

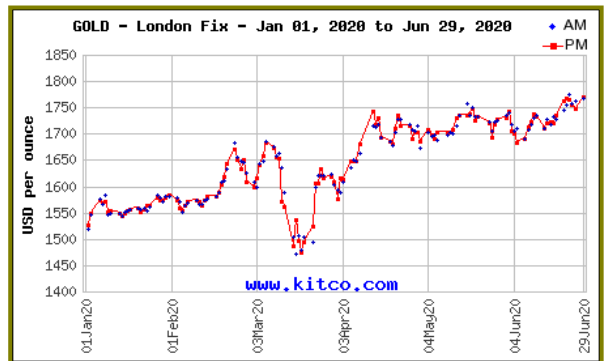
Goldletter INTERNATIONAL

the international independent information and advice bulletin for gold and related investments

Overviews as at June 30, 2020



Marino G. Pieterse, publisher and editor



- ▶ **Historic interest lows account for continuous bullish sentiment**
- ▶ **Physical demand remains under pressure**

Gold price (in US\$)

		Difference in %
June 30	1,768.10	2
June 1	1,730.60	
Low (17/3)	1,472.35	
High 24/6)	1,775.70	21

HUI-Index (in US\$)

		Difference in %
June 30	294.76	5
June 1	280.92	
Low (1/4)	184.07	
High(20/5)	303.02	65

Precious and base metal/oil and uranium prices (in US\$) - period 2020 - 2012 gold price related to total metal market complex

	June 30 2020	Year-end 2019	Change in %	Year-end 2018	Year-to-Year 2019/2018 change %	Year-end 2017	Year-end 2016	Year-to-Year 2017/2016 change %	Year-end 2015	Year-to-Year 2016/2015 change %	Year-end 2014	Year-end 2013	Year-end 2012
Gold	1,768	1,523	16	1,282	19	1,297	1,159	12	1,062	9	1,199	1,202	1,664
Silver	17.85	18.05	-1	15.46	17	16.87	16.24	4	13.82	18	15.97	19.50	29.95
Palladium	1,905	1,920	-1	1,263	52	1,057	670	58	547	22	798	711	705
Platinum	814	971	-16	794	22	925	898	3	872	3	1,210	1,358	1,533
Copper	6,038	6,156	-2	5,965	3	7,157	5,501	30	4,702	17	6,359	7,395	7,915
Lead	1,789	1,924	-7	2,009	-4	2,495	1,985	26	1,802	10	1,853	2,206	2,035
Nickel	12,790	14,000	-9	10,595	32	12,260	10,010	22	8,665	16	14,935	13,970	17,085
Zinc	2,057	2,293	-10	2,511	-9	3,309	2,563	29	1,600	60	2,167	2,086	2,035
Brent oil	41.27	66.00	-37	54.16	22	66.63	56.82	17	37.28	52	57.55	110.80	111.25
12-month price range:													
H \$ 70.74 (January 1, 2020)													
L \$ 25.30 (March 30, 2020)													
2008:													
H \$ 147.00 (7/7)													
L \$ 39.23 (5/12)													
Uranium (U3O8) spot (June 26)	33.20	25.00	33	28.70	-13	22.32	20.25	10	34.25	-41	35.50	34.50	43.50
12-month price range:													
H \$ 34.25 (May 22, 2020)													
L \$ 23.95 (March 20, 2020)													
Long-term	35.50	32.50	9	31.25	4	30.67	30.00	2	44.00	-32	49.00	50.00	56.50
pre-Fukushima 2011 (H)	73.00												

► Gold demand Trends Q1 2020 *(source: World Gold Council)*

- **Total Q 1 2020 demand** grew marginally (+1% y-o-y) to 1,083.8 tonnes
- Continuing decline of **physical demand** (-21% y-o-y) to -786 tonnes offset by highest quarterly inflows of Global ETF's (+298 tonnes) for 4 years
- **ETF trading inflows helped to push the US\$ gold price to an 8-year high of \$ 1,741.90 on April 14** Consequently global ETF demand in value terms reached US\$ 55 billion – the highest since Q 2 2013

The global COVID-19 pandemic slashed **jewellery demand** for gold as governments across the globe imposed lockdown measures. Demand in Q 1 2020 fell to the lowest on record to 325.8 tonnes led by a 65% decline in **China** – the world's largest jewellery consumer and the first market to succumb to the outbreak.

Central banks continued to amass gold. **Global gold reserves** grew by 145 tonnes in Q1, but net buying is expected to slow sharply due to **Russia** having announced that it would suspend its long-term buying program from April.

Also, not having been paid attention to by the World Gold Council, the announced introduction of a **Chinese cryptocurrency** – the **DCEP**, by China's central bank, will affect gold as a monetary instrument.

Total **Q 1 supply** fell as coronavirus lockdowns hit mine production and gold recycling. Operations were halted at many projects in an attempt to stem the spread of the virus and recycling ground to a new standstill towards the end of the quarter as consumers were confined to their houses.

► Gold outlook 2020

With coronavirus, **ETF inflows** have ignited safe haven driven ETF inflows, but undermining consumer demand resulting in nearly unchanged total demand in Q1 2020, it is striking to see that the gold price in the first five months of 2020 boomed to a high of \$ 1,756.90 on May 29, a gain of 19%. Since then, in the first half of June, gold consolidated in a range of \$ 1,690 to \$ 1,738 before reaching a new high of \$ 1,775.70 on June 24, driven by continuing ETF inflow.

Gold backed ETFs added 154 metric tons for net inflows of \$ 8.5 billion to their stockpile in May, exceeding in five months every full-year increase on record, according to the data from the World Gold Council.

Year-to-year inflows totaling 623 million tonnes, representing a value of \$ 33.78 billion, now exceed what was initially the highest level of annual inflows of 591 million tonnes in 2009.

At the end of May, gold-backed ETFs held 3,510 million metric tonnes of gold worth \$ 195 billion, an all-time high and nearly doubling over the past 12 months, the World Gold Council says.

However, the question is whether the significant inflow of ETFs will continue in the second half of the year, thereby expecting the effect of the corona pandemic fading and the world economy recovering from the deep crisis in the first half of the year.

