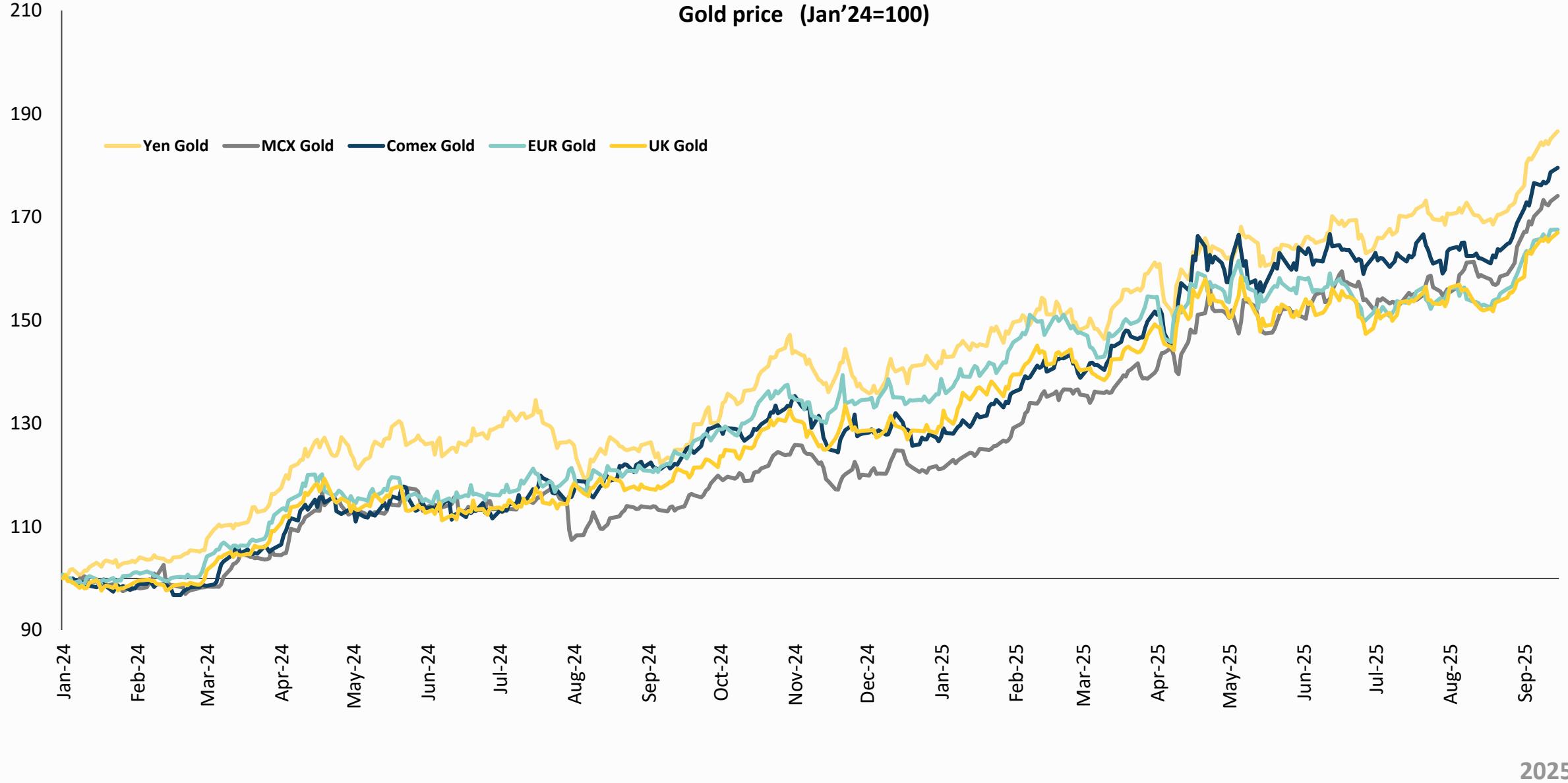


Gold Quarterly Review

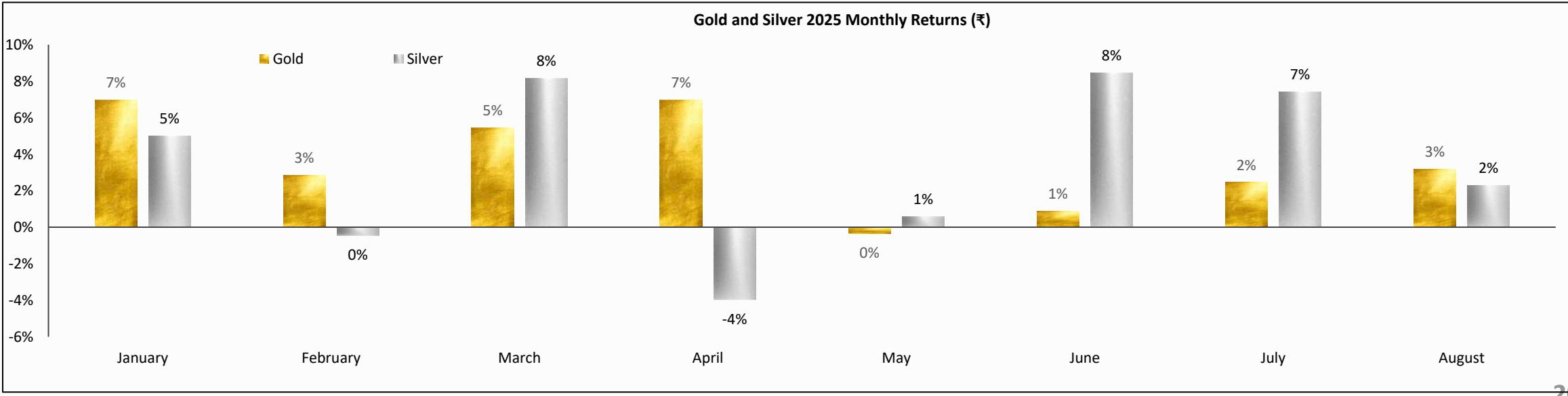
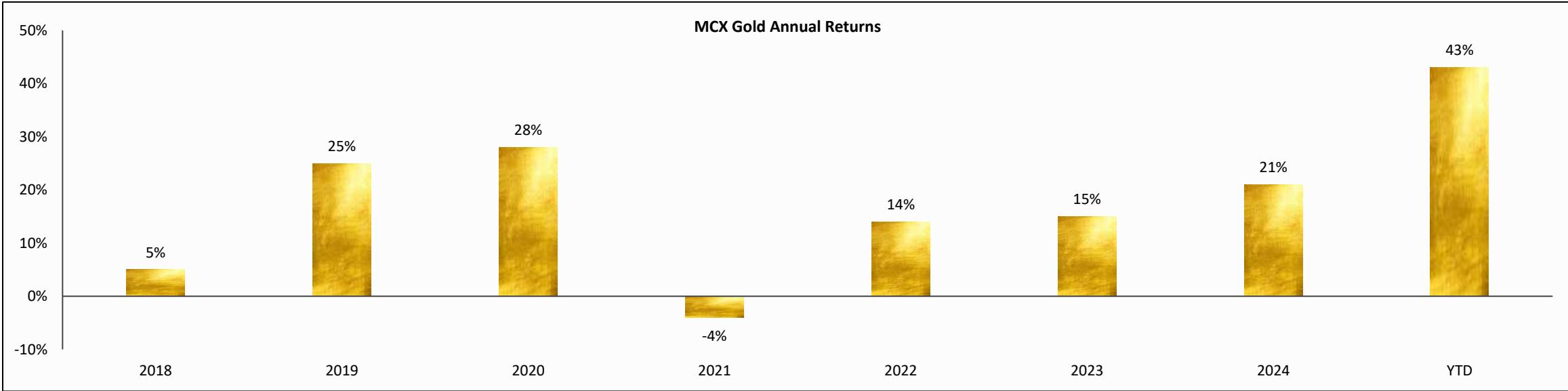
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Gold's performance in different currencies



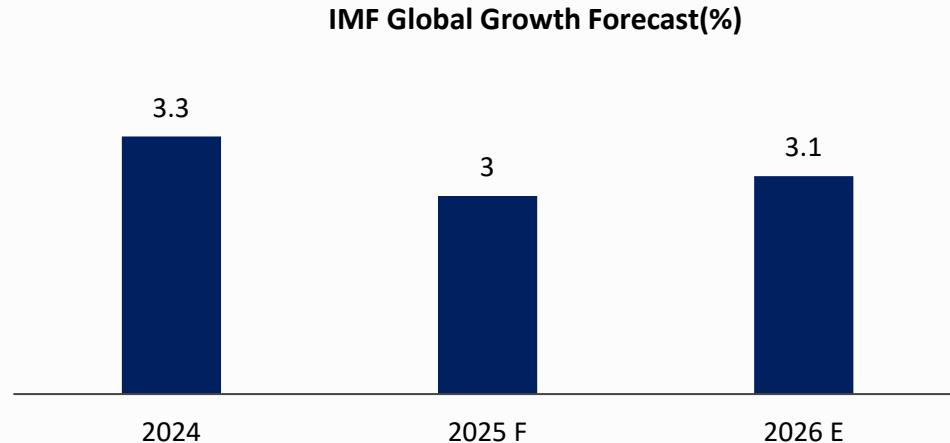
Gold Returns



SWOT Analysis	
Strength	Weakness
· Geo-Political Tensions	
· Global trade war/emergence of protectionism	· Dollar and Yields Strengthening
· Slower global growth	· Higher Real Rates
· Hedge against inflation	· Resilient Global economic growth
· Rupee Depreciation	· Change in ETF flows
