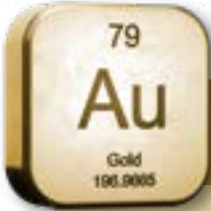


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PRECIOUS METALS REVIEW

Gold

|  | | CLOSE | WEEKLY CHANGE | HIGH | DATE | LOW | DATE |
|--|-------|-------|---------------|-------|------------|-------|------------|
| | \$/oz | 2,326 | 4.69% | 2,328 | 05/04/2024 | 2,229 | 01/04/2024 |
| | €/oz | 2,146 | 4.26% | 2,149 | 05/04/2024 | 2,075 | 01/04/2024 |

Gold continues to gain even as some rate cuts are being priced out. The gold price has risen by 12.6% year-to-date, and this is without the aid of a Fed monetary policy pivot, a markedly weaker dollar, or a meaningful resurgence in institutional investment demand via ETFs. This may leave the door open to a move even higher later in the year when the Fed finally decides to drop interest rates, which in all likelihood will weaken the US dollar. In the two weeks since the last Precious Appraisal, the gold price has appreciated by nearly 4.7%. Although Jerome Powell’s words in a speech last week maintained the same message of data dependency and a cautious approach to making cuts to interest rates, swaps markets are still pricing in three cuts to the Federal Funds Rate by year-end (down from six at the start of the year), with a cumulative interest rate reduction of ~75 bp.

Gold’s upward momentum has been strong, and a period of sustained downward pressure is unlikely. However, the risk of a counter-trend movement is rising. Open interest in gold futures contracts appears to have peaked, and gold is currently overbought. When is at these extremes, gold typically experiences a pullback in the short term. Friday saw gold extend the rally and post another record weekly close of \$2,326/oz, while the RSI rose to 80.46.

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PRECIOUS METALS REVIEW

Silver



| | CLOSE | WEEKLY CHANGE | HIGH | DATE | LOW | DATE |
|-------|-------|---------------|-------|------------|-------|------------|
| \$/oz | 27.38 | 10.05% | 27.48 | 05/04/2024 | 24.75 | 01/04/2024 |
| €/oz | 25.25 | 9.59% | 25.98 | 03/04/2024 | 22.98 | 01/04/2024 |

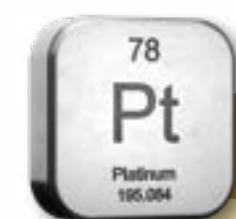
Silver benefitting from other metals’ strength. The price of silver rose above \$27/oz last week after having struggled relative to gold over the past two months. Silver appears to have benefitted from both the investment/consumer and industrial demand sectors, each making up ~50% of total silver demand. The copper price has risen steadily thanks to concerns over tightening supply. Where copper goes, silver tends to follow. Silver is a higher beta commodity than gold, so if retail investors show more interest as ETF holdings rise then it could outperform gold. Additionally, and in contrast to the gold market, silver investors re-entered the market for ETFs, with 10.7 moz of inflows in the last fortnight, taking total silver ETF holdings 3% higher year-to-date at 724 moz. Industrial demand for silver is forecast to grow this year owing to the expectation that solar installations in China and other markets will maintain their pace. Furthermore, recent strong manufacturing data from the US and China has improved optimism over global demand for industrial commodities.

By the end of Friday’s trading the silver price stood at a two-year high of \$27.38/oz.

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PRECIOUS METALS REVIEW

Platinum



| | CLOSE | WEEKLY CHANGE | HIGH | DATE | LOW | DATE |
|-------|-------|---------------|------|------------|-----|------------|
| \$/oz | 928 | 2.02% | 946 | 04/04/2024 | 894 | 01/04/2024 |
| €/oz | 856 | 1.60% | 871 | 04/04/2024 | 833 | 01/04/2024 |