Expecting that a decline of **physical demand** in the **net official sector**, in particular from **Russia** and **China** going to introduce a cryptocurrency next year as a new monetary instrument to replace gold, I expect such a headwind might also add to a correction of the gold price.

In addition, considering that net production margins have quadrupled from \$ 200 to a high of \$ 800 since year-end 2017, I expect net producer hedging to add substantially to supply and will result in a growing deficit of the net market balance.

From a speculative point of view, a renewed escalation of the United States - China trade war, in addition to a € 500 billion European Stabilisation Mechanism, together with € 750 billion required for hard hit countries to keep the European Union alive, this could influence the gold price in a positive way, but is not a predictable issue for the time being.

GOLD from a fundamental perspective of supply and demand

(in tonnes)	Q1 2020	Q1 2019	2019	2018	2016	2013				
Total supply	1,066	1,108	4,776	4,673	4,557	4,345				
of which:										
Mine production	796	817	3,464	3,509	3,251	3,042				
Recycled gold	280	293	1,304	1,176	1,307	1,303				
Net hedging/dehedging (-)	-10	-2	8	-12	32	-30				
Total supply	1,066	1,108	4,776	4,673	4,590	4,315				
				in % total demand	in % total demand	in % total demand		in % total demand		
Physical demand	786	990	3,954	90	4,324	3,631		4,965	100	
of which:										
Jewellery fabrication	326	535	2,107	53	2,239	52	1,953	54	2,470	50
Technology	73	80	327	8	335	8	366	10	296	6
Bar hoarding, coins, medals	242	258	870	22	1,094	25	1,043	29	1,790	36
Net official sector	145	157	650	17	656	15	269	7	409	8
Market balance	280	119	822	348	959	-978				
of which:										
ETFs	298	43	401	10	76	1.7	625	15	-856	-21
Net market balance	-176	76	421	272	272	334	-122			
Total demand	1,066	1,109	4,776	100	4,672	101.7	4,590	115	3,987	79
LBMA average gold price (\$/oz)			1,393		1,268		1,251		1,411	
	H	L								
Quarter 1 - 2020	1687.00	1472.35								
Quarter 1 - 2019	1345.00	1278.70								

source: Thomson Reuters/GFMS

Course gold price compared to silver

	GOLD	SILVER	gold/silver ratio
2020 June 30	1,768	17.85	99.1
June 24 (H)	1,776		
May 29	1,729	17.59	98.3
March 31	1,609	13.93	115.5
March 19 (L)		12.01	
March 17 (L)	1,472		
February 24 (H)		18.78	
2019 Year-end	1,523	18.05	84.4
2018	1,282	15.47	82.9
2017	1,297	16.87	76.9
2016	1,159	16.24	71.4
2015	1,062	13.82	76.8
2014	1,199	15.97	75.1
2013	1,202	19.50	61.6
2012	1,664	29.95	55.6
2011	1,571	28.02	56.1
2010	1,410	30.45	46.3
2009	1,104	16.99	65.0

During financial crisis 2008 - 2009

	GOLD	SILVER	gold/silver ratio
2007 Year-end	837	14.76	56
2008 June 30	933	14.76	63
2008 September 11 *	741	10.66	70
2008 October 24 **	693	8.88	78
2008 Year-end	865	10.79	71
2009 June 30	941	13.94	67
* default Lehman Brothers			
** Low for 2008			

GOLD not always a safe haven in times of financial turbulence

During period of :

▶ Corona Pandemic	in US\$	Change in %
June 30, 2020	1,768.10	0
June 24, 2020 (H)	1,775.70	20
March 19, 2020 (L)	1,474.25	

▶ United States - China trade war		
Year-end 2018	1,281.65	
August 28, 2019 (H)	1,541.75	20

2010 - 2018 in US\$ Change in % year-to-year

▶ Year-end 2010	1,410.00	28
May 3, 2011 (H)	1,546.50	
▶ Year-end 2011	1,571.50	11
October 4, 2012 (H)	1,791.75	
▶ Year-end 2012	1,664.00	6
January 2, 2013 (H)	1,693.75	
▶ Year-end 2013	1,201.50	-28
March 14, 2014 (H)	1,385.00	
▶ Year-end 2014	1,199.25	0
January 21, 2015 (H)	1,298.00	
▶ Year-end 2015	1,062.25	-11
July 6, 2016 (H)	1,370.00	
▶ Year-end 2016	1,159.10	9
September 6, 2017 (H)	1,350.90	
▶ Year-end 2017	1,296.50	12
January 24, 2018 (H)	1,360.25	

Financial crisis: 2008 - 2009 in US\$ Change in %

▶ Year-end 2007	836.50	
March 17, 2008 (H)	1,030.80	23
October 24, 2008 (L)	692.50	-33
▶ Year-end 2008	865.00	25
December 3, 2009 (H)	1,226.10	42
▶ Year-end 2009	1,104.00	-10
December 7, 2010 (H)	1,426.00	29

► Introduction of **Chinese** cryptocurrency will affect gold as a monetary instrument in Asian countries

On August 27, 2019, it was announced that China's central bank will announce a state-backed cryptocurrency and issue it to 7 institutions in the coming months. Independent researcher Paul Schulte, who now runs an eponymous bank research firm and worked as global head of financial strategy for China Construction Bank until 2012, says the largest bank in the world, the Industrial and Commercial Bank of China, the second largest bank in the world, the Bank of China, the Agricultural Bank of China; the two of China's largest financial technology companies Alibaba and Tencent; and Union Pay, an association of Chinese banks, will receive the cryptocurrency.

A separate source, who is involved in the development of the cryptocurrency dubbed **DCEP (Digital Currency Electronic)**, 7 institutions would be receiving the new asset when it launches, adding that an 8th institution, of which the name has not been revealed yet, could also be among the first tier of recipients.

The technology behind the cryptocurrency has already been ready since last year and is scheduled to be launched this year.

The plan to use a diverse set of China's trusted institutions to disperse the cryptocurrency is reminiscent of a number of other ideas currently percolating around the world.

