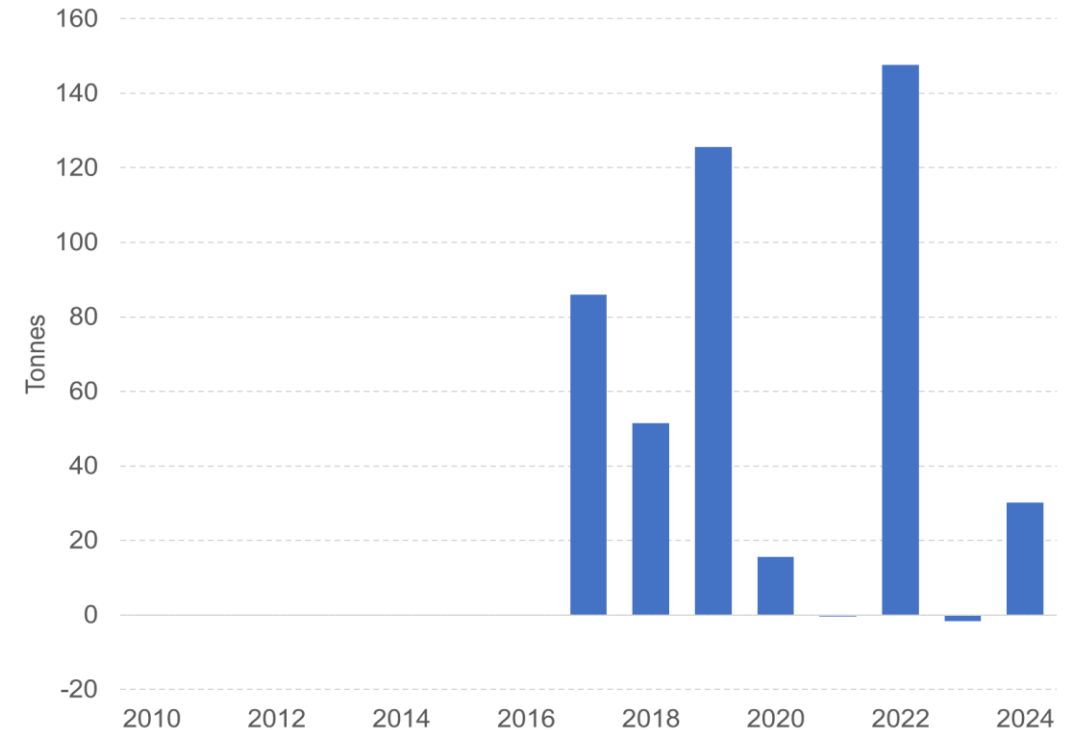


Central Bank of Turkey

One of the most significant buyers of late

- Twelfth largest holder with 570.3t
- Largest and most innovative user of gold in reserve management
- Gold makes up 37% of Turkey's gross reserves
- Has bought most years but...
- CBT sold gold heavily to provide liquidity to the domestic market in Q2-23
- Has been rebuilding gold holdings since then
- Largest buyer in Q1-24