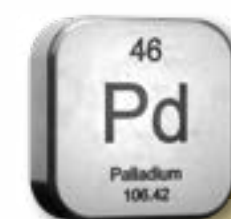
Manufacturing turnaround in the US may not be positive for the platinum price. Platinum has, on average, appreciated by 20% in the 12 months following a turn in the business cycle, as defined by the US ISM manufacturing PMI over the last 50 years. Based on the latest data, the US manufacturing PMI bottomed in November 2023. The March survey also exceeded expectations, and was the first expansionary print for 16 months, an implication of increasing health in the US manufacturing sector. A positive turn in manufacturing output implies an upside risk for industrial platinum demand this year, which is forecast to remain stable in 2024 at 2.3 moz globally (+2% year-on-year in North America). An unexpected rise in the industrial sector this year could help the platinum price appreciate, as the market is already tight. A signal of a negative driver for platinum could be that after the PMI bottom in November, the price declined by 1% in the following four months to March. This has happened three times since 1975 and each time the platinum price was not higher 12 months later, and twice the US was in a recession. Additionally, the risk of the US slipping into a recession remains. Some economic indicators and the still-inverted US yield curve imply that a recession is still possible, which would be likely to pressure the platinum price to the downside as growth contracts.

The last two weeks have seen the platinum price rise by 3.6% to nearly \$930/oz, though it remains range-bound. The more subdued upward momentum in platinum, with gold rallying to new highs, has led to a record discount of \$1,398/oz relative to gold.

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PRECIOUS METALS REVIEW

Palladium



| | CLOSE | WEEKLY CHANGE | HIGH | DATE | LOW | DATE |
|-------|-------|---------------|-------|------------|-----|------------|
| \$/oz | 999 | -2.01% | 1,045 | 04/04/2024 | 987 | 05/04/2024 |
| €/oz | 921 | -2.41% | 961 | 04/04/2024 | 916 | 05/04/2024 |

Chinese authorities act to stimulate new vehicle demand and thus raise palladium demand. The People’s Bank of China has removed the minimum requirement for down payments on new passenger vehicles, including internal combustion and electric powertrains. Before this change, new vehicle purchases required buyers to have a 20% deposit for ICE cars, and a 15% deposit for NEVs (plug-ins + BEVs). The change to policy allows dealers and financial institutions to set their own deposit and affordability requirements, and to offer better terms on trade-ins. Vehicle sales have been highlighted as a focal point for the Chinese government this year as it attempts to reignite growth. It is possible that the change will benefit ICE vehicles more than BEVs. In China, a quarter of BEV sales in 2023 were in the small/micro car segment, whereas only 10% of ICE car sales were in this category. These small/micro BEVs tend to be cheap with lower financial barriers to entry. Lower deposits for ICE vehicles could help to boost sales, and support palladium autocatalyst demand.

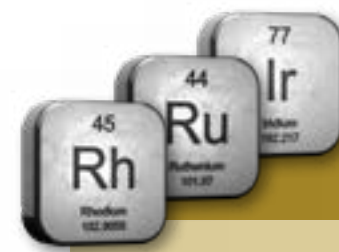
Chinese vehicle sales got off to a slow start this year, primarily due to seasonal effects and a late New Year holiday week. The pace of monthly sales is expected to pick up in Q2’24, now with the additional catalyst of the cut to financing costs, and lower sticker prices as a new round of price cutting has emerged in the domestic market. China has seen rapid expansion in PHEVs and growth has outpaced that of BEVs, helping to soften the blow of electrification on palladium demand. However, Chinese automotive palladium demand is forecast to fall back below 1.9 moz this year, with the potential to exceed expectations if BEV sales growth continues to moderate and the regulation change improves the position of small/micro ICE cars.

The palladium price remained mostly range-bound between \$1,000/oz and \$1,050/oz last week, though failed to hold above \$1,000/oz. At the close, the price had slipped to \$999/oz.