For instance, **Facebook's** planned **Libra cryptocurrency** will be backed by a basket of currencies issued by central banks with support from companies like Mastercard and Uber in the United States, Vodafone in England.

What sets China's **DCEP** apart from libra and Carney's synthetic hegemonic currency ("SHC") according to Schulte, is that while libra is little more than early-stage computer code and the HSC doesn't appear to have gone much further than Carney's mind, the Chinese cryptocurrency is ready to launch and China's central bank will be the first to do so.

In a speech in August at the China Finance 40 Forum, Mr. Mu Changchun, deputy director of the Paying Division of the People's Bank of China (PBOC) and the new head of China's cryptocurrency research lab, already said the two-tiered system is designed to "curb public demand for other cryptographic assets, consolidate national currency, sovereignty, ensure that the central bank maintains control over monetary policy effecting the currency, increase the likelihood of people using the currency, distribute the risk of having all the authority directly in the hands of the central bank and encourage competition between the organizations that receive the cryptocurrency".

Whether anyone outside China would actually use a digital renminbi for transaction in their own country is unclear. As the Bank of England governor's comments about replacing the U.S. dollar indicate, much of the world' is tired of having their financial stability tied to the United States' monetary system.

In this respect, the escalating trade war between the United States and China and President Trump having accused China of being a "currency manipulator" could play a crucial role. While China has denied the charge and called the U.S. "protectionist" in a press statement, the perception of manipulation could be harmful to broaden adaption of a digital currency linked to the renminbi.

This actually means that the introduction of Chinese cryptocurrencies would affect gold as an optional financial not only for China, but also other emerging countries in Asia to strengthen the position of the renminbi against the US dollar and other official exchange reserves as part of China's Belt and Road Initiative to pass the United States as the world's leading economy in the next twenty years, supported by its goal to lead the G5-artificial intelligence revolution.

In this respect, it should be noticed that hardly any attention is paid to the strong rebound of the bitcoin price in 2019 from a low of € 2,929 in January to a high of € 12,223 by the end of June; current price around € 8,500.

Measuring the gold market as a safe haven

	London trading in US\$	Change in %	Period of change
December 1, 2003	400.00		
December 2, 2005	500.00	+25	(2 years)
April 14, 2006	600.00	+20	(3½ months)
May 10, 2006	700.00	+17	(- 1 month)
October 6, 2006	560.75	-23	(5 months)
► Year-end 2006	635.75	+14	(3 months)
April 20, 2007	691.40	+9	(4 months)
June 27, 2007	642.10	-7	(2 months)
September 18, 2007	714.75	+12	(2½ months)
► Year-end 2007	836.50	+17	(3½ months)
March 17, 2008 (H)	1,030.80	+24	(2½ months)
May 1, 2008	853.00	-16	(1½ months)
July 16, 2008	977.50	+15	(2½ months)
September 11, 2008	740.75	-24	(2 months)
October 10, 2008	918.00	+24	(1 month)
October 24, 2008 (L)	692.50	-25	(2 weeks)
► Year-end 2008	865.00	25	(2 months)
February 20, 2009	989.00	14	(-2 months)
(Interim high New York \$ 1,006.30)			
April 20, 2009	870.00	-12	(2 months)
June 1, 2009	987.00	+13	(-1½ month)
July 13, 2009	908.50	-8	(+1½ month)
September 17, 2009	1,020.50	12	(2 months)
December 3, 2009 (H)	1,226.10	20	(2½ months)
► Year-end 2009	1,104.00	-10	(1 month)
January 29, 2010	1,078.50	-3	(1 month)
December 7, 2010 (H)	1,426.00	+32	(11 months)
► Year-end 2010	1,410.25	+28	(12 months)
January 31, 2011	1,327.00	-6	(1 month)
May 3, 2011 (H)	1,546.50	17	(3 months)
June 30, 2011	1,505.50	-3	(2 months)
September 6, 2011 (H)	1,920.00	+28	(2 months)
September 30, 2011	1,619.77	-15	(1 month)
► Year-end 2011	1,571.50	-18	(4 months)
May 16, 2012 (L)	1,537.50	-2	(3½ months)
October 4, 2012 (H)	1,791.75	+17	(9 months)
► Year-end 2012	1,664.00	+6	(12 months)
April 15, 2013	1,352.60	-19	(3½ months)
May 3, 2013	1,469.25	+9	(1 month)
June 30, 2013 (L)	1,192.00	-19	(1½ months)
► Year-end 2013	1,201.50	+1	(6 months)
March 14, 2014 (H)	1,385.00	+15	(2½ months)
► Year-end 2014	1,199.25	-13	(12 months)
January 21, 2015 (H)	1,298.00	+8	(1 month)
December 3, 2015 (L)	1,050.60	-13	(11 months)
► Year-end 2015	1,062.25	-12	(12 months)
July 6, 2016 (H)	1,370.00	+29	(6 months)
November 8, 2016	1,282.35	-6	(4 months)
December 20, 2016 (L)	1,125.70	-12	(1½ months)
► Year-end 2016	1,159.10	+3	(1½ week)
June 30, 2017	1,242.00	-3	(2 weeks)
September 8, 2017 (H)	1,351.00	+9	(2 months)
► Year-end 2017	1,296.50	-5	(3¼ months)
January 24, 2018 (H)	1,360.25	+5	(1 month)
August 17, 2018 (L)	1,176.70	-9	(7 months)
► Year-end 2018	1,281.65	+9	(4½ months)
May 3, 2019 (L)	1,270.05	-1	(4 months)
September 4 (H)	1,546.10	+20	(8 months)
► Year-end 2019	1,523.00	-2	(4 months)
March 17, 2020 (L)	1,472.35	-4	(2½ months)
April 14, 2020 (H)	1,741.90	+11	(1 month)
June 30, 2020	1,768.10	+20	(2½ months)