Change in gold holdings: Turkey





The gold market in Q1-2024



Gold set several new record highs during Q1



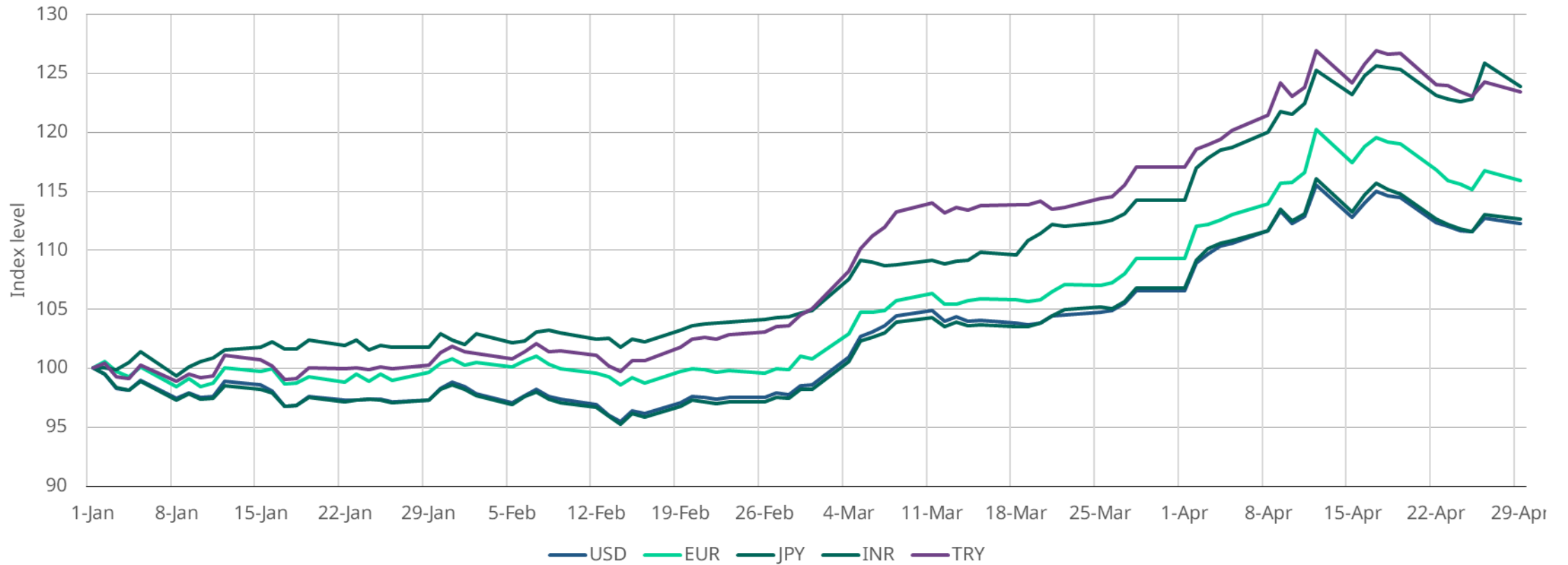
Current all-time high:
US\$2,401.5/oz

	USD/oz	EUR/oz	JPY/g	GBP/oz	CAD/oz	CHF/oz	INR/10g	CNY/g	TRY/oz	AUD/oz
2023 average	1,942.55	1,795.98	8,779.40	1,561.77	2,621.42	1,744.72	51,566.62	442.36	46,304.67	2,926.04
Record high	2,401.50	2,256.62	11,856.66	1,929.07	3,307.59	2,191.37	64,508.97	558.80	77,707.50	3,724.45
Record high date	12/04/2024	12/04/2024	17/04/2024	12/04/2024	12/04/2024	12/04/2024	12/04/2024	12/04/2024	12/04/2024	17/04/2024

Note: Chart shows daily pricing data to 18 April 2024. Start date of pricing is 1 January 2018.
Source: Bloomberg, ICE Benchmark Administration, World Gold Council



After a slow start to the year, March saw gold prices globally take off



Note: Data as of 29 April 2024.

Source: Bloomberg, ICE Benchmark Administration, World Gold Council



Central banks and OTC investment again drove price performance

Q1 total gold demand (including sizable OTC buying) rose 3% y/y to 1,238t – the strongest first quarter since 2016.

Demand ex OTC slipped 5% y/y.

- Central bank gold buying reached 290t
- Bar and coin investment rose 3% y/y; gold ETF holdings fell by 114t
- Global jewellery consumption was 2% lower y/y at 479t
- Technology demand for gold recovered 10% y/y thanks to the AI boom
- Mine production was up 4% y/y to 893t; recycling rose 12% y/y to 351t, responding to higher prices.

Quarterly gold demand by sector, tonnes

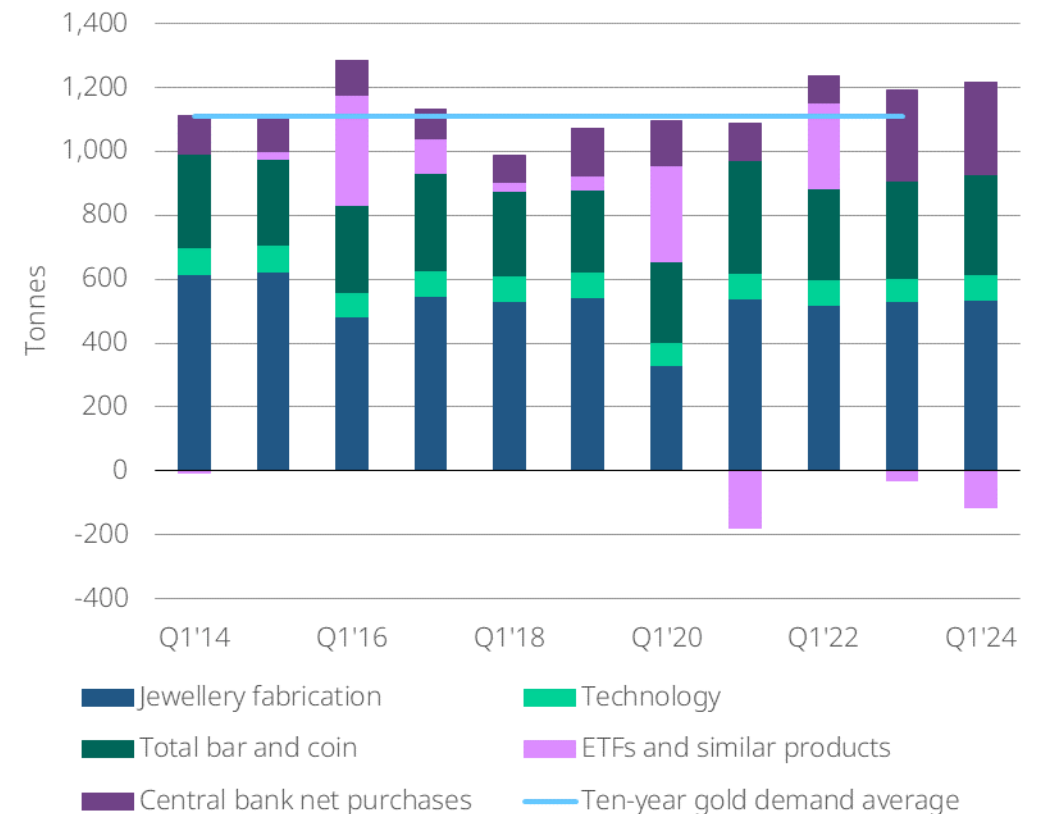
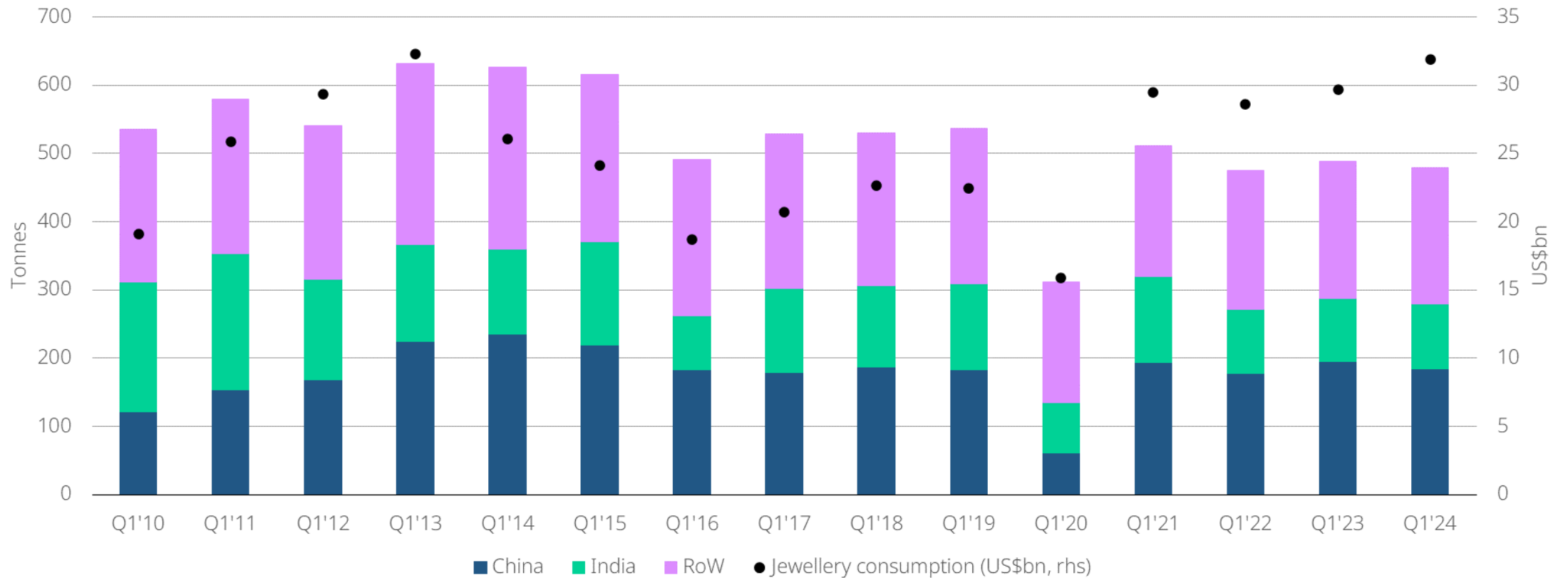


