

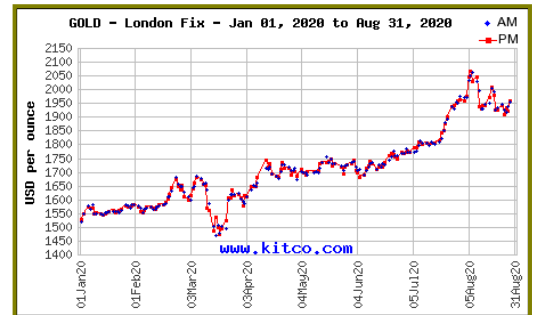
Goldletter INTERNATIONAL

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

Overviews as at August 31, 2020



Marino G. Pieterse, publisher and editor



► **Gold struggles to maintain strategic price level above \$ 2,000 despite pressure on dollar**

Gold price (in US\$)		
		Difference in %
August 31	1,957.35	0
July 31	1,964.90	
Low (17/3)	1,472.35	
High (6/8)	2,067.15	40

HUI-Index (in US\$)		
		Difference in %
August 31	351.90	0
July 31	350.70	
Low (1/4)	184.07	
High(6/8)	373.85	103

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

	August 31 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	1,957	1,523	29	1,282	19	1,297	1,159	12	1,062	9	1,199	1,202	1,664
Silver	27.35	18.05	52	15.46	17	16.87	16.24	4	13.82	18	15.97	19.50	29.95
Palladium	2,176	1,920	13	1,263	52	1,057	670	58	547	22	798	711	705
Platinum	930	971	-4	794	22	925	898	3	872	3	1,210	1,358	1,533
Copper	6,728	6,156	9	5,965	3	7,157	5,501	30	4,702	17	6,359	7,395	7,915
Lead	1,977	1,924	3	2,009	-4	2,495	1,985	26	1,802	10	1,853	2,206	2,035
Nickel	15,414	14,000	10	10,595	32	12,260	10,010	22	8,665	16	14,935	13,970	17,085
Zinc	2,530	2,293	10	2,511	-9	3,309	2,563	29	1,600	60	2,167	2,086	2,035
Brent oil	45.28	66.00	-31	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 (July 24)	31.15	25.00	25	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	36.00	32.50	11	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 down 6% at 2,076 tonnes in first half of 2020

Despite inflow into **gold ETFs** accelerated in Q2 2020, taking **H1 inflows to a record breaking 734 tonnes**, which lifted global holdings to 3,621 tonnes total, **H1 gold demand** was down 6% at **2,076 tonnes**, with consumer demand hurt by COVID-19.

The global response to the pandemic by central banks and governments in the form of rate cuts and massive liquidity injections, fuelled the record flows of 734 tonnes into gold-backed ETFs. These flows helped lift the gold price, which gained 17% in US dollar terms over the first half of 2020, hitting record highs in many other currencies and in **Q3** continued by passing on August 4, 2020 the strategic barrier of US\$ 2,000 as a new historic all-time high.

H1 jewellery demand almost halved to **572 tonnes** amid the global disruption caused by COVID-19. The impact of the pandemic was unspinning and **Q2 demand fell to an unprecedented 251.5 tonnes**

China – the earliest market to emerge from lockdown – was alone in witnessing a quarter-to-quarter recovery from extreme Q1 witness. **Q2 jewellery demand** was down 33% year-on-year at **90.9 tonnes**, equal to 35% of world total. This took **H1** to **152.2 tonnes** – a 52% decline year-on-year and its lowest level since H1 2017, due to COVID-19 lasting impact on consumer wallets.

The **RMB gold price** increased by more than 9% during Q2, reaching a historic high of RMB 403/g in May.

India's jewellery demand collapsed 74% year-on-year in **Q2** from 186.6 tonnes to **44.0 tonnes**, equal to 17% of world total due to a nationwide lockdown, lost festival demand and the high gold price. **Hi demand** was down 60% to an all-time low of **117.8 tonnes**.

