

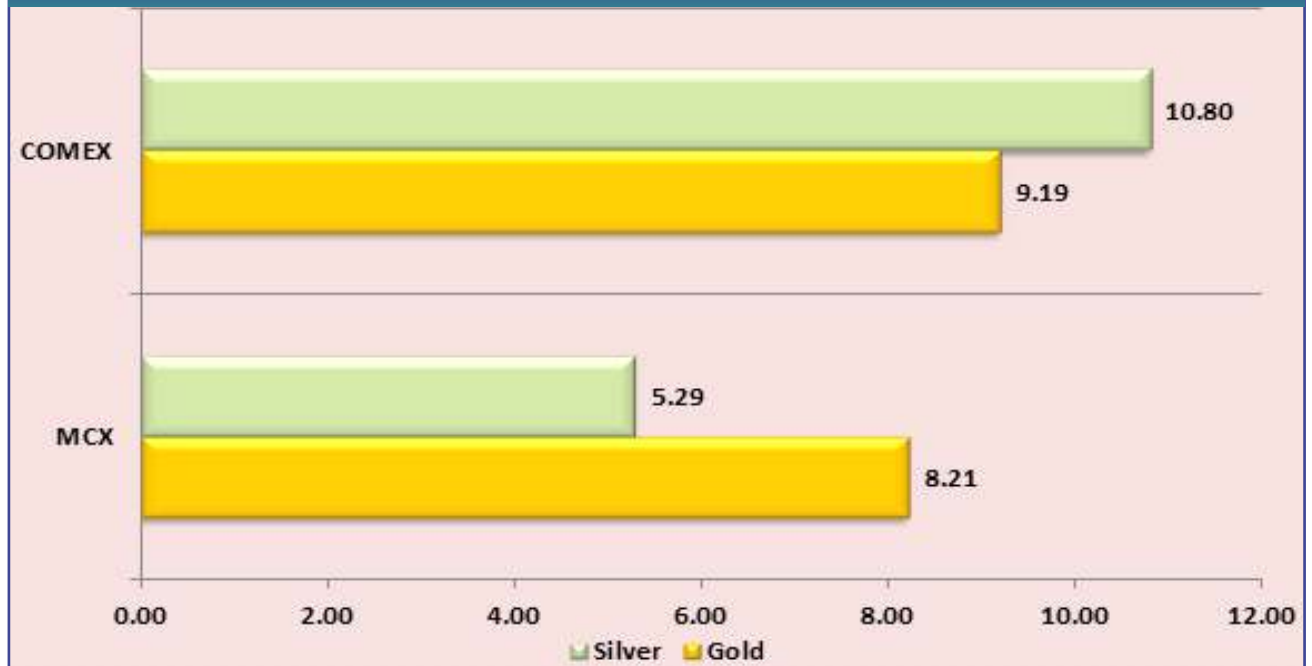
SPECIAL MONTHLY REPORT ON

BULLIONS

APRIL 2024

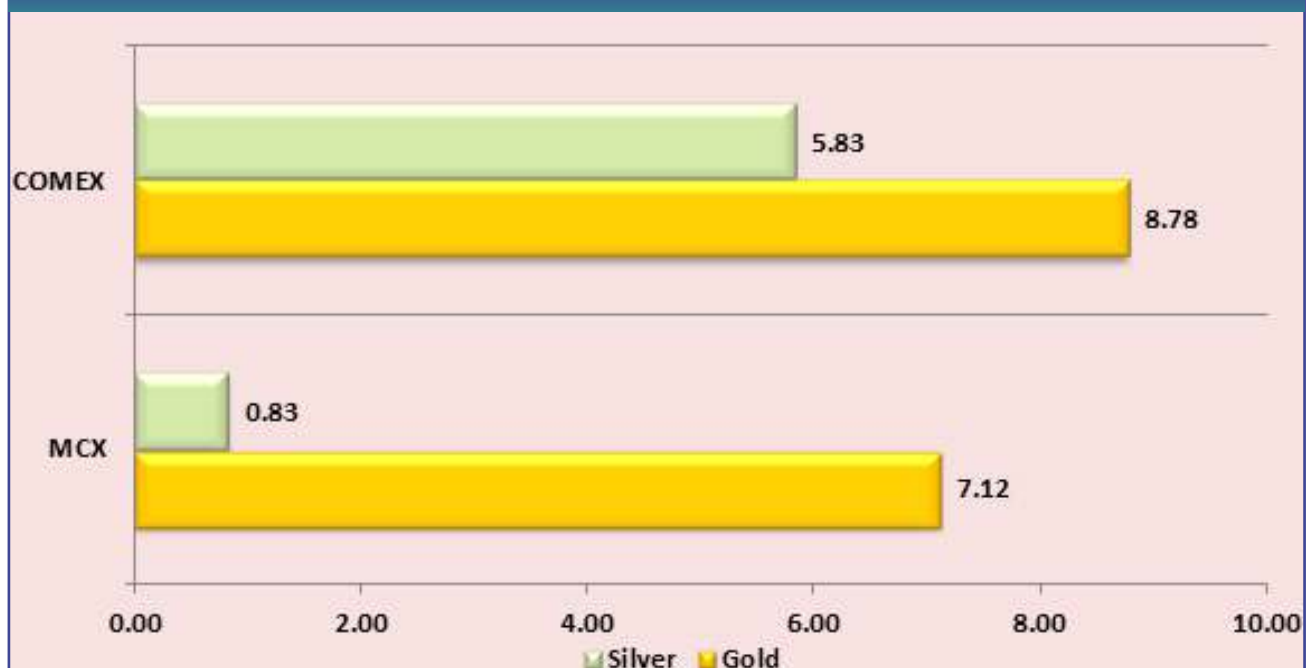


BULLIONS PERFORMANCE (March 2024) (% change)



Source: Reuters & SMC Research

BULLIONS PERFORMANCE (January - March 2024) (% change)



Source: Reuters & SMC Research

In March, gold & silver prices traded higher across the board, as investors seek a safe haven amidst growing economic concerns and the prospect of interest rate cuts. The gold market continues to be an unstoppable as it closes out the month and quarter near a record high, solidly above \$2,240 an ounce. For the month, gold is up 9%, and for the quarter is more than 8% up in COMEX. Gold is attracting new momentum because inflation is less of a threat than it was. The Federal Reserve signalled that it still looks for three rate cuts this year even as they see inflation holding above its 2% target. The U.S. Federal Reserve left interest rates unchanged in a widely expected move and stayed on track for three rate cuts this year. The latest data showed the U.S. economy performing far better than expected in the final three months of 2023. The final estimate of fourth-quarter Gross Domestic Product showed that the U.S. economy expanded by 3.4%, the Bureau of Economic Analysis (BEA) announced Thursday. The data was higher than expected of 3.2%. Meanwhile, central banks kept buying gold to diversify their reserves amid rising geopolitical tensions.

Outlook

- Gold has started April with a noticeable uptick, reaching a new record high driven by growing expectations of a U.S. interest rate cut by June. Gold's prospects look positive, with expectations of easing monetary policy by mid-year.