Chart note: Data as of 31 March 2024. For an explanation of gold market sectors, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q1-2024/notes-and-definitions>



Jewellery demand volumes resilient, values rampant



Note: Data as of 31 March 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-q1-2024/notes-and-definitions>

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



EM bar and coin investment takes market share from the West

Emerging market strength offset weak DM

China B&C up 68% y/y to 110t

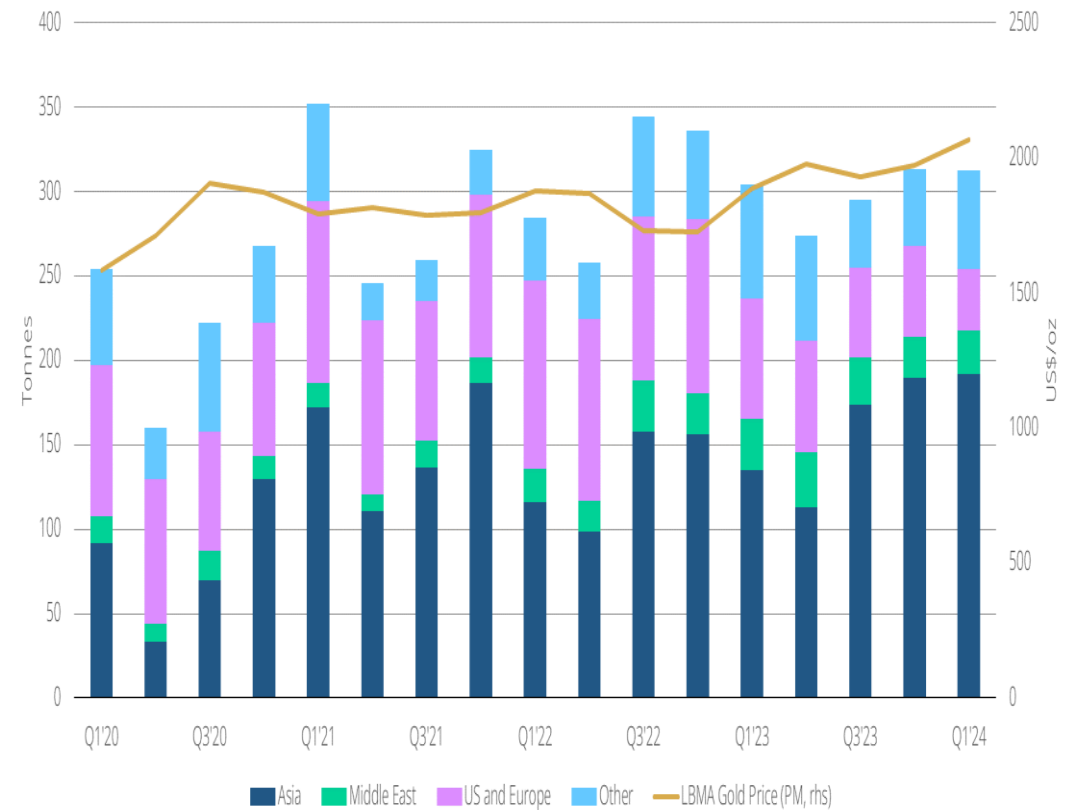
Indian B&C up 19% to 41t

Turkish B&C up 50% q/q (down 12% y/y)