· Continued central bank gold buying	· Strong US labour market
· Increasing domestic demand	· Higher prices leading to weaker demand
· Increase in Net speculative positions	

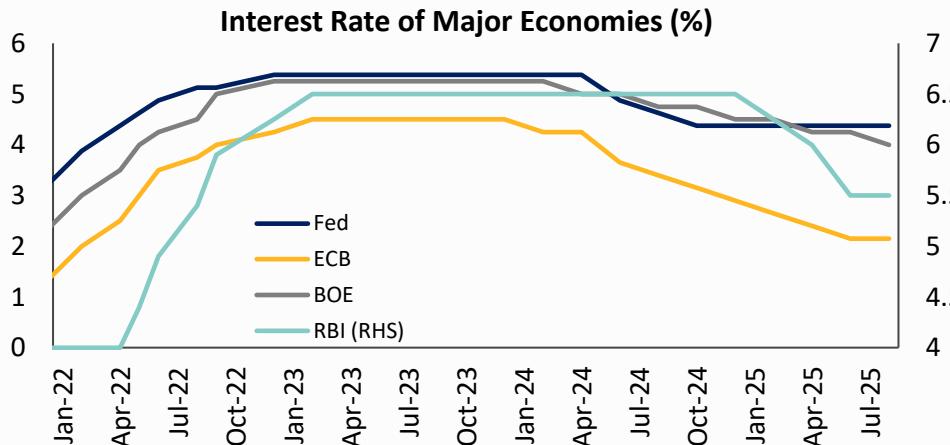
Opportunities	Threats
· Hard Landing of some economies	· Increase in risk appetite
· Festive and wedding season demand	· Continued pause or rate hike expectations
· Escalation and impact of tariffs on economy	· Expectation of continued surplus in market
· Black Swans impacting global growth	· Liquidation in Speculative positions
· Accumulating debt borrowing on the US economy	· Ease off in Global tensions