- The recent softer U.S. inflation report cemented bets that the Federal Reserve would deliver its first interest rate cut of the year in June. The latest U.S. inflation data is "along the lines of what we would like to see," Fed Chair Jerome Powell said, indicating that a June interest rate cut was on the table.
- Inflation in the US, as measured by the change in Personal Consumption Expenditures (PCE) Price Index, increased slightly to 2.5% on a yearly basis in February, data released by the US Bureau of Economic Analysis (BEA) showed.
- Gold's consolidation near its recent all-time highs is an indication that the precious metal is forming a new base and investors are getting comfortable with higher prices. So the yellow metal is still expected to benefit from lower interest rates towards the end of the year.
- Strong central bank purchases of gold are a notable market support. If a central bank wants to decrease the share of dollar-denominated bonds, the gold becomes the only option to decrease the share of foreign government debt in reserves.
- The persistent geopolitical risks and uncertainty associated with the Middle East may continue to add a "premium" to gold prices, reflecting the risk premium investors are willing to pay for a safe haven asset.
- The Russia-Ukraine war, which has already built up a geopolitical premium in the precious metal, could emerge once again as a more significant pillar of support if tensions escalate in the upcoming quarter.
- Recent moves by central banks in Japan, Switzerland, and other countries reflect a trend of adjusting policies to navigate the current economic challenges. Japan's steps towards ending negative interest rates and Switzerland's slight rate cut illustrate the diverse strategies being employed.



In April, gold prices may continue to witness higher volatility and possible range would be 66000-71000. On the other hand, Silver may trade in the range of 70000-79000.

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