W Eur 18t: -50% y/y and - 77% vs. Q1-22

- Germany 7t -50% y/y and -86% vs. Q1-22

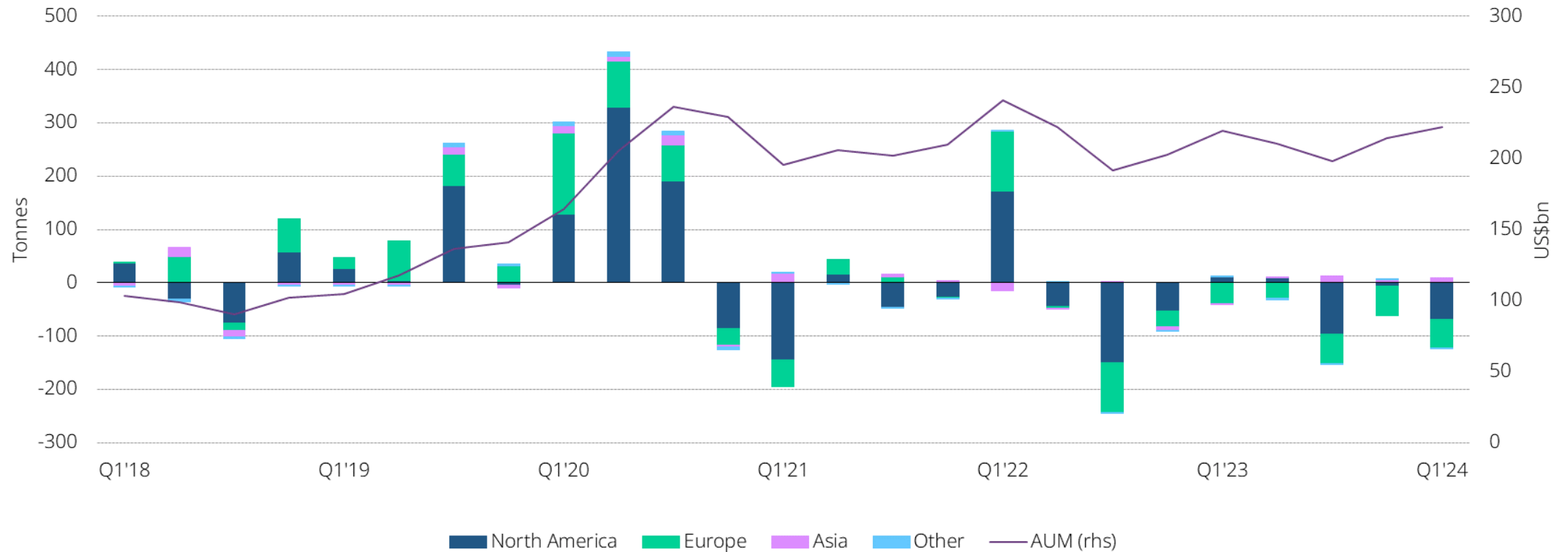
US 18t -45% y/y and down 40% on Q1-22



Note: Data as of 31 March 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-q1-2024/notes-and-definitions>



European and North American gold ETFs saw outflows while Asian funds continued to gain assets

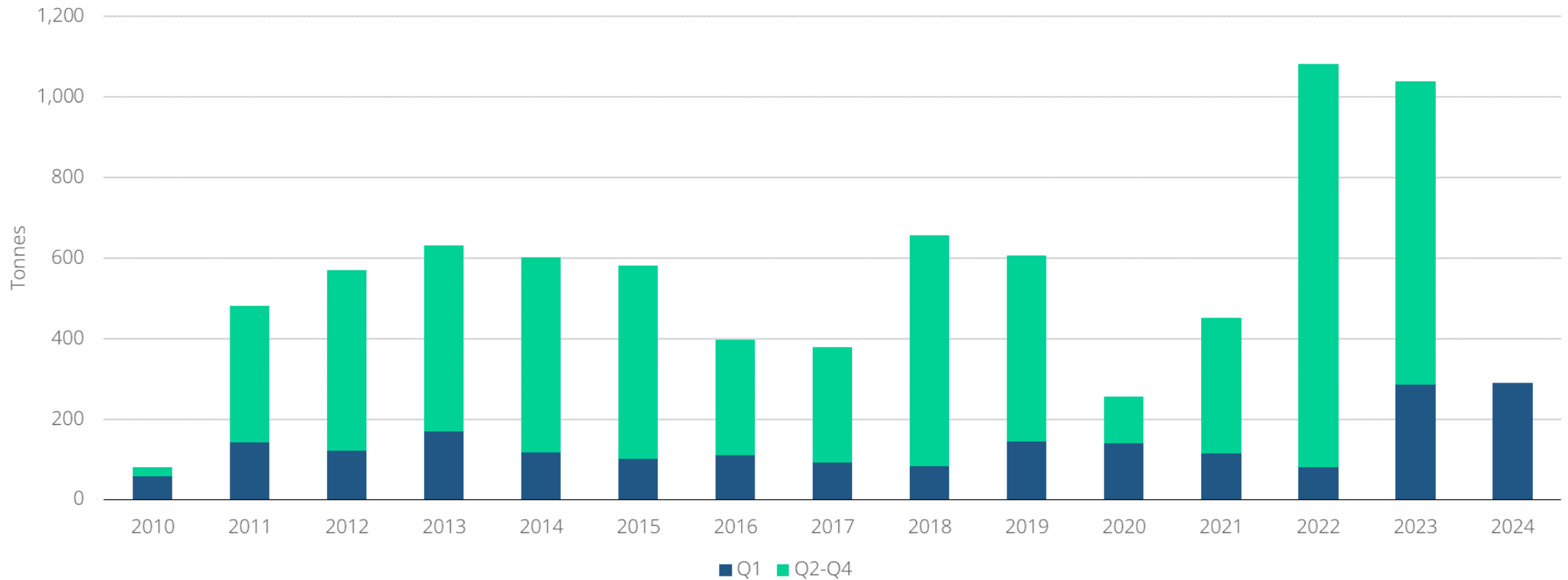


Note: Data as of 31 March 2024. For an explanation of ETF demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q1-2024/notes-and-definitions>