The crisis resistance of dollar compared to gold price

	Euro/US\$	gold price
March 17, 2008	1.58	1,030.80 2008 high
June 30, 2008	1.58	930.20
September 15, 2008	1.46	996.00
October 24, 2008	1.26	692.50 2008 low
December 16, 2008 1)	1.37	838.25
▶ Year-end 2008	1.40	865.00
February 27, 2009	1.26 2009 high	952.00
June 30, 2009	1.41	934.50
May 13, 2009 2)	1.36	924.00
December 3, 2009	1.51 2009 low	1,226.10 2009 high
▶ Year-end 2009	1.43	1,104.00
March 31, 2010	1.35	1,115.50
April 30, 2010	1.33	1,179.25
May 14, 2010 3)	1.24	1,248.95
June 8, 2010	1.19 2010 high	1,246.00
September 30, 2010	1.36	1,307.00
▶ Year-end 2010	1.33	1,410.25
January 28, 2011	1.36	1,319.00 2011 low
April 13, 2011 4)	1.44	1,457.50
April 29, 2011	1.48 2011 low	1,535.50
July 13, 2011 5)	1.41	1,579.00
September 6, 2011	1.44	1,920.00 2011 high
September 30, 2011	1.35	1,619.77
November 9, 2011 6)	1.36	1,784.00
December 14, 2011 7)	1.30	1,603.00
▶ Year-end 2011	1.29 2011 high	1,571.50
July 5, 2012 8)	1.24	1,604.00
May 23, 2012	1.26	1,537.50 2012 low
July 26, 2012 9)	1.23	1,618.00
October 4, 2012	1.30	1,791.75 2012 high
▶ Year-end 2012	1.32	1,664.00
January 2, 2013	1.32	1,693.75 2013 high
February 20, 2013	1.34 2012 low	1,733.00
March 25, 2013	1.28 2013 high	1,599.25
April 15, 2013	1.31	1,352.60
May 8, 2013 10)	1.32	1,469.00
June 30, 2013	1.30	1,192.00 2013 low
September 30, 2013	1.35	1,326.50
November 11, 2013 11)	1.36	1,253.00
▶ Year-end 2013	1.38 2013 low	1,201.50
March 14, 2014	1.39 2014 low	1,385.00 2014 high
June 12, 2014 12)	1.35	1,265.75
June 30, 2014	1.37	1,315.00
September 13, 2014 13)	1.29	1,241.25
September 30, 2014	1.26	1,216.50
October 31, 2014	1.25	1,164.25 2014 low
▶ Year-end 2014	1.21 2014 high	1,199.25
January 2, 2015	1.21 2015 low	1,172.00
January 21, 2015	1.15	1,298.00 2015 high
March 16, 2015	1.05 2015 high	1,150.75
September 30, 2015	1.12	1,114.00
December 3, 2015	1.06	1,050.60 2015 low
December 16, 2015 14)	1.09	1,075.25
▶ Year-end 2015	1.09	1,062.25
July 6, 2016	1.10	1,370.00 2016 high
September 30, 2016	1.12	1,322.50
November 8, 2016 15)	1.10	1,282.35
December 15, 2016 16)	1.04	1,126.95
December 20, 2016	1.04 2016 high	1,125.70 2016 low
▶ Year-end 2016	1.05	1,159.10

The crisis resistance of dollar compared to gold price

		Euro/US\$	gold price
▶	Year-end 2016	1.05	1,159.10
	March 15, 2017	17) 1.07 2017 high	1,198.80
	June 14, 2017	18) 1.12	1,275.50
	June 30, 2017	1.14	1,242.25
	September 8, 2017	1.21 2017 low	1,350.90 2017 high
	September 30, 2017	1.18	1,283.10
	December 14, 2017	19) 1.18	1,251.00
▶	Year-end 2017	1.19	1,296.50
	January 24, 2018	1.24	1,360.25 2018 high
	February 16, 2018	1.25 2018 low	1,352.10
	March 21, 2018	20) 1.23	1,321.35
	April 30, 2018	1.17	1,305.35
	June 13, 2018	21) 1.17	1,296.15
	June 30, 2018	1.16	1,250.45
	August 17, 2018	1.14	1,176.70 2018 low
	September 26, 2018	22) 1.17	1,185.40
	November 12, 2018	1.12 2018 high	1,205.55
	December 19, 2018	23) 1.14	1,255.00
▶	Year-end 2018	1.14	1,281.65
	January 10, 2019	1.15 2019 low	1,291.90
	April 25, 2019	1.11	1,280.80
	May 3, 2019	1.11	1,270.05 2019 low
	July 31, 2019	24) 1.11	1,427.55
	September 4, 2019	25) 1.10	1,546.10 2019 high
	September 30, 2019	1.09 2019 high	1,485.30
	October 30, 2019	26) 1.11	1,492.10
▶	Year-end 2019	1.12	1,523.00
	March 3, 2020	27) 1.12	1,615.50
	March 17, 2020	28) 1.12	1,472.35 2020 low
	May 29, 2020	1.11	1,728.80
	June 24, 2020	1.12	1,775.70 2020 high
	June 30, 2020	1.12	1,768.10

- 1) Fed funds rate lowered 0.75%-1.00% to 0.00-0.25% (ECB 2.50%)
- 2) ECB rate lowered 0.25% to 1.00%
- 3) Euro salvation package of € 750 billion (\$ 955 billion) announced
- 4) ECB rate increased 0.25% to 1.25%
- 5) ECB rate increased 0.25% to 1.50%
- 6) ECB rate lowered 0.25% to 1.25%
- 7) ECB rate lowered 0.25% to 1.00%
- 8) ECB rate lowered 0.25% to 0.75%
- 9) ECB: whatever it takes to save Euro
- 10) ECB rate lowered 0.25% to 0.50%
- 11) ECB rate lowered 0.25% to 0.25%
- 12) ECB rate lowered 0.10% to 0.15%
- 13) ECB rate lowered 0.10% to 0.05%
- 14) Fed funds rate increase of 0.25% to 0.25%-0.50% range
- 15) Donald Trump elected as next US President
- 16) Fed funds rate increase of 0.25% to 0.50%-0.75% range
- 17) Fed funds rate increase of 0.25% to 0.75%-1.00% range
- 18) Fed funds rate increase of 0.25% to 1.00%-1.25% range
- 19) Fed funds rate increase of 0.25% to 1.25%-1.50% range
- 20) Fed funds rate increase of 0.25% to 1.50%-1.75% range
- 21) Fed funds rate increase of 0.25% to 1.75%-2.00% range
- 22) Fed funds rate increase of 0.25% to 2.00%-2.25% range
- 23) Fed funds rate increase of 0.25% to 2.25%-2.50% range
- 24) Fed funds rate decrease of 0.25% to 2.00%-2.25% range
- 25) Fed funds rate decrease of 0.25% to 1.75%-2.00% range
- 26) Fed funds rate decrease of 0.25% to 1.50%-1.75% range
- 27) Fed funds rate decrease of 0.50% to 1.00%-1.25% range
- 28) Fed funds rate decrease of 1.00% to 0.00%-0.25% range