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PRECIOUS METALS REVIEW

Rhodium, Ruthenium, Iridium



| | RHODIUM | RUTHENIUM | IRIDIUM |
|------------------|------------|-----------|------------|
| Reporting Week | \$5,275/oz | \$445/oz | \$5,350/oz |
| Previous Edition | \$5,150/oz | \$445/oz | \$5,350/oz |

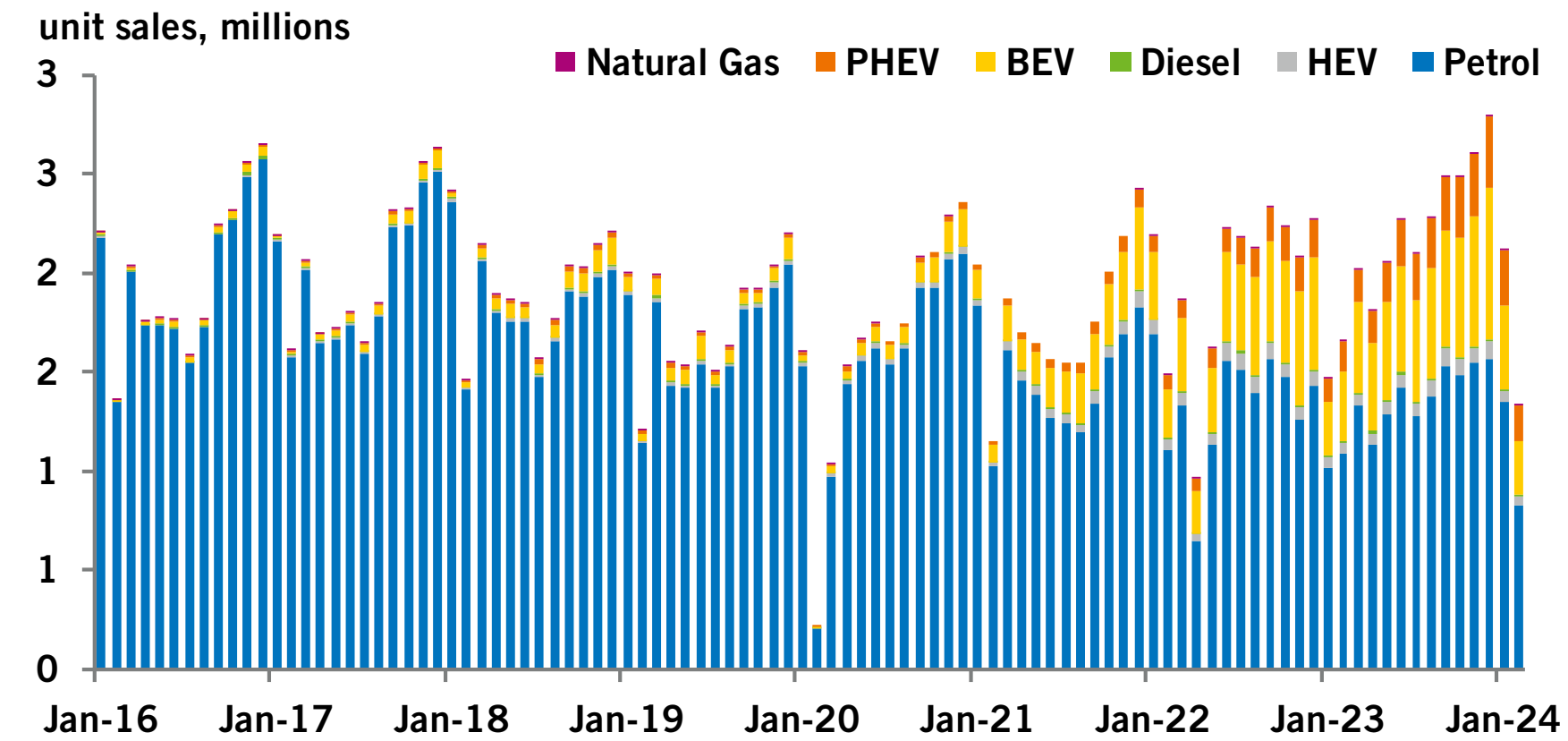
Rhodium mined supply is predicted to fall to 700 koz this year. Primary supply of rhodium is predominantly from South Africa, which will produce ~85% of all new rhodium this year. Mine depletion in South Africa is the primary driver of the fall in global production this year, with minor additional losses from Russia due to smelter maintenance at Norilsk. So far, with margins under pressure producers in South Africa are reducing CAPEX but supply cuts have been small. If PGM prices stay near current levels further action may be necessary, but it takes a number of months to implement even if new announcements are made. Owing to the decline in supply and a forecast for moderately higher demand, a small deficit in the rhodium market is expected this year.

