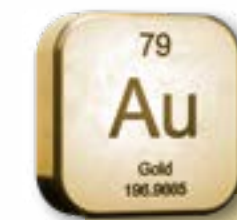


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Gold



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	2,305	-1.06%	2,388	07/06/2024	2,305	07/06/2024
€/oz	2,133	-0.71%	2,192	07/06/2024	2,130	04/06/2024

Gold prices had a short-lived boost as some G-7 economies commenced rate cuts. On 6 June, the European Central Bank (ECB) implemented its first rate cut in five years, reducing the interest rate by 25 basis points to 3.75%, despite higher-than-expected inflation figures from May. This move followed a similar rate cut by the Bank of Canada which reduced its interest rate by 25 basis points just a day earlier. These cuts reflect Western central banks' shifting priorities to supporting economic growth rather than cracking down on inflation. The euro:dollar exchange rate held up despite the ECB's rate cut, but the dollar strengthened on Friday contributing to the gold price weakness. The expectation is that the dollar would weaken when the Fed finally starts to cut rates too. Historically, dollar weakness has been positive for the gold price. However, no change to US monetary policy is expected at the Fed's meeting this week. While the timing of the first interest cut from the Fed is not set, the markets currently project a high chance of a cut in September.

China's central bank paused its gold purchases in May, after buying consistently for 18 months. This news may have hit sentiment towards gold, but precious metals seem to have been part of a broader sell off that impacted base metals which were also sold off steadily throughout the day on Friday.

The longer-term trend for gold appears to be higher, but the price is still correcting its recent sharp rally. For now, the price is holding above previous support from \$2,280/oz to \$2,300/oz. Below that level the next price support could be around \$2,200/oz.

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Silver



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	29.29	-3.32%	31.55	07/06/2024	29.28	07/06/2024
€/oz	27.10	-2.99%	29.10	06/06/2024	26.52	04/06/2024

Silver fell sharply on Friday, reversing its gains from earlier in the week. The price had closed above \$31/oz on Thursday but ended the week below \$30/oz. Despite net ETF outflows in recent months, non-commercial positions on silver futures keep building up, an indication that hedge funds and other leveraged speculators have supported silver’s rally. Speculative long positions have rebounded to a four-year high over the last two months, suggesting that funds and other speculators are joining the rally rather than taking profits for now. However, as the net speculative position reaches extremes, the risk of a price reversal in the short term also rises, since this often coincides with peaks in the price.

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Platinum



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	967	-5.62%	1,038	03/06/2024	965	07/06/2024
€/oz	894	-5.36%	956	03/06/2024	893	07/06/2024

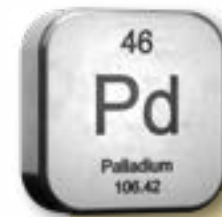
The EU's adoption of CO₂ limits for trucks may fuel FCEV growth. Last month's official adoption of more stringent CO₂ limits will force truck manufacturers to drive towards lowering their average emissions towards the end of the decade. Confirmed targets now require a 45% emissions reduction for the heavy-duty fleet by 2030, replacing a previous target of 30%. Through the use of PGM autocatalysts, trucks have become much less emission-intensive over the last decade. However, to reach this goal, the numbers of alternatively fuelled trucks would have to rise dramatically. More than 95% of all trucks sold in the EU during Q1'24 were powered by pure diesel ICE powertrains (source: ACEA). By approaching the new target through boosting sales of battery-electric trucks, heavy-duty platinum autocatalyst demand would be reduced. Alternatively, some of this potential loss of autocatalyst demand could be offset by the use of fuel cell powertrains. In Western Europe, trucks (light- and heavy-duty) accounted for 370 koz of platinum autocatalyst demand, equal to 45% of the regional total and 26% globally. At present, fuel cell systems tend to have higher platinum loadings than diesel autocatalysts. However, it is likely that thrifting of platinum in FCEVs will narrow this gap over time. Europe's on-road platinum demand will be impacted by the legislation, but if hydrogen trucks can prove to be more efficient and cost-effective than battery-electric alternatives, then the level of demand destruction could be minimised.

Another weak week for the rand suppressed the platinum price. After the final results of the South African election were confirmed last week, the ruling ANC party had secured 40.2% of the total vote, losing 71 seats in parliament. A coalition of parties is needed to form a new government, which is likely to take about two weeks. During this intermission the rand may show elevated volatility. In the last three weeks, the rand has devalued relative to the dollar from 18.16 to 18.88. A weaker rand tends to correlate with weakness in the platinum price. Last week the platinum price lost 5.6%, and dropped below \$1,000/oz to \$967/oz.