Investment in **gold bars and coins** slowed sharply in H1 2020, down 17% to **396.1 tonnes** – an annual low. Steep declines in demand across Asia outstripped growth in the West as investor reactions to the pandemic diversified across the globe.

Gold used in **technology** fell to **140 tonnes** in H1, as end-user demand for electronics collapsed.

Central Bank demand reached **233.4 tonnes** of gold in **H1**, 39% below 2019's record level of 385.7 tonnes. Buying has become more concentrated, with fewer banks adding to reserves so far in 2020.

► Supply of gold down 6% to 2,192 tonnes in H1

Total supply fell 15% year-on-year to **1,034.4 tonnes** in **Q2**, led by a 10% drop in **mine production** to **778.8 tonnes** as many operations remained suspended due to lockdown.

H1 mine production fell 5% to **1,604 tonnes** – the lowest first half level since 2014 – while **recycling** saw a similar year-on-year decline to **590 tonnes**.

It is estimated by the **World Gold Council** that gold miners **hedged** a total of **18.3 tonnes** in **H1** on a net basis. The US dollar gold price rose by 10% during the second quarter, climbing to levels not seen since Q3 2012 and the rise was even significantly greater in some currencies – notably major mining countries **Australia** and **Canada** – where the local gold prices hit another record high.

Revised data show that the most notable hedges during **Q1** occurred in **Australia** where several miners extended their US dollar hedge books.

Initial estimates for **Q2** show **28 tonnes** of net hedging, compared to **dehedging of 10 tonnes** in **Q1**.

► Gold outlook second half of 2020

According to my expectation, **H1 gold demand** was down 6% at **2,076 tonnes** despite record inflows into gold-backed ETFs as a result of consumer demand hit by COVID-19.

H1 jewellery demand almost halved to 572 tonnes and total **bar and coin investment** weakened sharply in **Q2**, leading to a 17% year-on-year decline in **H1 demand** to **396.7 tonnes**.

Central Banks bought **233 tonnes** of gold during **H1**, 39% below 2019's record level. Buying has become more concentrated, with fewer banks adding to reserves so far in 2020.

As already said in my June overview, I expect particularly major emerging industrial countries, including **China**, **Russia** and **Turkey**, to halt extending their gold reserves and to focus their financial strategy in particular on feeding future economic growth.

With the expected introduction of a Chinese cryptocurrency by the end of this year as a new monetary instrument at the expense of gold and to be lesser dependent from the dollar, in my view, this will put the gold price under pressure.

Also, a post-Corona pandemic economic recovery, leading to positive interest rates, would be negative news for gold and contribute to relative strong corrections of the gold price to a level of \$ 1,700 – 1,800.

Referring to my **Gold Outlook** for the second half of 2020 in my Overviews as at July 31, sooner than expected by me, the gold price was hit by a correction of \$ 156 from a high of \$ 2,067 on August 6 to a low of \$ 1,911 on August 25, but followed by a recovery to \$ 1.957, as a result of a renewed pressure on the dollar against the euro.

However, expecting the dollar to recover due to economic and financial tensions in the European Union, in conjunction with growing nationalism in Eastern Europe, this ultimately will lead to a break up of the EU in its current bureaucratic structure.

Course gold price compared to silver				During financial crisis 2008 - 2009						
		GOLD	SILVER	gold/silver ratio			GOLD	SILVER	gold/silver ratio	
2020	August 28	1,957	27.35	71.6	2007	Year-end	837	14.76	56	
	August 5 (H)	2,048	26.95	76.0	2008	June 30	933	14.76	63	
	July 31	1,965	24.07	81.6	2008	September 11	*	741	10.66	70
	May 29	1,729	17.59	98.3	2008	October 24	**	693	8.88	78
	March 31	1,609	13.93	115.5	2008	Year-end	865	10.79	71	
	March 19 (L)		12.01		2009	June 30	941	13.94	67	
	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						

* default Lehman Brothers

** Low for 2008

► **Chinese** cryptocurrency will affect gold as a monetary instrument

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.