The rhodium price was the only mover over the last two weeks, and returned to \$5,275/oz, the same level as in mid-March.

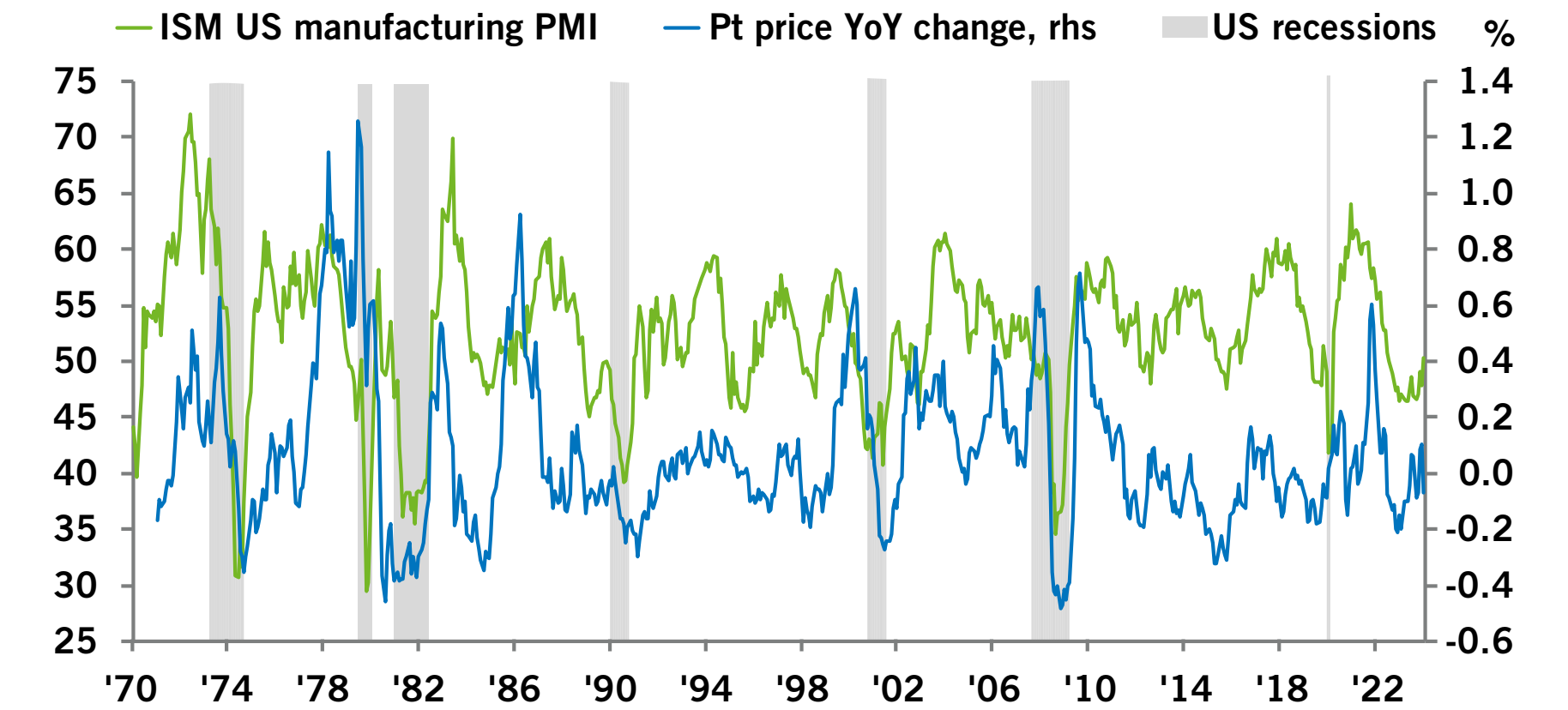
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TRENDS AND INVESTMENTS

