

Investments - Flash

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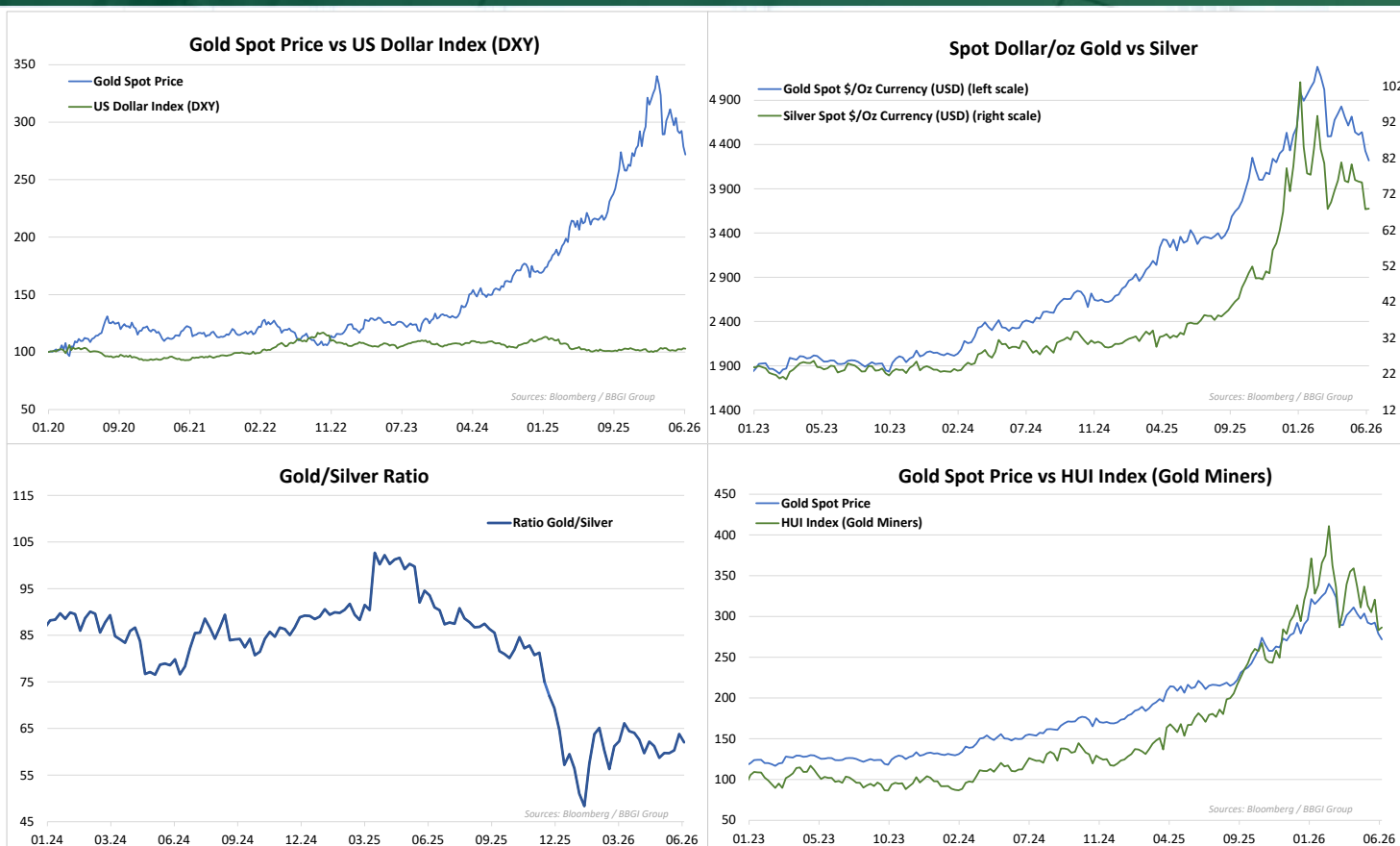


PRECIOUS METALS: THE START OF A NEW UPWARD TREND

The fundamental and technical landscape has improved significantly

Following the correction in gold (-25%) and silver (-45%), we believe the consolidation over the past few months has helped clear out the excesses from January. The fundamental landscape is taking a positive turn, with several geopolitical, technical, and macroeconomic catalysts now aligning to support a resumption of the uptrend. In a significant structural shift, central banks are shifting away from U.S. Treasury bonds toward gold, as nearly 90% of them anticipate an upcoming increase in global central bank gold reserves, while 45% plan to increase their own holdings. Half of them will finance these purchases through national accumulation programs denominated in local currencies. While they stated in 2025 that prices were too high, the recent decline presents them with new opportunities to restart and ramp up their purchase programs, signaling the return of strong fundamental support for the market in 2026. Global demand for physical gold had already surged by 42% in Q1, even as the development of AI will unexpectedly contribute to future growth in industrial demand. In Asia, interest remains extremely strong; in China, physical imports rose to 157 metric tons in April, averaging more than 120 metric tons per month (2,400 metric tons per year)—equivalent to 66% of global production of 3,670 metric tons per year. Technical

indicators now suggest a healthier situation following January's excesses, from which a new upward momentum could emerge. The physical deficit for silver remains historic and chronic; it could increase by 15% to 46 million ounces in 2026, further reducing available inventories for the sixth consecutive year. Recent developments in the Middle East could also alleviate concerns about inflation and monetary tightening, thereby reducing the risk of rising interest rates and improving the outlook for precious metals. The gold-to-silver ratio has normalized somewhat after peaking early this year, and silver is now considered undervalued. At the same time, investor participation in physically backed ETFs has declined from its February peak to current levels, returning to the level seen in October 2025. In the current environment, we estimate that the 12-month price target for gold is now \$5,000 per ounce and \$100 per ounce for silver. This environment will undoubtedly serve as a new positive catalyst for mining companies following their nearly 35% decline and analysts' very positive expectations for their earnings over the next twelve months.



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