THE COURSE OF THE DOLLAR AGAINST OTHER CURRENCIES

	1 US\$ =	Euro	Yen (00)	RMB	Rupee (00)	C\$	A\$	SA Rand
Year-end 2007		0.68	112	7.31	39.43	0.98	1.14	6.85
June 30, 2008		0.63	106	6.87	42.85	1.01	1.04	7.96
September 30, 2008		0.69	106	6.86	47.35	1.04	1.22	8.20
Year-end 2008		0.71	90	6.85	49.72	1.22	1.45	9.46
March 31, 2009		0.76	97	6.85	52.17	1.25	1.46	9.72
June 30, 2009		0.71	96	6.84	48.64	1.16	1.24	7.88
September 30, 2009		0.68	90	6.84	48.34	1.09	1.15	7.43
Year-end 2009		0.69	92	6.82	46.75	1.05	1.10	7.40
March 31, 2010		0.74	93	6.82	45.00	1.02	1.09	7.37
June 30, 2010		0.82	89	6.79	46.46	1.05	1.17	7.63
September 30, 2010		0.73	84	6.68	44.87	1.03	1.03	6.95
Year-end 2010		0.75	82	6.59	45.32	1.00	0.98	6.63
June 30, 2011		0.69	81	6.46	45.33	0.98	0.94	6.83
September 30, 2011		0.74	77	6.39	49.62	1.03	1.02	7.90
Year-end 2011		0.77	77	6.35	54.28	1.02	0.98	8.12
March 30, 2012		0.75	82	6.32	52.10	1.00	0.97	7.70
Year-end 2012		0.76	86	6.30	54.69	1.00	0.96	8.47
June 30, 2013		0.77	99	6.17	59.59	1.05	1.09	9.87
September 30, 2013		0.74	98	6.14	62.70	1.03	1.07	10.06
Year-end 2013		0.73	105	6.11	61.77	1.07	1.13	10.49
June 30, 2014		0.73	101	6.16	59.94	1.06	1.06	10.58
September 30, 2014		0.79	109	6.15	61.48	1.12	1.15	11.26
Year-end 2014		0.82	120	6.14	63.59	1.16	1.23	11.60
September 30, 2015		0.89	120	6.35	66.13	1.34	1.43	14.02
Year-end 2015		0.92	120	6.49	66.20	1.39	1.37	15.39
September 30, 2016		0.89	101	6.67	66.46	1.31	1.30	13.69
Year-end 2016		0.95	116	6.95	67.84	1.35	1.38	13.65
June 30, 2017		0.88	112	6.78	64.55	1.30	1.30	12.95
September 30, 2017		0.85	113	6.66	65.42	1.25	1.28	13.52
Year-end 2017		0.84	113	6.54	63.91	1.26	1.28	12.32
June 30, 2018		0.86	111	6.62	68.44	1.32	1.35	13.73
September 30, 2018		0.86	113	6.88	72.41	1.30	1.38	14.12
Year-end 2018		0.87	110	6.88	69.44	1.36	1.42	14.38
January 31, 2019		0.87	109	6.71	71.05	1.32	1.39	13.54
February 28, 2019		0.88	111	6.68	71.11	1.32	1.40	13.88
March 31, 2019		0.89	111	6.71	69.32	1.33	1.40	14.47
August 30, 2019		0.90	106	7.15	71.69	1.33	1.48	15.34
September 30, 2019		0.91	108	7.12	70.34	1.32	1.48	15.09
Year-end 2019		0.89	109	6.96	71.09	1.30	1.43	13.96
June 30, 2020		0.89	108	7.07	75.22	1.36	1.45	17.32
Difference in %		Euro	Yen	RMB	Rupee	C\$	A\$	SA Rand
year-to-year 2008 / 2009		-3	2	0	-6	-14	-24	-22
year-to-year 2009 / 2010		9	-11	-3	-3	-5	-11	-10
year-to-year 2010 / 2011		3	-6	-4	20	2	0	22
year-to-year 2011 / 2012		-2	12	-1	1	-2	-2	4
year-to-year 2012 / 2013		-4	22	-3	13	7	17	24
year-to-year 2013 / 2014		13	14	0	3	9	9	11
year-to-year 2014 / 2015		12	0	6	4	20	12	33
year-to-year 2015 / 2016		4	-3	7	2	-3	1	-11
year-to-year 2016 / 2017		-12	-3	-6	-6	-7	-7	-10
year-to-year 2017 / 2018		4	-3	5	9	8	11	17
year-to-year 2018 / 2019		2	-1	1	2	-5	1	-3
June 30, 2020 / year-end 2019		0	-1	2	6	5	2	24
► Year-end 2013 to June 30, 2020		23	3	16	22	27	29	65
► Gold price compared to US\$: Year-end 2013 (\$ 1,201.50) to Year-end 2019 (\$ 1,523) : 27 %								
► Gold price compared to US\$: Year-end 2013 (\$ 1,201.50) to May 29, 2020 (\$ 1,728.80) : 44 %								

► Course of US dollar Index (USDIX)

The US dollar Index (USDIX) started in March 1973 and today is a basket of 6 currencies, including **Euros** (57.6%), **Japanese yen** (13.6%), **British pounds** (11.9%), **Canadian dollars** (9.1%), **Swedish crowns** (4.2%) and **Swiss francs** (3.6%).