IMF revised growth forecasts higher despite debt and other qualms



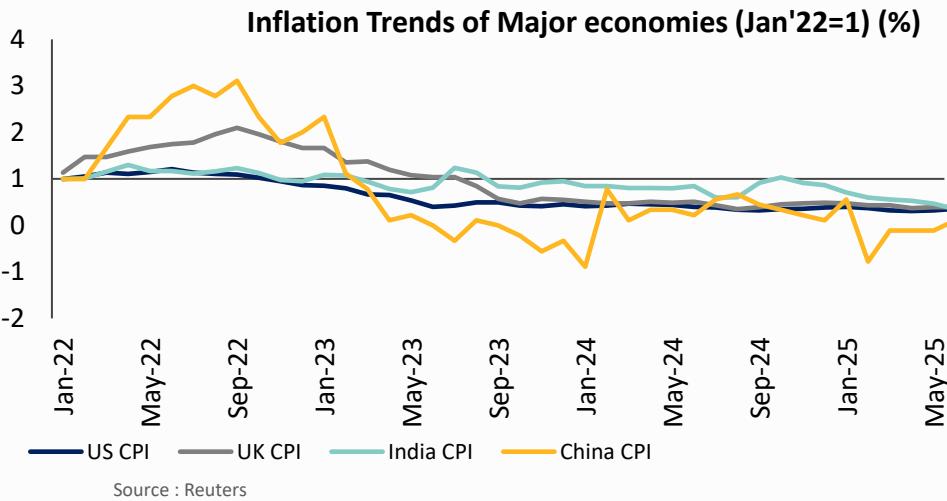
Source : IMF

Few cuts; Few pauses by major central banks



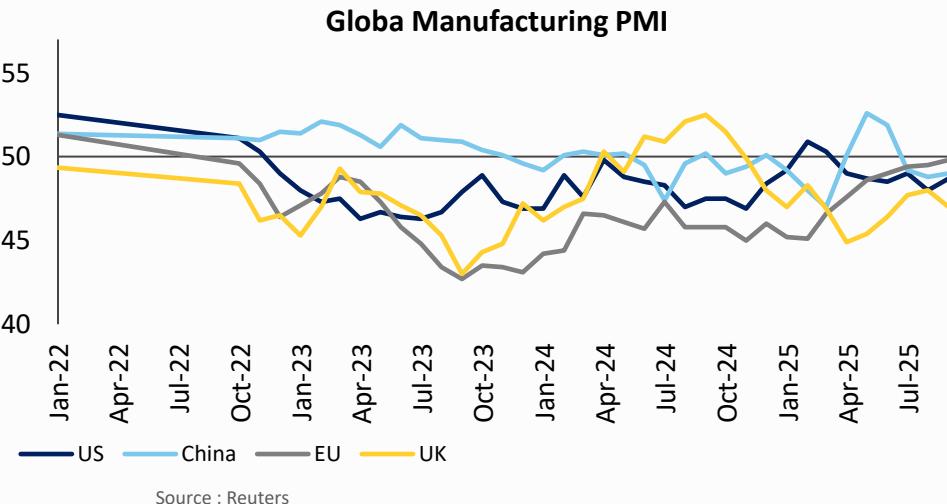
Source : Reuters

Inflation hovering near central banks target levels



Source : Reuters

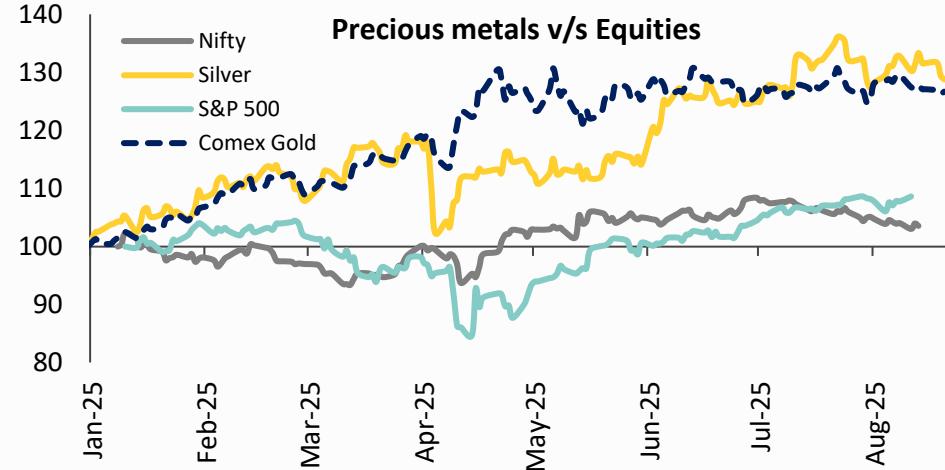
Global Manufacturing PMI struggling to pick up pace