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



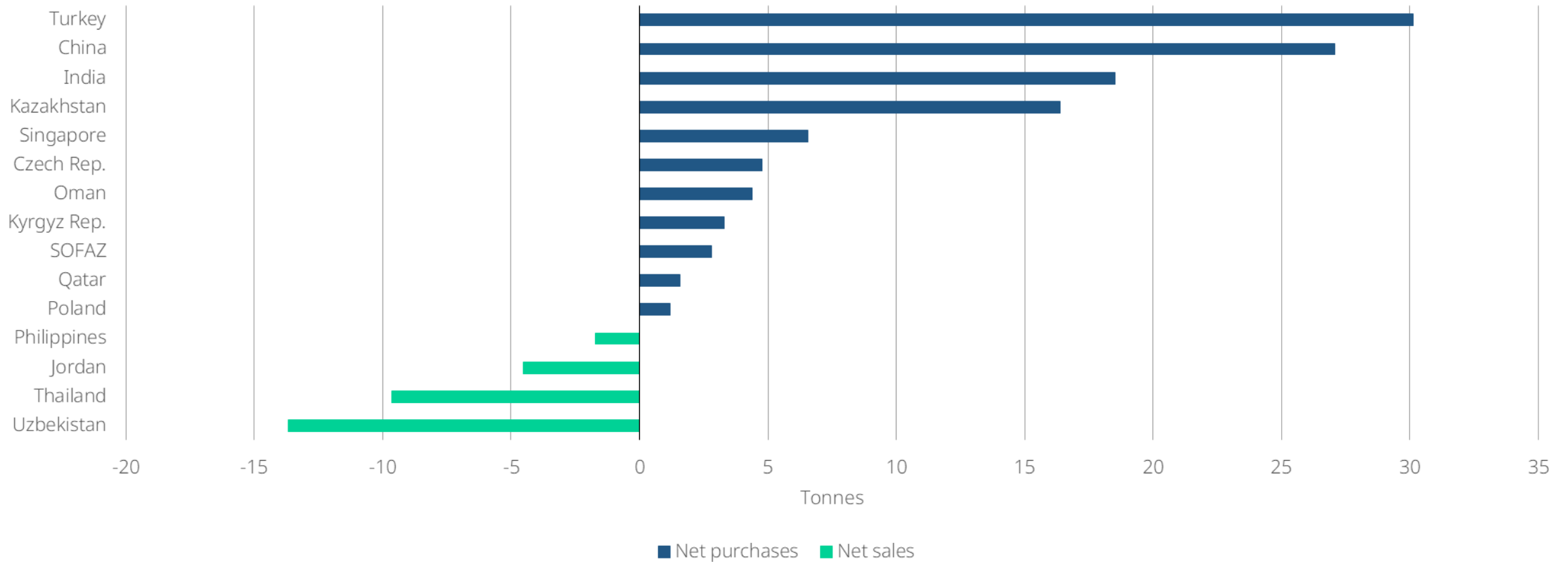
Central banks carry gold buying momentum into 2024



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>



Turkey, China and India led buying, outweighing sales during Q1

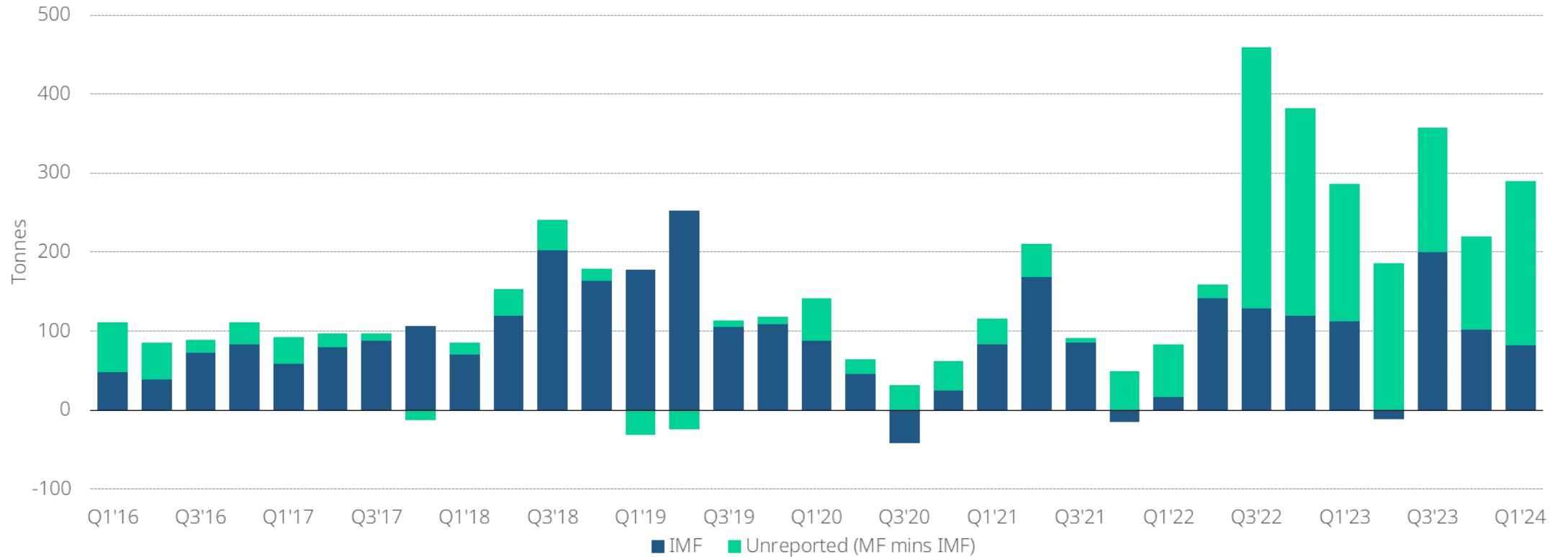


Note: Data as of 31 March 2024. For an explanation of central bank demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q1-2024/notes-and-definitions>