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Palladium



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	911	-0.65%	948	06/06/2024	899	03/06/2024
€/oz	843	-0.28%	870	06/06/2024	829	03/06/2024

Industrial palladium demand is forecast to fall in 2024. Weakness in the global economy is expected to drag down palladium industrial demand this year. The risk of recession in the US is lingering despite forecasters pushing back its expected arrival. The Bloomberg Economic Surprise Index reached the most negative level since 2019 last week. This indicates that US economic data is surprising to the downside, relative to economists’ expectations, and signals underperformance. In May, US non-farm employment figures grew by the smallest number since January. In times of economic uncertainty and high interest rates, spending on electronics tends to suffer. Palladium demand is expected to decline

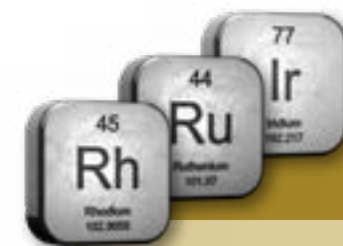
owing to both lower use in multi-layered ceramic capacitors (MLCCs) and ongoing substitution for other metals. Total industrial palladium demand is predicted to fall to 1.36 moz this year – led by electrical demand – from just below 1.5 moz in 2022 . The potential upside from the fall in the palladium price, is that the industry could see some substitution for gold in plated electronic components in the next two years. The gold:palladium ratio currently sits at ~2.5, versus 0.62 just two years ago, providing incentive for manufacturers to switch to the white metal and the potential to lift industrial demand year-on-year in 2025.

As with the other precious metals, palladium sold off sharply on Friday, but held above \$900/oz.

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PRECIOUS METALS REVIEW

Rhodium, Ruthenium, Iridium



	RHODIUM	RUTHENIUM	IRIDIUM
Reporting Week	\$5,125/oz	\$430/oz	\$5,200/oz
Previous Edition	\$5,175/oz	\$435/oz	\$5,250/oz

Ruthenium could be used to improve green hydrogen production efficiency from ammonia. Heraeus is leading a consortium of partners to research and develop how ruthenium can be used in green hydrogen production from ammonia. Ammonia is an effective carrier molecule for hydrogen but requires ‘cracking’ to release the hydrogen before it can be consumed in combustion or catalytic processes to release energy. Platinum and smaller amounts of ruthenium are currently used in fuel cell catalytic membranes.

Currently, only small amounts of ruthenium are used in the hydrogen economy, though demand is expected to rise over the next decade. By using ruthenium in a different application in the hydrogen economy, demand could be improved, offsetting longer-term decline in use in other sectors such as in hard disks where substitution and new technologies pose threats to demand.

Last week, all three small PGMs saw small price movement to the downside. Rhodium closed at \$5,125/oz, iridium at \$5,200/oz and ruthenium down just \$5/oz at \$430/oz.