While **Facebook's Libra cryptocurrency** is 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, Mr. Zuckerberg, Facebook's CEO, warned the US Congress that if the Company's Libra project was blocked, it could lead to China overtaking the U.S. in financial innovation and global influence.

China's plan was not to create a new currency such as bitcoin or Facebook's Libra project, but partially digitize the country's monetary base. The currency will not replace other parts of the money supply – such as deposits held in bank accounts and balances held by payment apps, such as WeChat and Alipay.

Retail bankers and fintech companies will continue to manage customer deposits in the same way, but the new digital currency could provide a neater way for banks to settle payments with each other, rather than through the existing clearing system.

Already in a speech in August 2019 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, because of the currency compensation of official foreign exchange reserves (COFER) being dominated by the US dollar holding of US\$ 26,341 billion or 57.4% of a total of the latest available calculation of US\$ 45,927 billion compared to US\$ 735 billion or 17% of the Chinese Renminbi.

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 5G-artificial intelligence revolution.

► Hardly any attention is paid to the strong rebound of the bitcoin price from a low of € 2,929 in January 2019 to a high of € 11,766.75 on August 2, 2020; thereby showing a gain of 59% in 2020 to date, compared to gold having gone up by 29% in 2020 to date.

GOLD not always a safe haven in times of financial turbulence

During period of :

▶ Corona Pandemic + escalation trade war	in US\$	Change in %
August 31, 2020	1,957.35	-5
August 6, 2020 (H)	2,067.15	5
July 31, 2020	1,974.70	12
June 30, 2020	1,768.10	20
March 17, 2020 (L)	1,472.35	

▶ 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
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▶ 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 %
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▶ 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

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)
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)
June 30, 2020	1,768.10	+20	(2½ months)
August 6, 2020 (H)	2,067.15	+17	(5 weeks)
August 31, 2020	1,957.35	-5	(3½ weeks)

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 <i>2017 high</i>	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 <i>2017 low</i>	1,350.90 <i>2017 high</i>
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 <i>2018 high</i>
February 16, 2018	1.25 <i>2018 low</i>	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 <i>2018 low</i>
September 26, 2018	22) 1.17	1,185.40
November 12, 2018	1.12 <i>2018 high</i>	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 <i>2019 low</i>	1,291.90
April 25, 2019	1.11	1,280.80
May 3, 2019	1.11	1,270.05 <i>2019 low</i>
July 31, 2019	24) 1.11	1,427.55
September 4, 2019	25) 1.10	1,546.10 <i>2019 high</i>
September 30, 2019	1.09 <i>2019 high</i>	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 <i>2020 low</i>
May 29, 2020	1.11 <i>(2020 high)</i>	1,728.80
June 24, 2020	1.12	1,775.70 <i>2020 high</i>
June 30, 2020	1.12	1,768.10
July 31, 2020	1.18	1,964.90
August 31, 2020	1.19 (2020 low)	1,957.35

- 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
August 31, 2020		0.84	105	6.86	72.96	1.31	1.36	16.58
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
August 31, 2020 / year-end 2019		-6	-3	-1	3	1	-5	19
► Year-end 2013 to August 31, 2020		16	0	12	18	22	21	58
► 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 August 31, 2020 (\$ 1,957.35) : 63 %								

► Course of US dollar Index (USDIX)

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

Since then, the dollar came under strong pressure due to the lowest than expected recovery of the US economy compared to the Eurozone economy, due to a significant bigger impact of the Corona pandemic in the last few weeks.

As a result, the dollar declined from 1.11 on June 1 to 1.19 on August 5, similar to 7%, which is responsible for a decline of the USDIX index to a current level around 92.

Actually, 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.