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



Net central bank demand – reported vs unreported

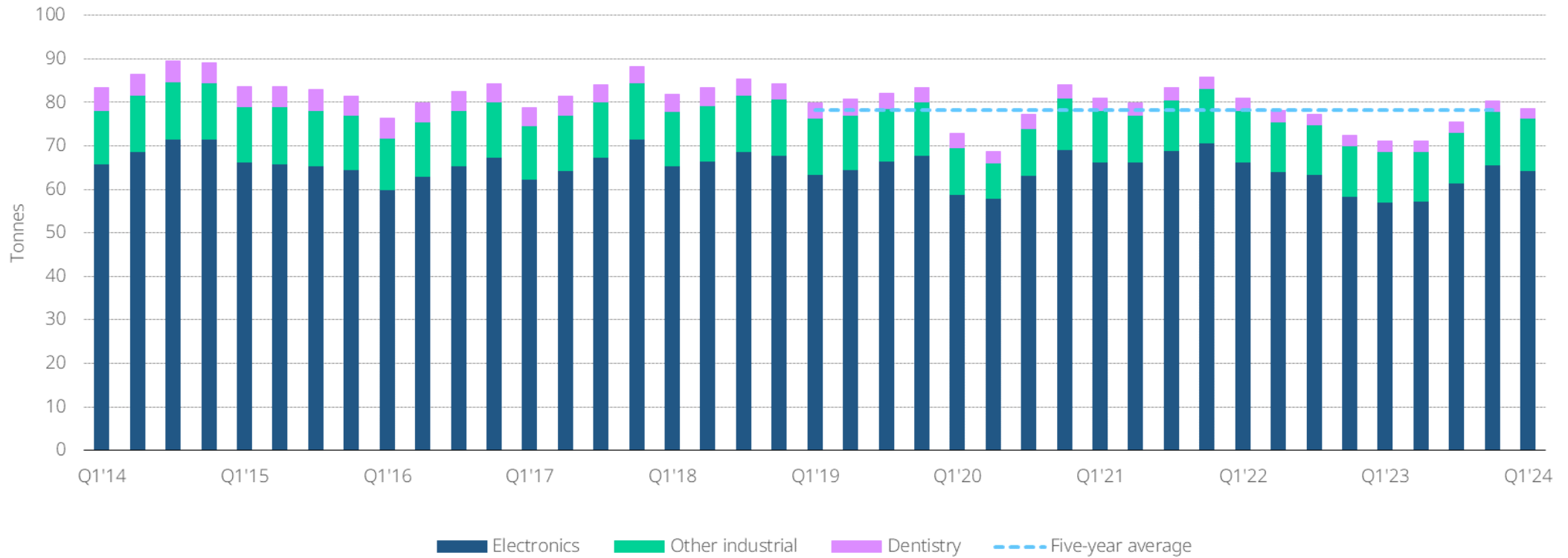


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Source: IMF IFS, Metals Focus, respective central banks, World Gold Council



Solid AI-driven recovery in electronics boosts total sector demand

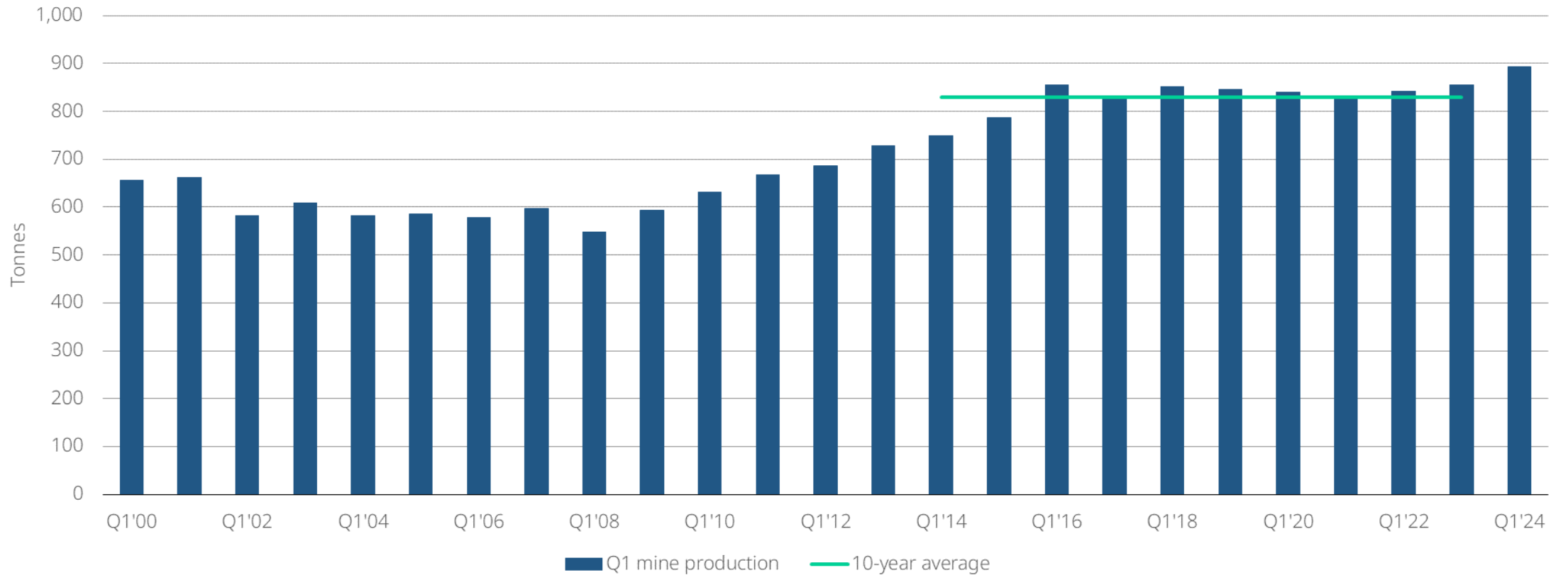


Note: Data as of 31 March 2024. For an explanation of technology demand, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q1-2024/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council