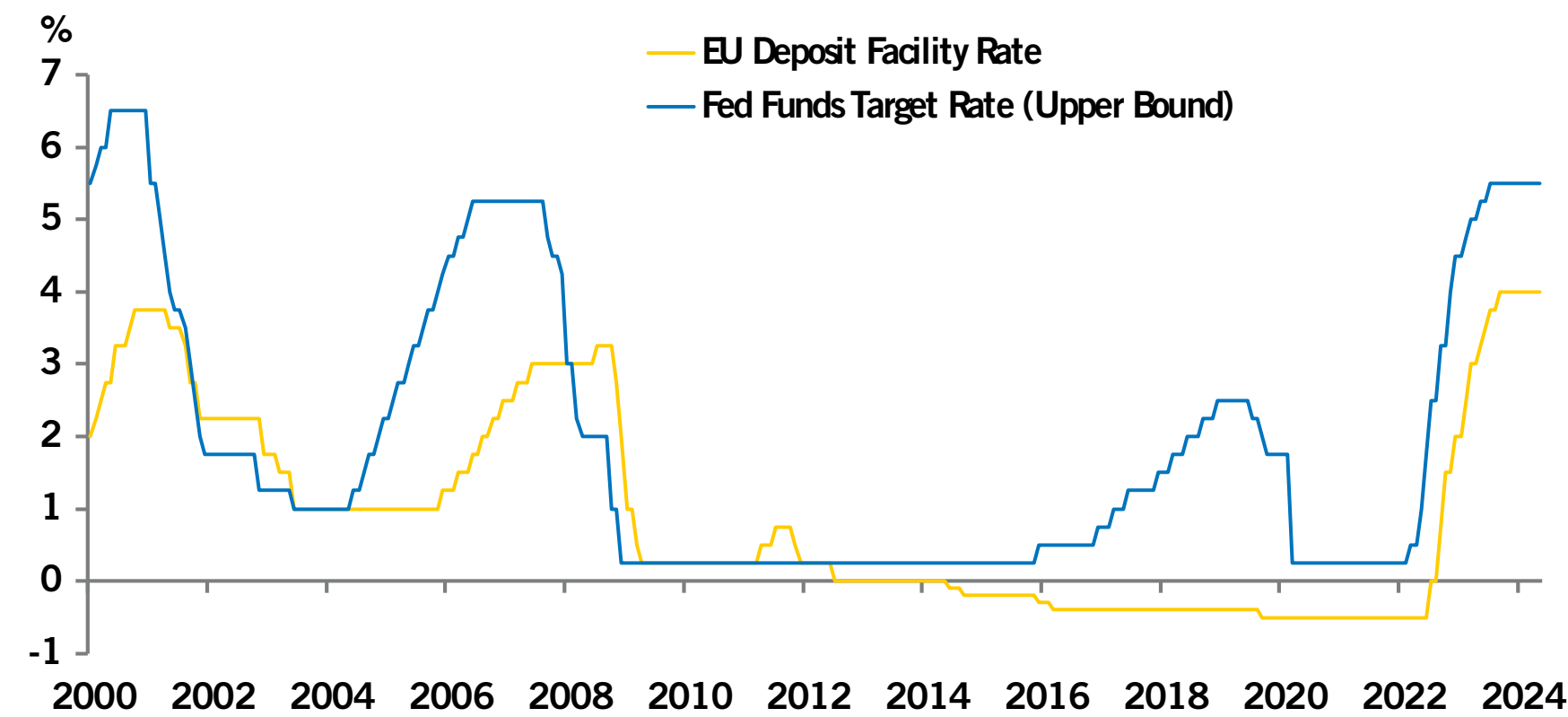
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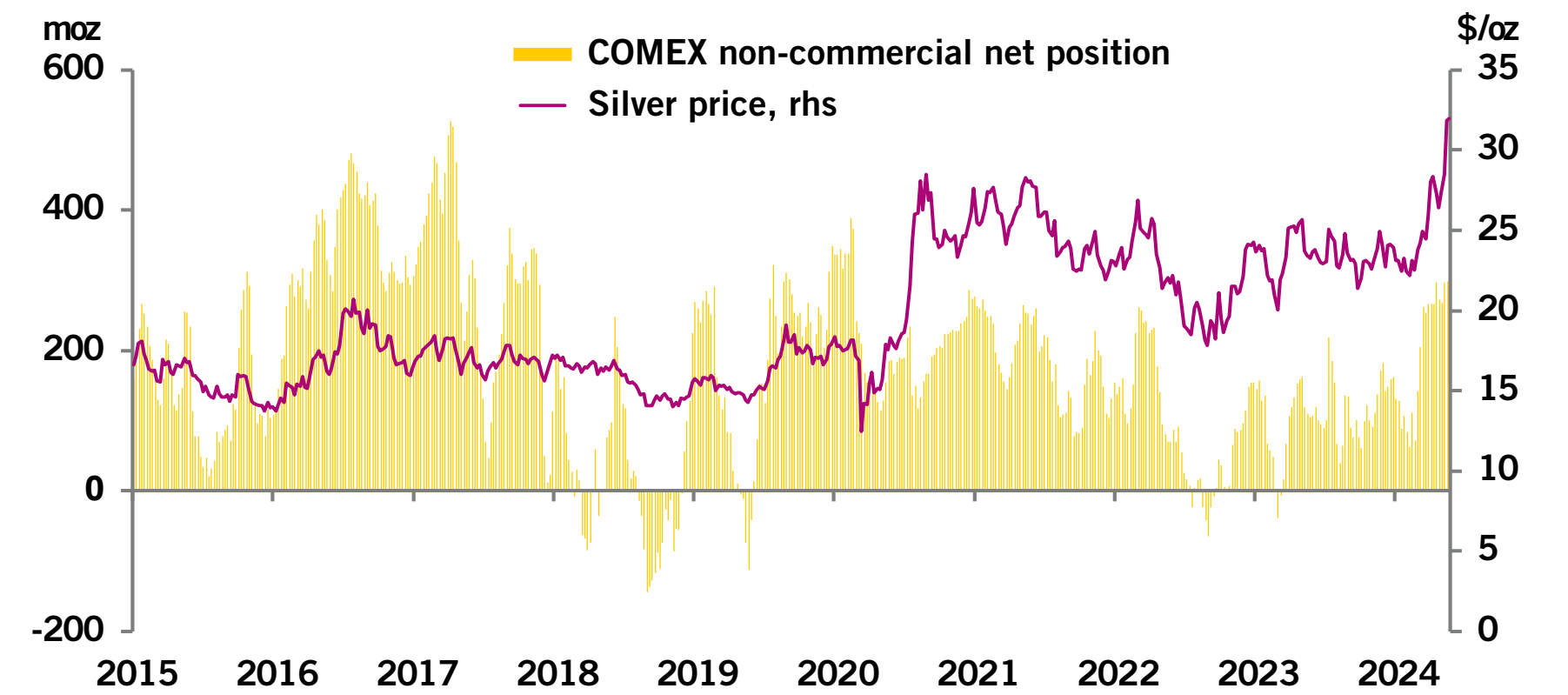
TRENDS AND INVESTMENTS