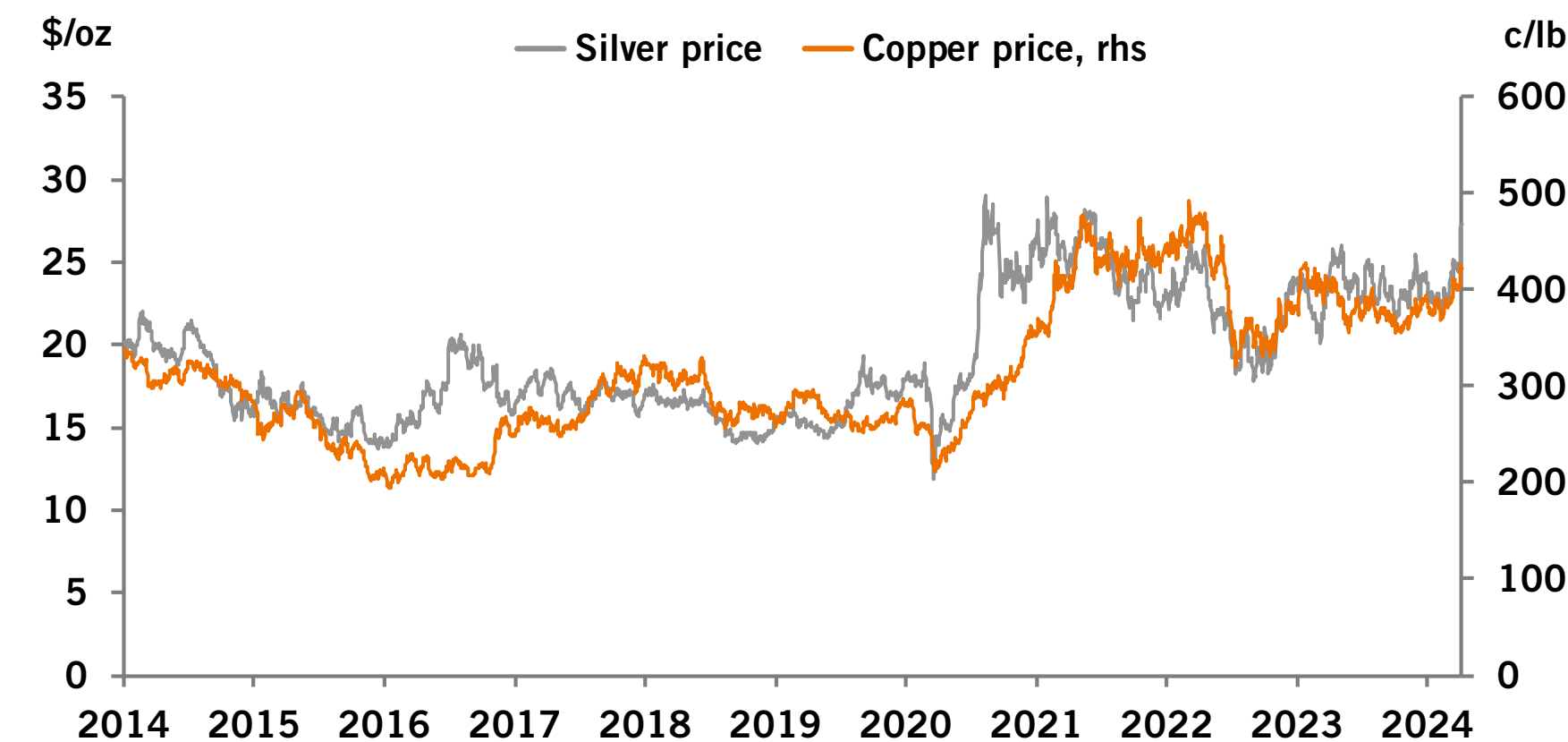
China passenger car sales



Platinum price vs. US manufacturing PMI



Silver price vs. copper price



Silver ETF holdings



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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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The Heraeus Precious Appraisal is produced in collaboration with:

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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