

Investments - Flash



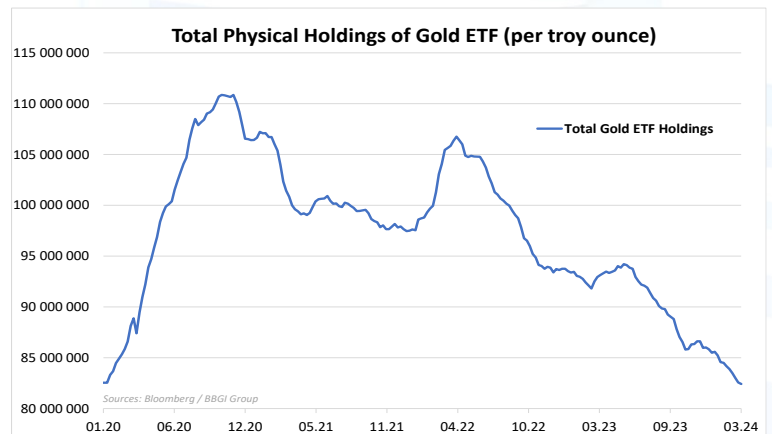
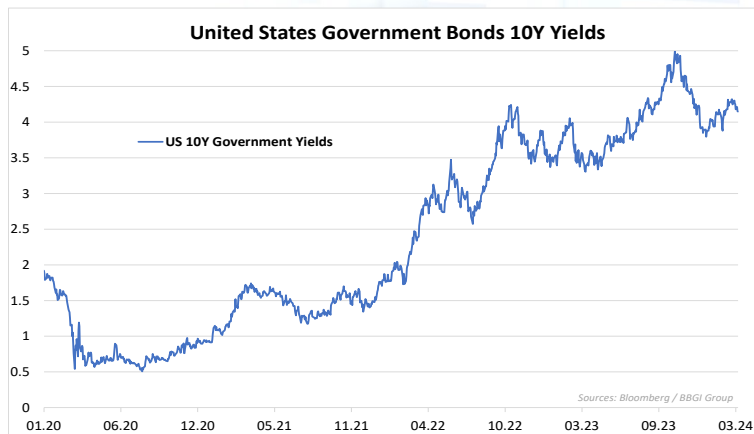
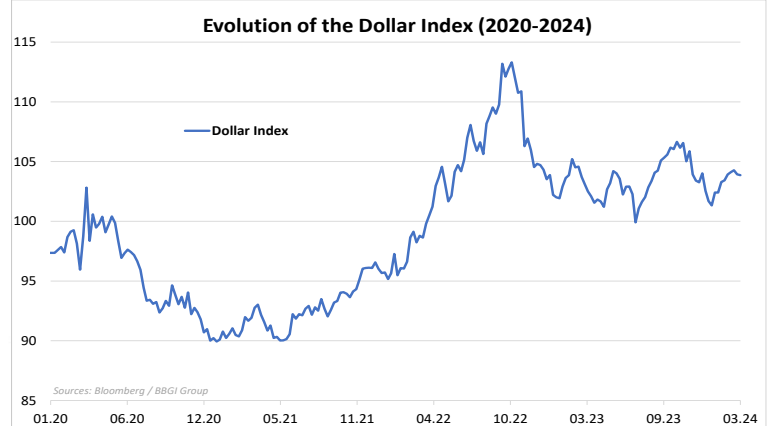
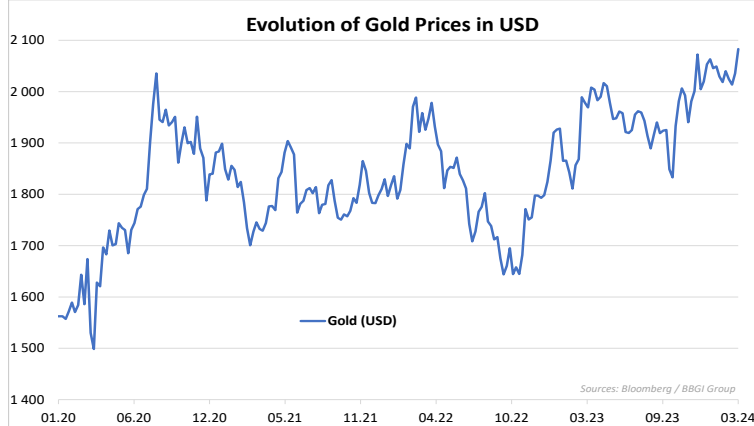
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GOLD PRICES SOAR TO NEW HEIGHTS

Gold resumes the uptrend announced a few weeks ago

The price of the yellow metal has soared to new heights in recent days, after stabilizing for a long time at levels close to its previous peaks of 2020, 2022 and 2023, slightly below \$2,100 per ounce. In 2023, gold prices failed to resist profit-taking on the approach to all-time highs, while the stock market environment was characterized by tightening monetary conditions and rising bond yields. A few weeks ago, we noted that the latest tensions on long rates at around 5%/year had penalized the price of an ounce of gold in dollars (USD 1,860/ounce), triggering divestments in favor of investments offering a short-term return in excess of 5% in USD. ETFs in physical gold recorded outflows of around -12% between June 2023 and the present day. At the time, we suggested that the evolution of the trade-weighted dollar and interest rates would soon once again become factors supporting a further rise in gold prices.

With this in mind, we believe that the approach of the Fed's next rate cut date would be a favorable factor for a return of investor interest in the yellow metal, at a time when the recent rebound in long rates is, in our view, also coming to an end. Further downward adjustments in rates will also penalize the dollar, and should thus contribute to a bullish revival in gold prices. We believe that investors are largely under-exposed to gold, and that a simple revival of interest would have significant consequences for gold in the present context. The flow of investment into physical gold is only just picking up, while investor interest should now be shifting towards gold mining, which is currently being unfairly penalized.



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