

Investments - Flash

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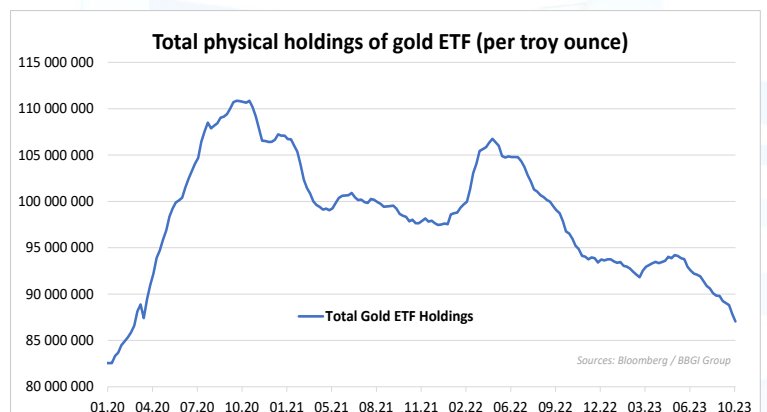
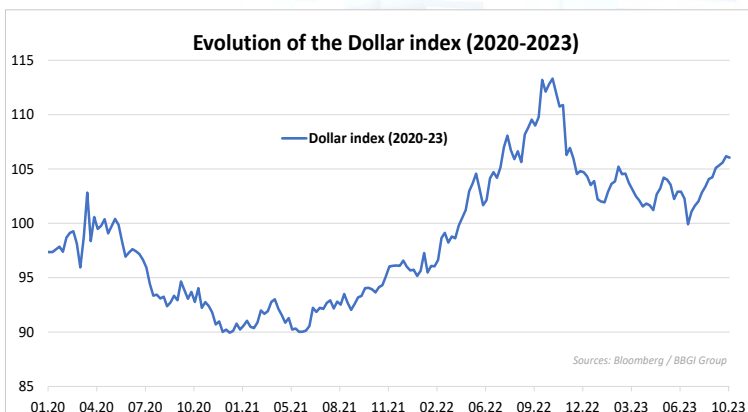
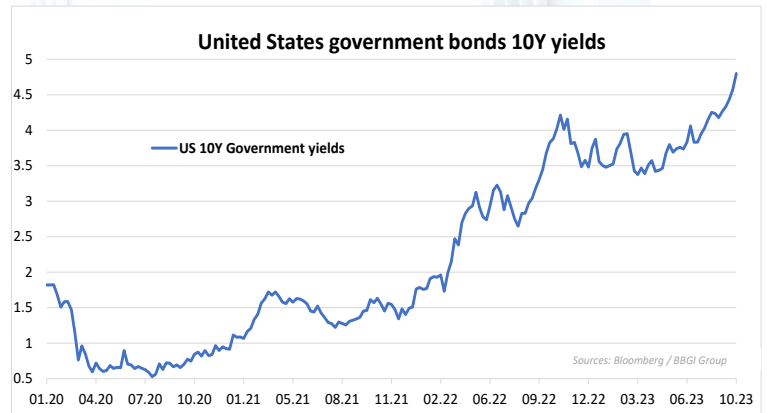
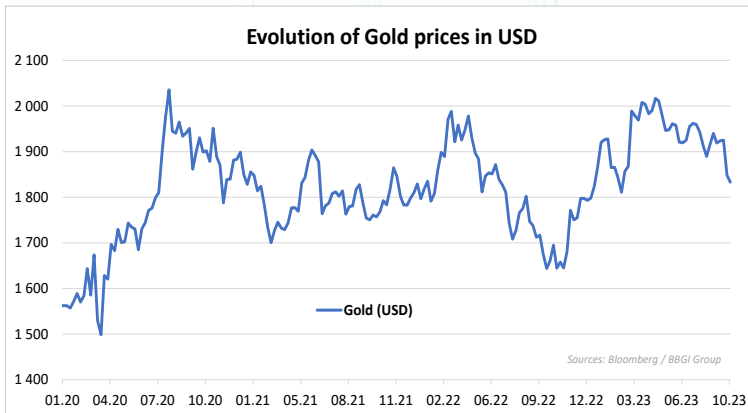


RATES AND THE DOLLAR HAVE FINISHED PENALIZING GOLD PRICES

Upward trend in the yellow metal set to resume soon

After rising by almost +13% in the first four months of the year, gold prices then slowly eroded as the US Federal Reserve tightened monetary conditions and bond yields rose, not only in dollars but in other major currencies too. The fall of the last few days of September, directly correlated with the latest tensions on long rates towards 4.8%/year, has finally reset the performance counters to zero for the yellow metal in 2023. The price of an ounce of gold in dollars (USD 1,860/ounce) is now well below its 200-day average value (USD 1,928/ounce), following divestments in favour of investments offering a short-term USD yield of over 5%. Physical gold ETFs have seen outflows of around -20% since their peak in 2020, and -7% in 2023 alone. While in 2023 the trade-weighted dollar price has

only appreciated by +2.4%, the increase since the July low is still +7%. The recent context for two important factors monitored by investors to assess opportunities for gold price recovery have been negative, but in our view they are likely to be in a transitional phase. With this in mind, they could now support a new trend in the price of the yellow metal, one that could prove to be more positive in the long term. Indeed, the tensions observed on the yield curves today seem to us to be disconnected from economic reality, and will not withstand statistics showing a deterioration in the economy. Further downward adjustments in interest rates will also penalize the dollar, and should thus contribute to an upward revival in gold prices above 2,000 per ounce.



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