Source : Reuters

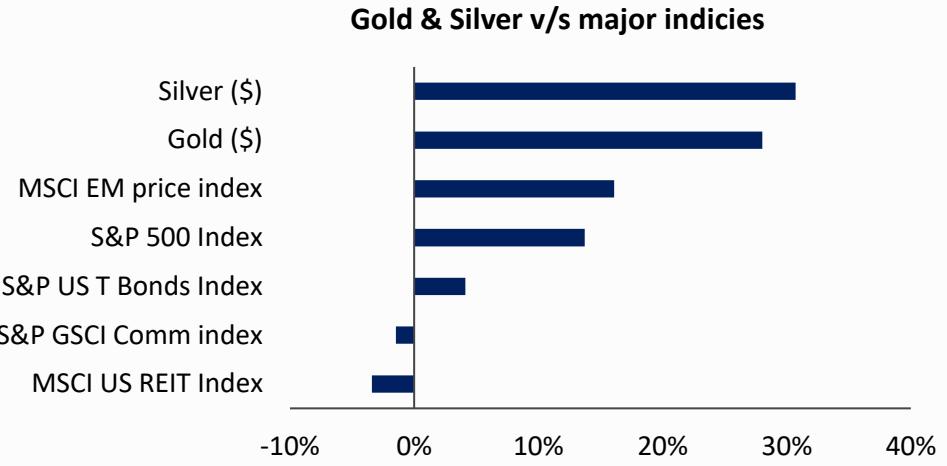
Gold against other asset classes

Gold and silver outshining equities in 2025



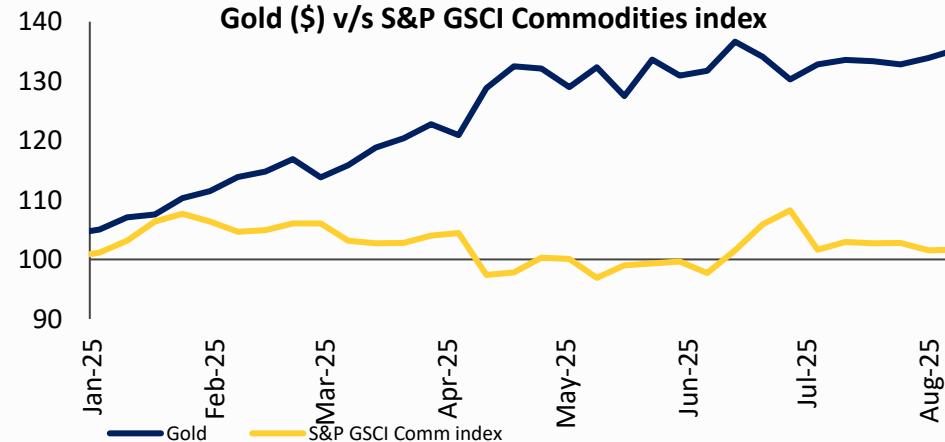
Source : Reuters

Tough fight between Gold and Silver for the first place



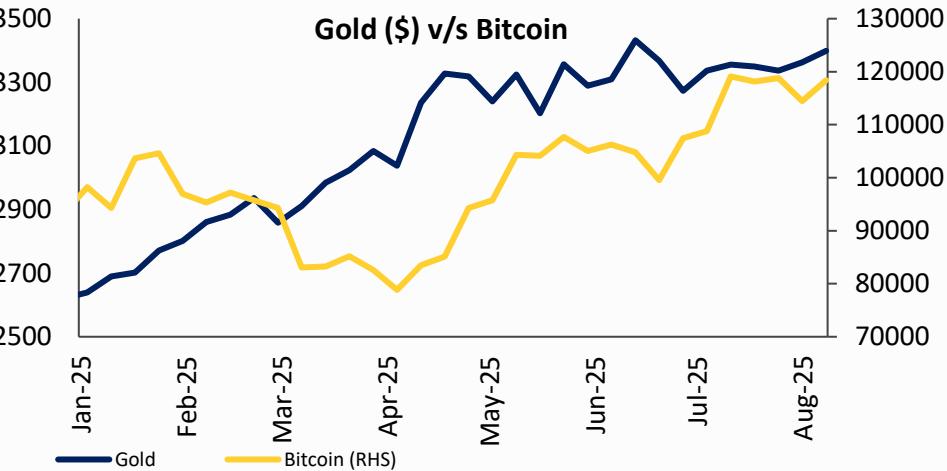
Source : Reuters

Yellow metal showcasing strength against other commodities



Source : Reuters

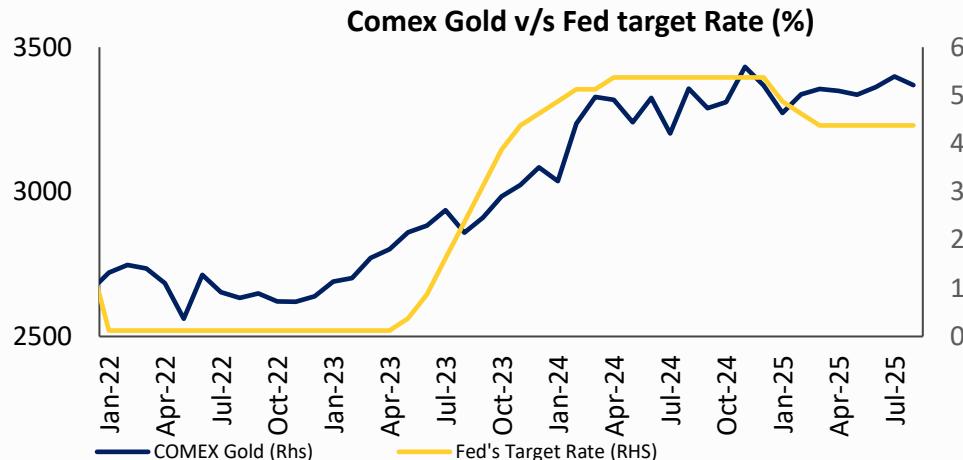
Gold and Bitcoin rising in tandem



Source : Reuters

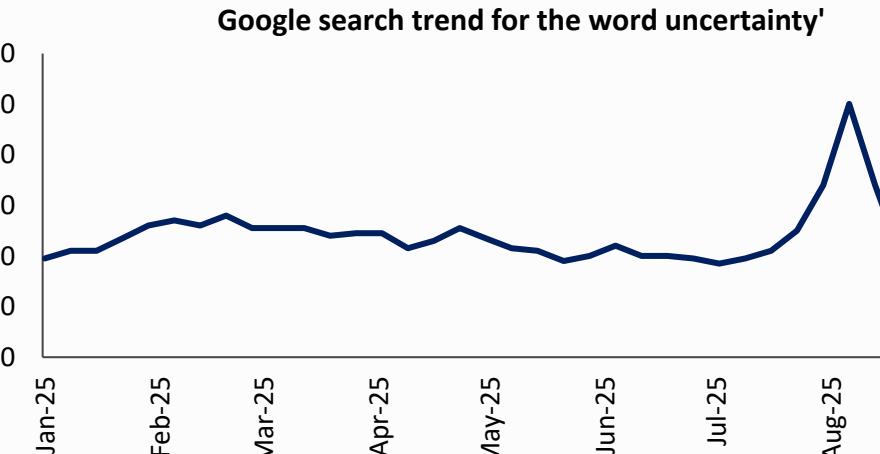
Inflation, Interest and Geo-politics!!!