US and Eurozone policy rates



Source: SFA (Oxford), Bloomberg

Silver speculation and prices



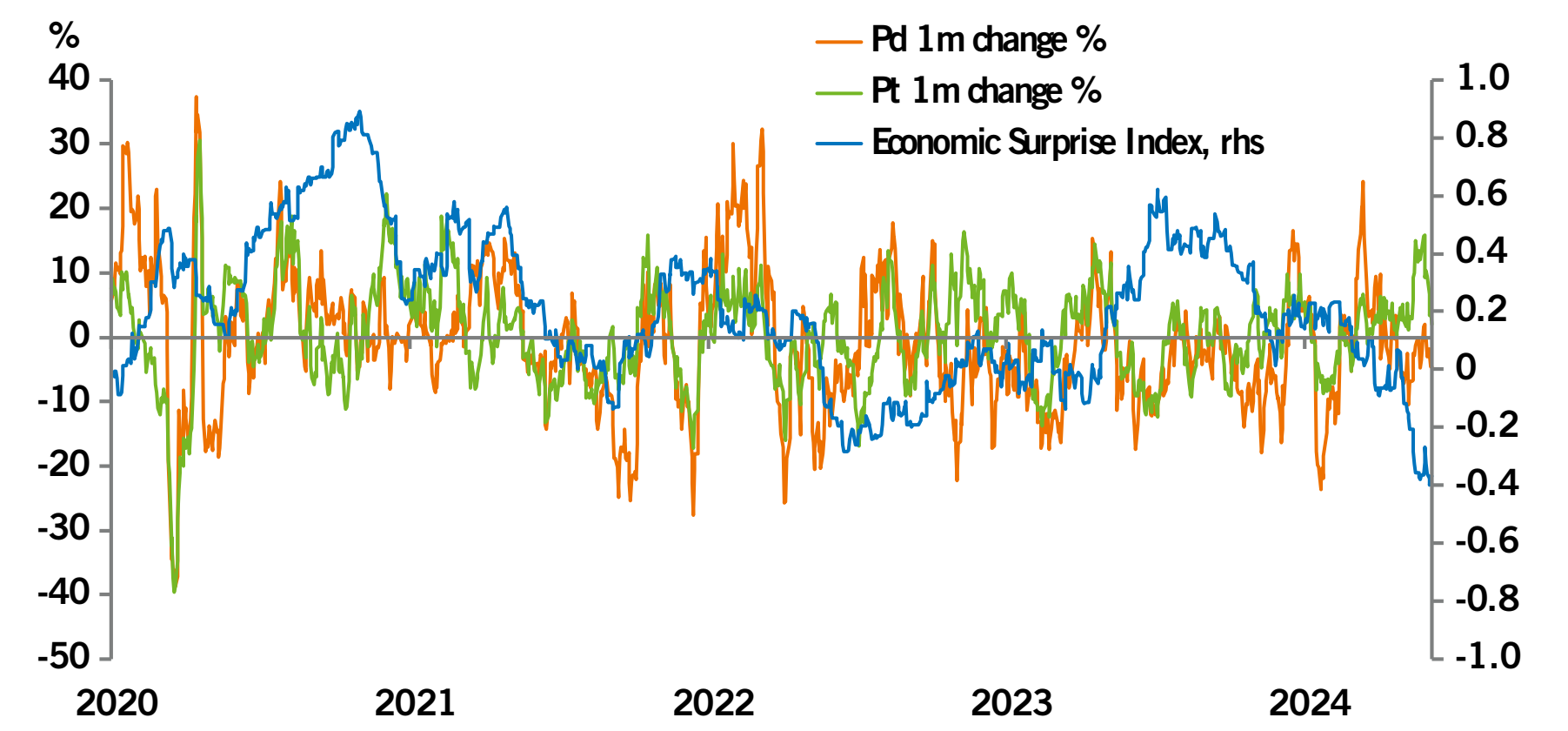
Source: SFA (Oxford), Bloomberg

Gold:palladium ratio



Source: SFA (Oxford), Bloomberg

Economic surprise index and PGM price changes



Source: SFA (Oxford), Bloomberg

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