Mine production hit a new first quarter record in 2024

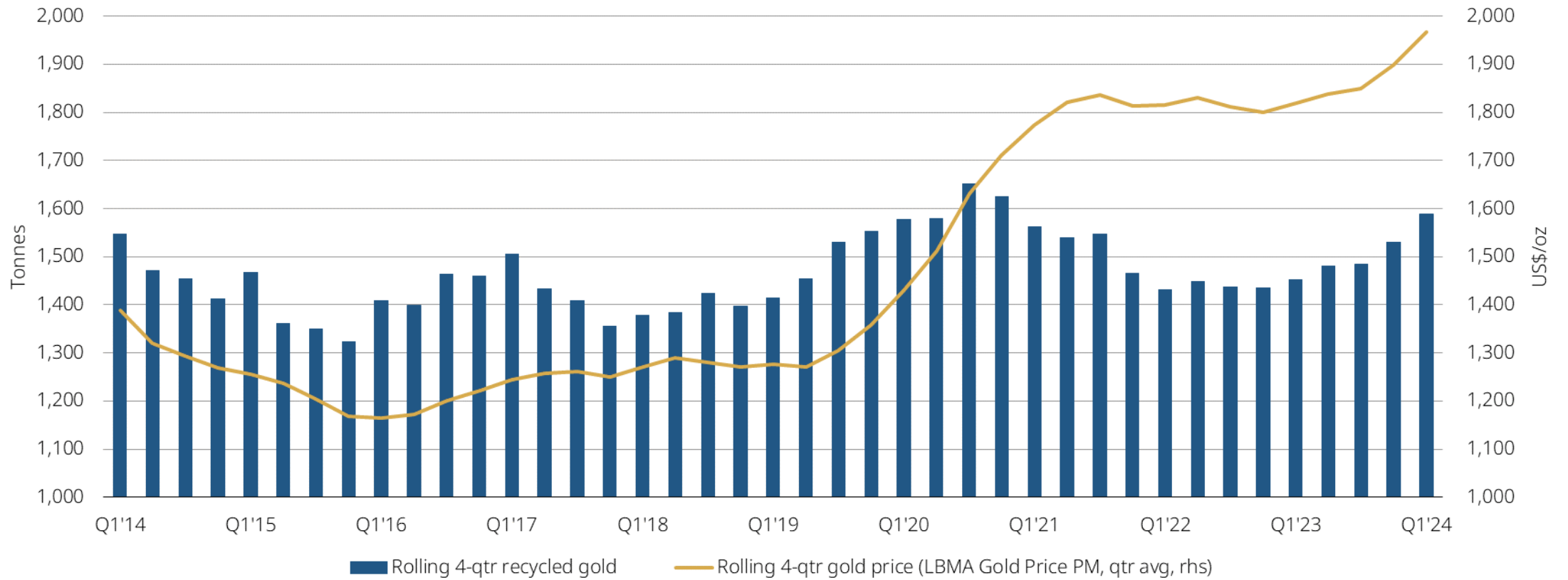


Note: Data as of 31 March 2024. For an explanation of mine production, please see the Notes and definitions download: <http://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q1-2024/notes-and-definitions>

Source: Metals Focus, Refinitiv GFMS, World Gold Council



Recycled gold rose to its highest level since Q3'20



Note: Data as of 31 March 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-q1-2024/notes-and-definitions>

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



Outlook

We expect...

Investment to be higher albeit from a somewhat low base:

- ETFs & Futures. Rate-based catalyst in Q4.
- Bar and coin – led by China

Central banks up the ante in Q1 and we revise HY target cautiously higher

Fabrication staying resilient on quasi-investment demand and economic strength in India

Mine supply likely to set a new record. **Recycling** has woken from its slumber: estimates revised up