Long pause and cut expectations supporting bullions



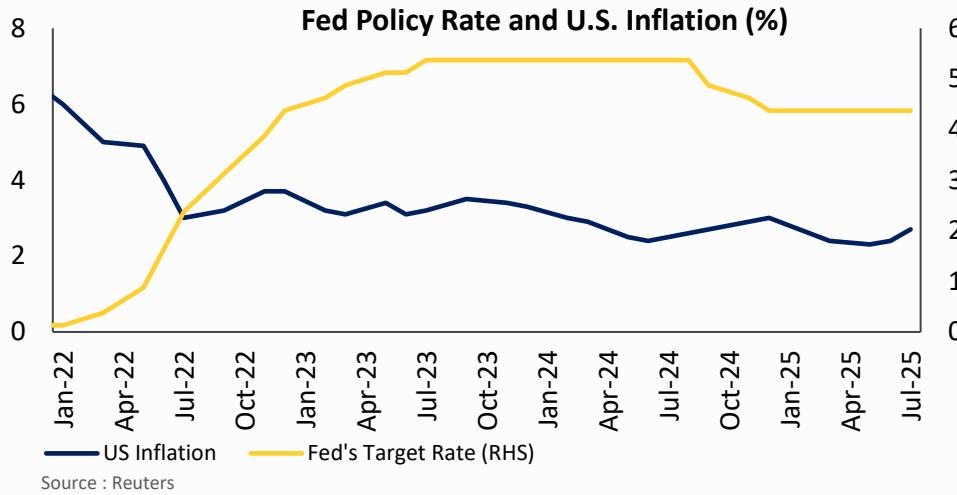
Source : Reuters

Risk sentiment witnessing a cool off



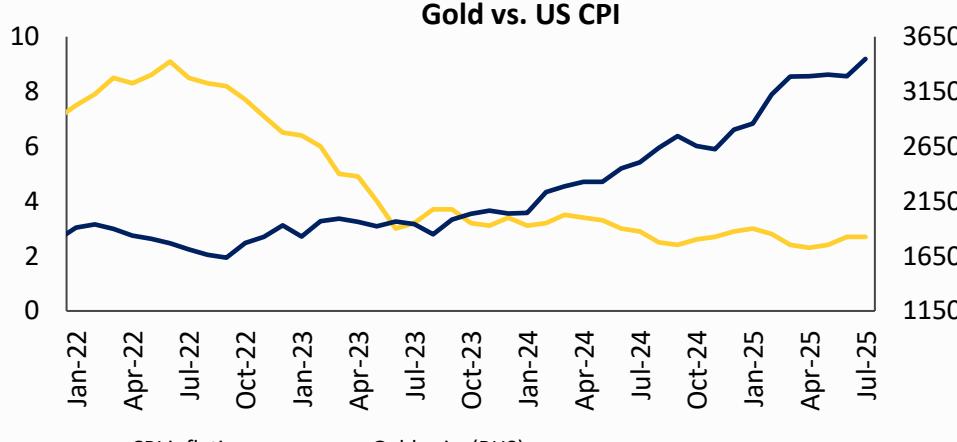
Source : googletrends

Higher interest rates keeping inflation in check



Source : Reuters

Falling inflation + rate cut expectations = Higher Gold price



Source : Reuters

Gold's returns in different economic scenarios and monetary policy

Year	Comex Gold	MCX Gold	USDINR	Disruptive/ Supportive factors for Gold	Fed's decision	Net yearly change in interest rate
2000	-5.4%		7.0%	Dot com bubble	Rate hike	1.00%
2001	0.7%		3.0%	9/11 terrorist attack	Rate cut	-4.75%
2002	25.6%		-1.0%	SARS	Rate cut	-0.50%
2003	19.9%		-5.0%	Iraq 2003-2011	Rate cut	-0.25%
2004	4.6%		-5.0%		Rate Hike	1.25%
2005	17.8%		4.0%	Launch of SPDR Gold Trust	Rate Hike	2.00%
2006	23.2%	21.3%	-2.0%		Rate Hike	1.00%
2007	31.9%	14.4%	-11.0%		Rate cut	-1.00%
2008	4.3%	28.6%	23.0%	Global Financial Crisis	Rate cut	-4.00%
2009	25.0%	22.4%	-4.0%		-	0.00%
2010	29.2%	24.2%	-4.0%	Europe sovereign debt crisis	-	0.00%
2011	8.9%	31.8%	19.0%	US fiscal cliff	-	0.00%
2012	8.3%	12.9%	3.0%		-	0.00%
2013	-27.3%	-8.0%	13.0%	Political risk in Greece/ Taper tantrum	-	0.00%
2014	0.1%	-6.0%	3.0%		-	0.00%
2015	-12.1%	-7.0%	4.0%		Rate hike	0.25%
2016	8.1%	10.0%	3.0%	Brexit	Rate hike	0.25%
2017	12.7%	6.0%	-6.0%		Rate hike	0.75%
2018	-0.9%	5.0%	10.0%	US-China trade tensions	Rate hike	1.00%
2019	18.4%	25.0%	2.0%	Emergency Rate Cuts	Rate cut	-0.75%
2020	24.8%	28.0%	3.0%	Covid-19 Pandemic	Rate cut	-1.50%
2021	-3.0%	-4.0%	1.0%		-	0.00%
2022	0.0%	14.0%	11.0%	Russia-Ukraine war *	Rate hike	4.25%
2023	13.0%	15.0%	0.5%	Israel- Palestine*	Rate hike	1.00%
2024	27.0%	21.5%	2.8%	Continued Geo-political war	Long Pause and a cut	-1.00%
2025*	47.8%	43.6%	2.7%	Geo-political and Tariff uncertainties	Started year with a pause	0.00%
*Active Year						