Since the USDIX went up in 1995 from a long-term resistance level of 80 to a high of 120 in 2001.

At the time the Euro was introduced (January 1, 2001), it dropped to a low of 72 in March 2008, but was then followed by a strong upward correction to \$ 87 well above the historic resistance level.

After a new correction to 74 in early December 2009, from the second half of 2011 into 2012 there was another strong recovery to above the 80 level and reaching a high of 84 in August 2012. Since then, the index moved in a relatively stable range before moving up strongly in the course of the second half of 2014.

In the last week of January 2002 the index reached a high of 121 during the high-tech boom and a low of 71 just prior to the great recession of 2008-2009. Since then, the USD Index has moved up again and has stabilized in a range of 98 in 2019 and reaching a high of around 101 in the first quarter of 2020; current price around 98 again.

Meanwhile, a make-up of the basket is overdue for revision, as China has emerged to the world's second trading partner since it became a member of the World Trade Organization in late 2001.



Course of gold price versus HUI-Index				
	Gold price	Change	HUI index	Change
		in %		in %
2020				
June 30	1768	2	294.76	8
May 29	1729	3	273.33	-1
May 1	1686	5	276.30	49
March 31	1609	0	186.04	-14
February 28	1610	2	215.54	-8
January 31	1584	4	234.63	-3
Year-end 2019	1,523	4	241.94	13
November 29	1,460	-3	214.80	-2
October 31	1,511	2	220.17	8
September 30	1,485	-3	203.27	-11
August 30	1,528	8	228.24	18
June 28	1,409	9	194.12	24
May 31	1,296	1	157.08	2
April 30	1,282	-1	153.76	-10
March 31	1,295	-2	169.95	1
February 28	1,319	0	168.27	-1
January 31	1,323	3	170.39	6
Year-end 2018	1,282	5	160.58	12
2017	1,297	12	192.31	5
2016	1,159	9	182.31	64
2015	1,062	-11	111.18	-32
2014	1,199	0	164.03	-17
2013	1,202	-28	197.70	-55
2012	1,664	6	444.20	-11
2011	1,572	11	498.73	-13
2010	1,410	28	573.32	33
2009	1,104	28	429.91	42
2008	865		302.41	

HUI-Index representing 14 major gold mining companies	
Agnico Eagle Mines	Goldcorp
Alamos Gold	Harmony Gold Mining
AngloGold Ashanti	Kinross Gold
Barrick Gold	New Gold
Compania de Minas Buenaventura	Newmont Goldcorp
Eldorado Gold	Sibanye Stillwater
Gold Fields	Yamana Gold

► **2019 and 2020 record years for major gold producers**

► **Net production margins on all-in sustaining costs at a gold price of \$ 1,700 have more than tripled from \$ 200 to \$ 700 since year-end 2017**

World's top 10 gold producers and reserves

	Market valuation 31/12/2019 (in \$ bln.)	Production		Reserves in million ounces	In years of production	All-in sustaining costs (in ounces)	Net production margins at US\$ 1,600 gold price
		2019	2018				
Newmont Goldcorp	35.6	6.39	5.48	100.2	6.4	975	625
Barrick Gold	32.9	5.27	5.10	71.0	7.4	890	710
Newcrest Mining (30/6)	16.3	2.49	2.35	54.0	21.7	738	862
Polyus	15.1	2.84	2.44	61.0	20.2	594	1006
Agnico Eagle Mines	14.7	1.78	1.63	21.6	12.1	938	662
Zijin Mining *	11.3	1.19	1.18	63.7	NA	NA	NA
AngloGold Ashanti	9.2	3.28	3.40	43.9	13.4	998	602
Polymetal	7.4	1.61	1.56	25.2	15.7	800 - 850	775
Kinross Gold	5.9	2.50	2.48	24.3	9.7	983	617
Evolution Mining (30/6)	4.5	0.75	0.80	7.5	10.0	924	676

* reserves + resources

GOLD production comparison of traditional and emerging countries

Traditional countries (4)				2018	2015	2010				
United States		221.7	216.7	231.3						
Canada		189.0	157.7	102.1						
Australia		314.9	279.2	256.7						
South Africa		129.8	162.0	210.0						
Total traditional countries				855.4	815.6	800.1				
Emerging countries (15)				2018	2015	2010	2018	2015	2010	
Commonwealth of Independent States (3):										
Russian Federation		297.3	255.3	203.1						
Uzbekistan		92.5	86.7	71.0						
Kazakhstan		68.4	51.0	30.3						
Subtotal		458.2	393.0	304.4						
Africa (5) :										
Ghana		130.5	95.4	94.3						
Sudan		76.5	67.8	29.3						
Mali		61.2	49.4	42.7						
Burkina Faso		59.3	53.2	26.9						
Tanzania		47.7	53.2	47.5						
Subtotal		375.2	319.0	240.7						
Asia (3) :										
China		404.1	460.3	351.1						
Indonesia		136.9	113.2	134.6						
Philippines		36.8	40.6	40.8						
Subtotal		577.8	614.1	526.5						
South America (4) :										
Peru		158.4	170.5	184.8						
Brazil		97.1	95.4	71.5						
Argentina		60.0	63.9	63.9						
Chile		36.5	42.5	39.5						
Subtotal		352.0	372.3	359.7						
North America (1) :										
Mexico		115.4	131.6	78.6						
Subtotal		115.4	131.6	78.6						
Total emerging countries				1,878.6	1,830.0	1,509.9				
World production total				3,503.0	3,290.0	2,794.0				
Traditional countries in % world total				24	25	29				
Emerging countries in % world total				54	56	54				

Source: Metals Focus – Gold Focus Report

2019 Gold production by country (in tonnes)			
Traditional countries:		Emerging countries:	
Australia	330	China	420
United States	200	Indonesia	160
Canada	160	Ghana	130
South Africa	90	Peru	130
		Mexico	110
Subtotal	780		
Russian Federation	310		
Total	1,090	Total	950
Global production	3,260	Global production	3,260
Traditional countries, excl. Russian Federation in % global production	21%	Emerging countries in % global production	29%