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

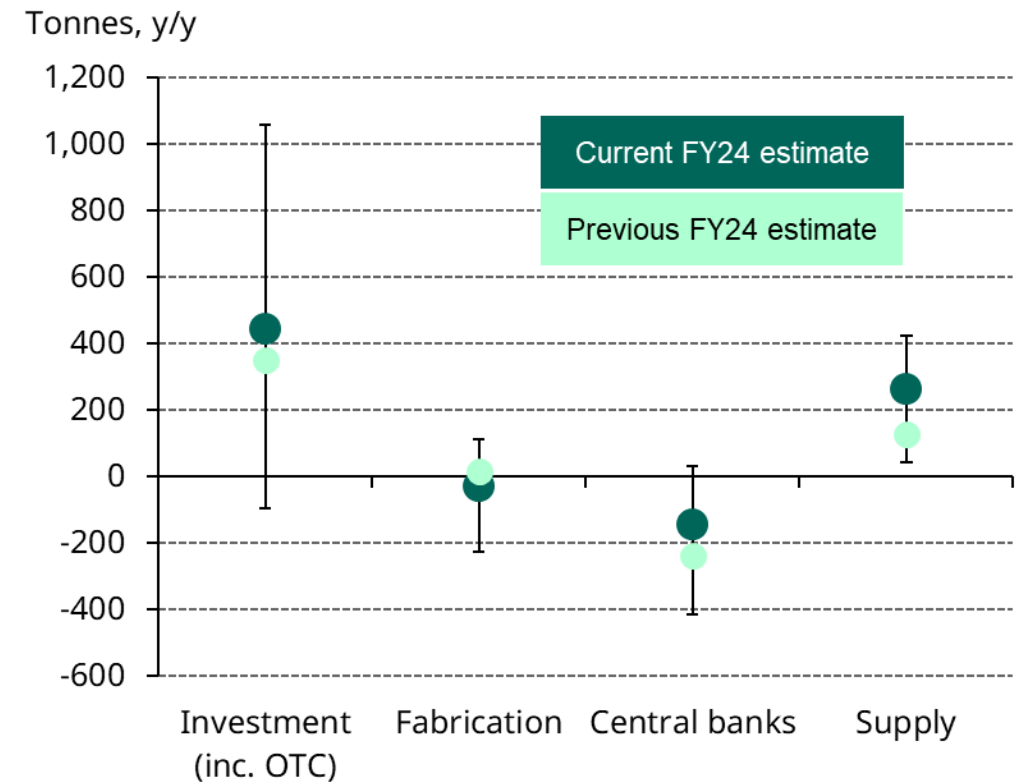


Chart note: *Data to 31 March 2024. Fabrication combines global jewellery and technology demand. Investment includes ETFs, bar and coin and OTC demand, Supply includes mine production and recycling. We have omitted hedging and assume it to be unchanged. Range estimates are generated by a combination 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

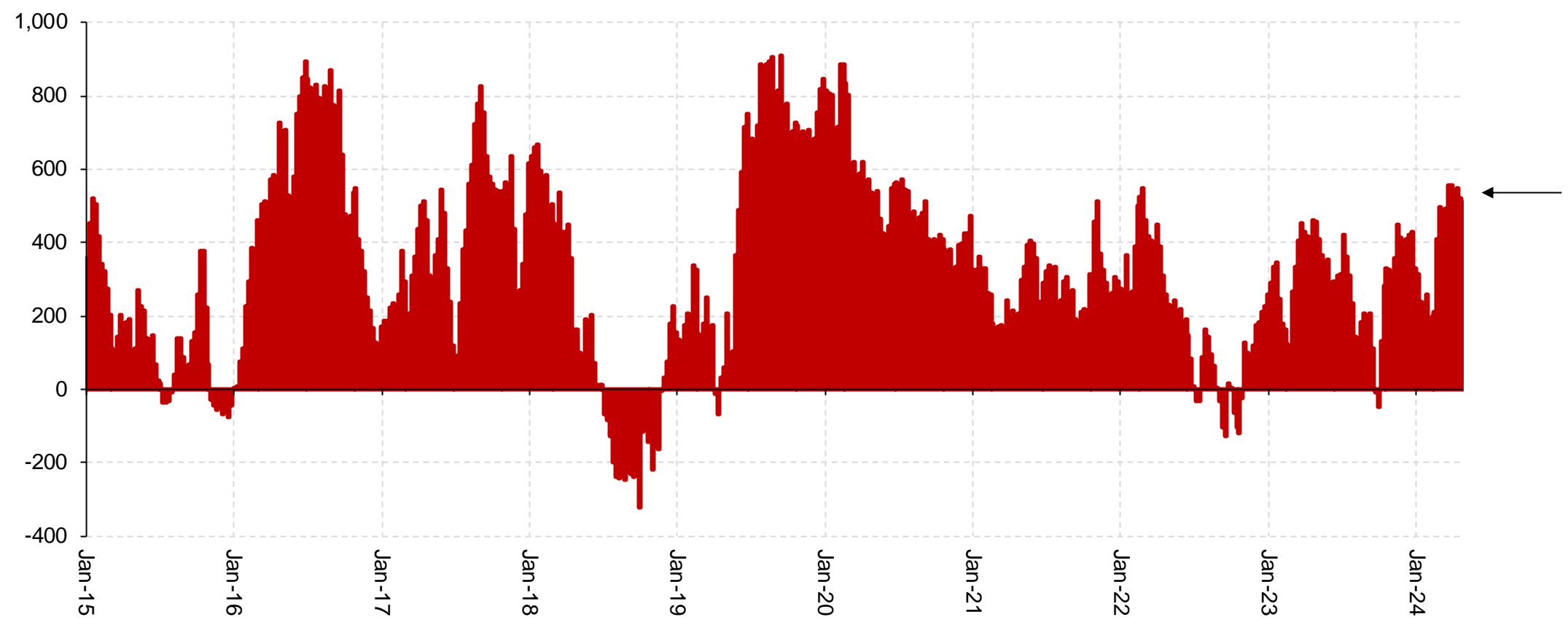


Tactical Thinking

Comex NET Managed Money Positions

COTR - Comex Net Managed Money Positions

Tonnes



Source: Bloomberg, CFTC



Where we are

Gold held up amazingly well despite USD strength and rate hikes

- Most elements of gold demand are in good / reasonable shape
- Gold prices and slowing global growth will weigh on some aspects of demand – jewellery
- Elevated nominal rates & cost of living pressure are hurting some investment demand – Europe, US
- But **Central Bank** purchases, **OTC buying**, and recent **China Retail Surge** have offset macro factors
 - Inflation, Geopolitics, Move towards a multipolar world, Sanctions resistance.
 - **Emerging market buyers have wrested control of the gold market from the west.**
- Recent **Comex and Chinese Speculative Buying** has driven the price to a series of all-time highs



Where to next?

US interest rate cuts should be good for gold

- Western investors could return to the market following cuts
- Near term risks are **profit taking in gold** which might follow a period of strong US economic data which changes Fed Funds expectations
- Geopolitics and, increasingly US politics, to provide event risk and volatility in H2-24
- Expect to hear a lot more about long-term debt-sustainability



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