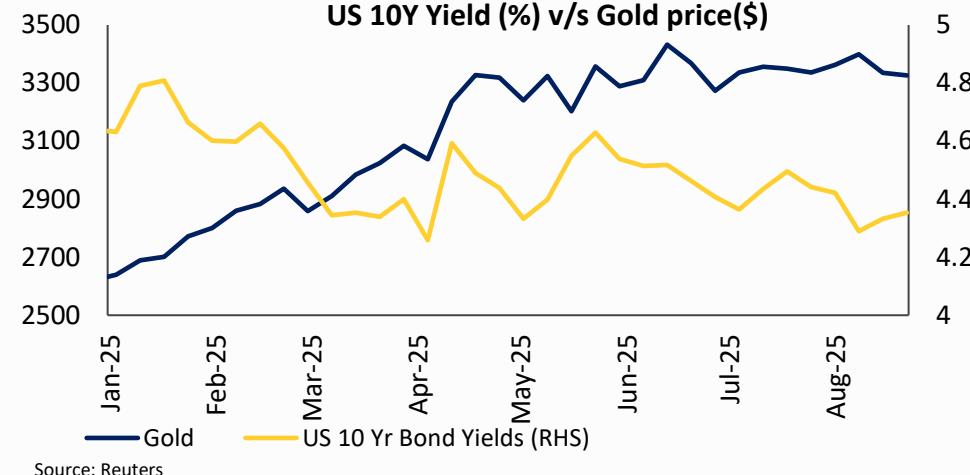
Inverse correlation with Gold ?