Market valuation of the world's top 20 listed gold producers

June 30	Trading symbol	Share price June 30 2020	Year-end 2019	Change in %	High 12 month	Low	Shares issued million	Market capitalization local currency (billion)	US\$ billion
► Traditional countries (13):									
Canada (4)		TSX - in Cdn\$						Cdn\$ US\$ billion	
Barrick Gold	1) ABX	36.56	24.12	52	40.14	17.53	1,778.0	65.0	47.5
Agnico-Eagle Mines	AEM	86.93	79.98	9	97.32	43.25	240.3	20.9	15.2
Kirkland Lake Gold (also Australia)	2) KL	55.90	57.24	-2	67.88	25.67	277.2	15.5	11.3
Kinross Gold	K	9.80	6.16	59	10.65	4.00	1,257.6	12.3	9.0
Subtotal								83.0	
USA (2)		NYSE - in US\$						US\$	
Newmont Corp	3) NEM	61.74	43.45	42	69.13	33.00	802.6	49.6	49.6
Novagold Resources (also Canada)	NG	12.01	11.62	3	18.00	6.03	328.6	3.9	3.9
Subtotal								53.5	
Australia (4)		ASX - in A\$						A\$	
Newcrest Mining	NCM	31.53	30.25	4	38.87	20.70	816.1	25.7	17.7
Northern Star Resources	NST	13.36	11.31	18	15.28	8.85	740.2	9.9	6.8
Evolution Mining	EVN	5.67	3.80	49	6.32	3.29	1,700.0	9.6	6.6
Saracen Mineral Holdings	SAR	5.42	3.31	64	5.71	2.81	1,100.0	6.0	4.1
Subtotal								35.2	
South Africa (3)		JSE - in Rand						Rand	
AngloGold Ashanti	4) ANG	50.56	31.65	60	53.35	20.98	416.6	210.6	12.6
Gold Fields	GFI	162.22	95.87	69	166.81	63.97	883.3	143.3	8.6
NYSE - in US\$		US\$						US\$	
Sibanye Stillwater	5) SBSW	8.65	9.93	-13	13.27	3.50	669.0	5.8	5.8
Subtotal								27.0	
Subtotal traditional countries								198.7	
1) on <u>January 2, 2019</u> \$ 6 billion takeover of <u>Randgold Resources</u>									
2) to acquire <u>Detour Gold</u> in \$ 4.9 billion deal; Detour Gold to be delisted on February 3, 2020									
3) on <u>April 18, 2019</u> , \$ 10 billion acquisition of <u>Goldcorp</u> concluded									
4) completed sale of <u>South African assets</u> to <u>Harmony Gold</u> (now <u>Barrick Gold</u>) for an amount of US\$ 300 million in February 2020									
5) largest individual producer of gold from South Africa; and among the world's top 10 gold producers; globally the third largest producer of palladium and platinum									
► Emerging countries (7) :									
Russia (2)		OTC US in US\$						US\$ US\$ billion	
Polyus Gold International	1) OPYGY:US	89.13	56.60	57	94.50	43.41	268.5	23.9	23.9
LSE - in £		£						£	
Polymetal International	2) POLY:LN	1.00	1.20	-16	1.76	0.94	470.2	4.7	5.8
Subtotal								29.7	
China (1)		Hong Kong / Shanghai - in HK\$						HK\$	
Zijin Mining	3) 2899 / 601899	3.54	3.88	-9	4.19	2.30	25,380.0	89.8	11.6
Mongolia (1)		TSX - in C\$						C\$	
Centerra Gold (also Kyrgyzstan)	CG	15.15	10.33	47	15.35	5.52	293.9	4.5	3.3
Mexico (1)		TSX - in C\$						C\$	
Alamos Gold	AGI	12.66	6.02	110	12.94	4.43	391.3	5.0	3.6
Brasil (1)		TSX - in Cdn\$						C\$	
Yamana Gold	YRI	7.38	5.14	44	7.85	3.11	951.6	7.0	5.1
Nicaragua (1)		NYSE - in US\$						US\$	
B2Gold	BTG	5.69	4.01	42	5.75	2.16	1,040.0	5.9	5.9
Subtotal Emerging countries								59.2	
Subtotal Traditional countries								198.7	
Subtotal Emerging countries								59.2	
Total								257.9	

1) combination of KazakhGold with Polyus Gold

2) also producing gold mine in Kazakhstan

3) integrated mining company; 1,729 billion domestic A-shares + 5.74 billion H-shares; announced on December 2, 2019 to acquire Continental Gold for a total equity value of C\$ 1.4 billion in cash

source: Goldletter International

Market valuation of the world's listed gold companies (\$ 500 million plus)

June 30, 2020	Trading symbol	Share price		Change in %	High 12 month	Low	Shares issued	Market capitalization	
		June 30 2020	year-end 2019					local currency (billion)	US\$ billion
► Traditional countries (7) :									
Canada (4)								TSX - in C\$	
Equinox Gold	1) EQX	15.25	9.99	53	15.50	5.81	238.1	3.6	2.7
IAM Gold	IMG	5.00	4.85	3	5.56	2.00	471.0	2.4	1.7
Pretivm Resources	PVG	11.13	11.13	0	18.30	6.25	185.5	2.1	1.5
Osisko Mining	OSK	3.63	4.05	-10	4.24	1.67	339.6	1.2	0.9
								6.8	
United States (1)								C\$	
SSR Mining	2) SSRM	27.96	24.99	12	31.30	12.12	123.3	3.4	2.5
Australia (2)								ASX - in A\$	
Regis Resources	RRL	5.22	4.34	20	6.72	2.90	508.2	2.7	1.8
St. Barbara	3) SBM	3.15	2.72	16	4.06	1.62	703.1	2.2	1.5
								3.3	
Subtotal								12.6	
► Emerging countries (6):									
Turkey (1)								ASX - in A\$	
Alacer Gold	4) AQG	9.59	6.90	39	10.99	4.20	294.8	2.8	1.9
TSX - in C\$								C\$	
Eldorado Gold	5) ELD	13.08	10.43	25	14.99	6.29	167.3	2.2	1.6
Mexico (1)								TSX - in C\$	
Torex Gold	TXG	20.63	20.52	1	22.46	8.79	85.5	1.8	1.3
Peru (1)								NYSE - in US\$	
Minas Buenaventura	BVN	9.14	15.10	-39	17.85	5.12	274.9	2.5	2.5
West Africa (1)								TSX - in C\$	
Endeavour Mining	6) EDV	32.16	24.53	31	33.73	15.69	111.0	3.6	2.6
Burkina Faso (1)								TSX - in C\$	
Teranga Gold	TGZ	11.98	7.02	71	12.57	3.86	167.5	2.0	1.5
Subtotal								11.4	
Total valuation in US\$ billion								24.0	

1) On January 28, 2020, Equinox Gold and Leagold Mining shareholders approve merger; also production in Brazil- Leagold focused on Mexico and Brazil

2) also gold production in Argentina

3) acquisition of Atlantic Gold by St. Barbara for C\$ 802 million, completed in July 2019

4) on May 11, 2020 SSR Mining and Alacer Gold announced to merge in all-share deal valuing SSR Mining at US\$ 4 billion; Alacer 'valued at \$ 8.19 per share

5) also gold producer in Greece and China

6) operating four West African mines in Côte d'Ivoire, Mali, Burkina Faso and Ghana

source: Goldletter International

2020 SHORTLIST OF GOLD INVESTMENT RECOMMENDATIONS

as at June 30, 2020

Company	Trading symbol		Share price		Change in %		Market capitalization	
			June 30 2020	Year-end 2019	local	US\$	June 30 2020	Year-end 2019
U.S. (1)			US\$	US\$			US\$ billion	US\$ billion
Newmont Corp.	NEM	NYSE	61.36	43.45	41.2	41.2	49.2	35.6
Canada (6)			C\$	C\$				
Barrick Gold	ABX	TSX	36.56	24.12	51.6	49.0	47.5	32.9
Agnico Eagle Mines	AEM	TSX	86.93	79.98	8.7	8.3	15.2	14.7
							US\$ million	US\$ million
Pure Gold Mining	PGM	TSX V	1.70	0.72	*	136.1	129.3	477.1
GT Gold	GTT	TSX	2.04	1.00	*	104.0	98.8	183.9
Skeena Resources	SKE	TSX V	1.94	0.65	*	198.5	188.5	233.6
Rubicon Minerals	RMX	TSX	1.85	0.78	*	137.2	130.3	129.6
							US\$ billion	US\$ billion
China (1)			HK\$	HK\$				
Zijin Mining	2899/601899	HK	3.54	3.88	-8.8	-8.9	11.6	11.3
Australia (1)			A\$	A\$				
Northern Star Resources	NST	ASX	13.36	11.31	18.1	17.8	6.8	5.8
Turkey (1)			A\$	A\$				
Alacer Gold	AQG	ASX	9.59	6.90	39.0	38.2	1.9	1.4
Burkina Faso (1)			C\$	C\$			US\$ million	US\$ million
Roxgold	ROXG	TSX	1.53	1.04	47.1	44.8	416.5	295.7
Guyana (2)			C\$	C\$				
Gold X Mining	GLDX	TSX V	4.14	2.07	**	100.0	95.0	114.4
Reunion Gold	GYA	TSX V	0.08	0.08	***	0.0	0.0	37.2
Suriname (1)								
12 Exploration	TWLV	CSE	0.22	0.20	****	10.0	9.5	11.9

* included as at April 3, 2020

*** included as at July 1, 2020

** included as at May 1, 2020

**** included as at June 16, 2020

Market performance 2020 as at June 30 70.2%

Market performance 2019 (US\$) 41.0%

Market performance 2018 (US\$) : -7.4%

Market performance 2017 (US\$): 13.2%

Market performance 2016 (US\$): 88.7%

	June 30 2020	year-end 2019	Change %	year-end 2018	Change % 2018 / 2019	year-end 2017
Gold price	1,768	1,523	16	1,282	19	1297
HUI-Index	294.76	241.94	22	160.58	51	192.31

CALENDAR OF MINING EVENTS



Uraniumletter INTERNATIONAL

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Media Partners 2020

We will regularly check on any future postponements

September	9 – 11	World Nuclear Symposium – London POSTPONED - to become online event
September	28 – 30	ARAB & AFRICAN MINING – London – virtual event
October	6 – 8	MINEX Russia - Moscow, Russia
October	7 – 9	DRC Mining Week – Lubumbashi – Democratic Republic Congo
October	27 – 29	IMARC Intern. Mining and Resource Conference – Melbourne, Australia
November	10 – 12	MINEX Kazakhstan – Nur Sultan, Kazakhstan
November	16 – 17	Mining Peru 2020 – Lima, Peru
November	17 – 18	The Mining Show – Dubai - virtual event
November	24 – 25	BME Mining Investment Botswana – Gaborone, Botswana
November	25 – 26	2 nd Lithium Latin America Congress – Buenos Aires, Argentina
November	30	MINEX Eurasia – London

EVENTS 2021

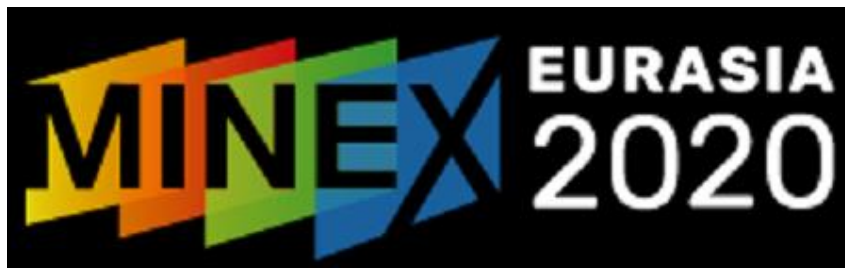
March	7 – 10	PDAC Convention – Toronto, Canada
June	2 – 4	WAMPEX 2021 - Accra, Ghana





The
MINING
Show





CALENDAR OF MINING EVENTS 2021



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