Resilient economy & uncertainties, sustain inverse Gold–DXY correlation



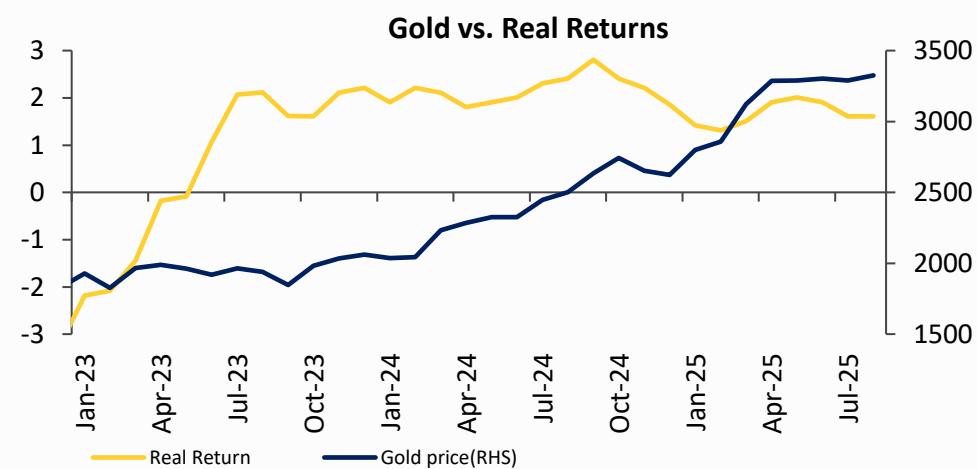
Source: Reuters

US Yields remain stable keeping Gold prices in check



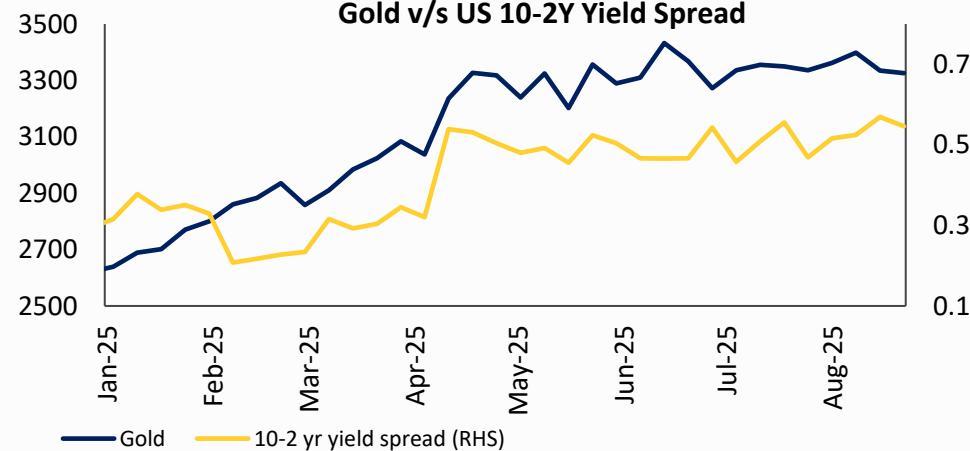
Source: Reuters

Real Rates and Gold surprisingly on the same side



Source: Reuters

Gold rises as inflation fears outweigh rising yield expectations



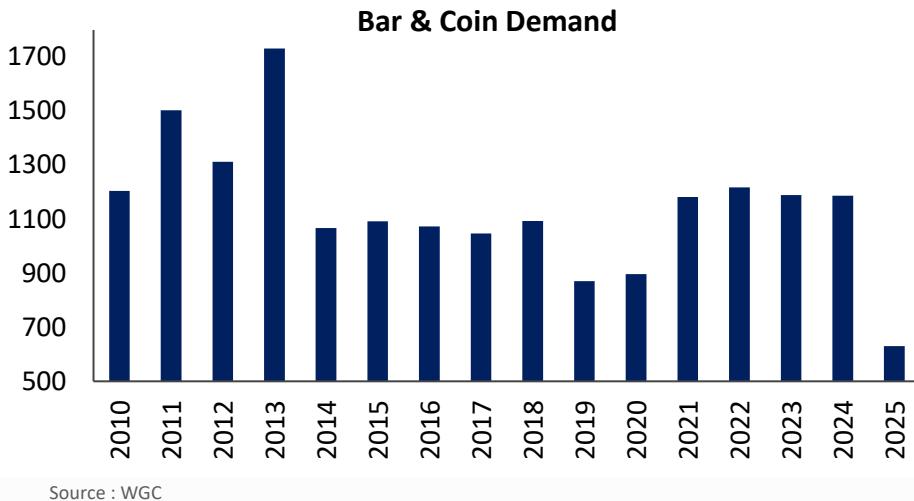
Source : Reuters

Gold Demand Trends

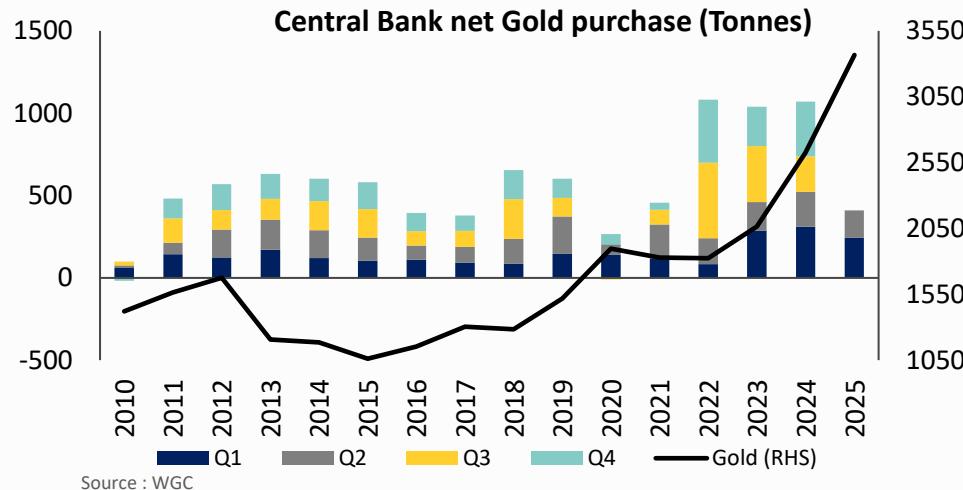
Total Global Demand marginally higher from Q2'24



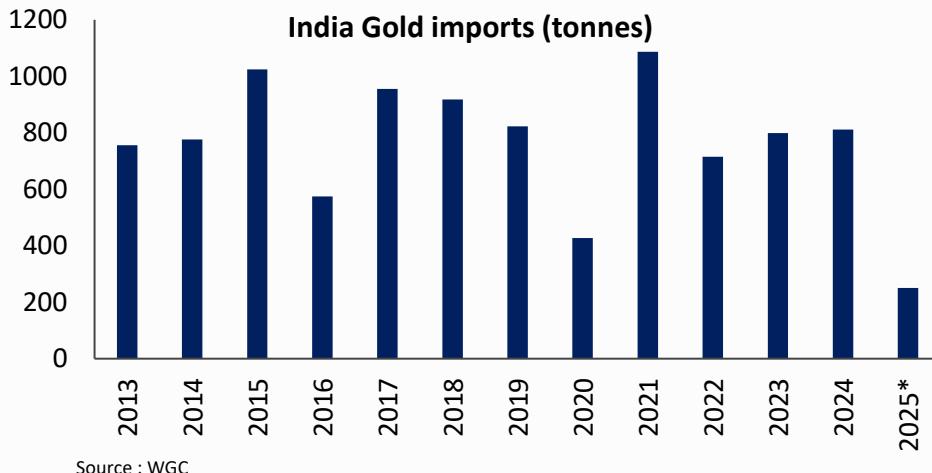
Bar and Coin demand falls significantly in 2025



Central banks pace of gold buying slows

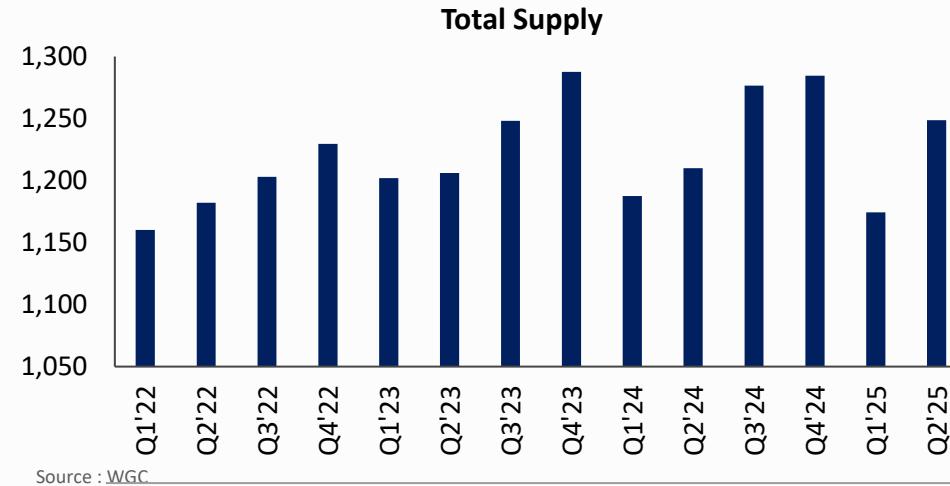


Annual India Gold imports witnessing a slowdown



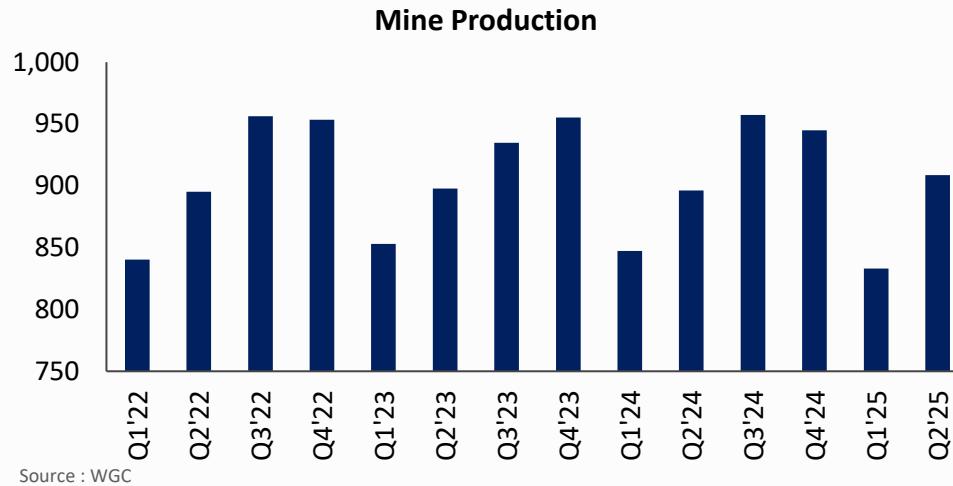
Gold Supply Trends

Supply seen improving after a sluggish first quarter



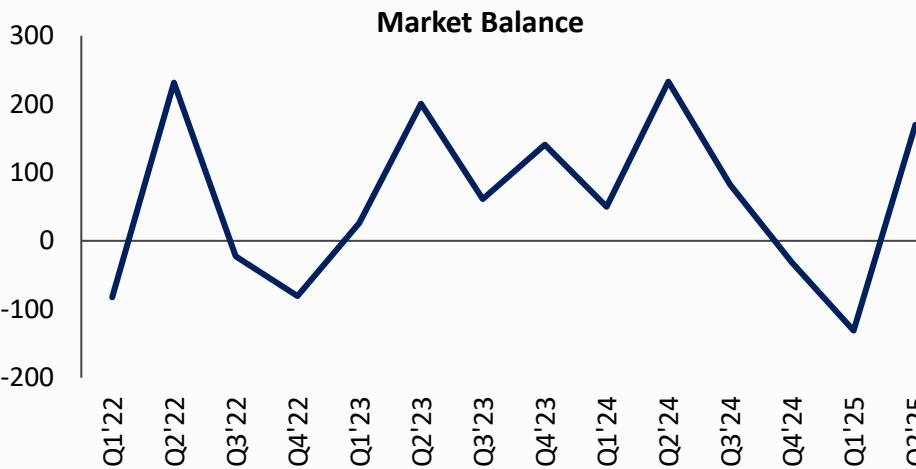
Source : WGC

Gold Mine production adding to total supply



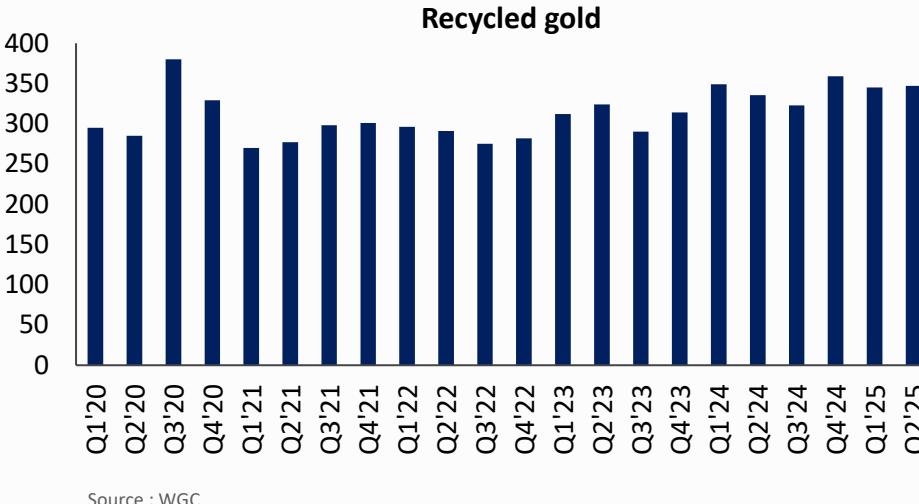
Source : WGC

Gold Market balance jumps back from a brief deficit



Source : WGC

Recycled Gold matches Q1'25 levels amidst higher prices



Source : WGC

Outlook

- Gold kicked started the year with impressive momentum, delivering over 30% returns YTD
- Geopolitical tensions, tariff wars, and investment demand are a few factors driving gold's bull run
- Risk premium eased as US-China trade tiff gets a 90-day breather, and ceasefire talks parallelly continue
- President Trump's pressure on the Fed hasn't changed rates so far, but there are increasing chances for a 25bps rate cut in Sept. policy meeting
- Physical demand and central bank buying slowed thru the year amid higher prices
- Strong ETF flows continue to lend support to gold prices
- Geopolitical tensions have been intermittent, not continuous
- Economic data points continue to demonstrate resilience
- Real interest rates will be key from current levels; as higher inflation is a good hedge, but also increases long pause scenario
- Dollar index is trading steady after falling below 100 while, volatility in Rupee is significantly impacting domestic prices
- **Buy on dips stance can be maintained from a medium to long term perspective**
- **Long term support is near ₹99,500-1,00,000**
- **After a sharp rally some profit booking is warranted, a staggered approach of investment is advised with a possibility of 5-7% dips from current level; for targets of ₹1,12,000 and ₹1,20,000 on domestic front, and assuming USDINR at 88, corresponding targets on COMEX are \$3,800 and \$4,000.**

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