World official gold holdings

(IMF Statistics as at August 2020)

Major Western countries			
<i>June 2020</i>	Gold reserves in tonnes	Gold as % total foreign reserves	Total monetary reserves in US\$ billion <i>(gold price of US\$ 1,768.1)</i>
United States	8,133.5	79.0	585
Germany	3,363.6	75.6	253
Italy	2,451.8	71.3	195
France	2,436.0	65.5	211
Switzerland	1,040.0	6.5	910
Netherlands	612.5	71.4	49
Portugal	382.5	77.7	28
United Kingdom	310.3	10.2	173
Spain	281.6	20.8	77
Austria	280.0	58.4	27
Total	19,291.8		2,508
Euro Area (incl. ECB)	10,773.2	60.5	1,012
Total world	35,017.8		
Major Western countries in % world total	55.1		

Strategic Emerging countries			
Russian Federation	2,299.9	23.0	568
China	1,948.3	3.4	3,257
India	657.7	7.5	499
Turkey	583.0	37.9	87
Kazakhstan	378.5	65.5	33
Uzbekistan	342.8	60.0	32
Poland	228.7	10.1	129
Total	6,438.9		5,009
Total world	35,017.8		
Strategic Emerging countries in % world total	18		

Course of gold price versus HUI-Index

	Gold price	Change in %	HUI index	Change in %
2020				
August 31	1957	0	351.90	0
July 31	1965	11	350.70	19
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

► **2020 new historic record year for major gold producers**

► **Net production margins on all-in sustaining costs at a gold price of \$ 2,000 have five-folded from \$ 200 at year-end 2017 to above \$ 1,000 since year-end 2017**

World's top 10 gold producers and reserves

	Market valuation (in \$ bln.)		Production		Reserves in million ounces	In years of production	All-in sustaining costs (in ounces)	Net production margins at US\$ 2,000 gold price
	31/8/2020	31/12/2019	2019	2018				
Newmont Goldcorp	54.0	35.6	6.39	5.48	100.2	6.4	975	1,025
Barrick Gold	51.5	32.9	5.27	5.10	71.0	7.4	890	1,110
Polyus	31.7	15.1	2.84	2.44	61.0	20.2	594	1,406
Newcrest Mining (30/6)	18.8	16.3	2.49	2.35	54.0	21.7	738	1,262
Agnico Eagle Mines	19.5	14.7	1.78	1.63	21.6	12.1	938	1,162
Zijin Mining *	17.5	11.3	1.19	1.18	63.7	NA	NA	NA
Polymetal	12.6	7.4	1.61	1.56	25.2	15.7	800 - 850	1,175
AngloGold Ashanti	12.3	9.2	3.28	3.40	43.9	13.4	998	1,002
Kinross Gold	10.9	5.9	2.50	2.48	24.3	9.7	983	1,017
Evolution Mining (30/6)	6.8	4.5	0.75	0.80	7.5	10.0	924	1,076

* reserves + resources

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

August 31, 2020		Share price		Change in %	High 12 month	Low	Shares issued million	Market capitalization		
Trading symbol	Aug. 31 2020	Year-end 2019	local currency					US\$ billion		
► Traditional countries (13):										
Canada (4)		TSX - in Cdn\$						Cdn\$	US\$ billion	
Barrick Gold	1) ABX	38.64	24.12	60	41.10	17.53	1,778.0	68.7	52.2	
Agnico-Eagle Mines	AEM	107.54	79.98	34	112.38	43.25	241.6	26.0	19.7	
Kirkland Lake Gold (also Australia)	2) KL	69.50	57.24	21	76.44	25.67	275.9	19.2	14.6	
Kinross Gold	K	11.58	6.16	88	13.50	4.00	1,258.0	14.6	11.1	
Subtotal									97.6	
USA (2)		NYSE - in US\$						US\$		
Newmont Corp	3) NEM	67.28	43.45	55	72.23	33.00	803.1	54.0	54.0	
Novagold Resources (also Canada)	NG	13.85	11.62	19	18.00	6.41	329.6	4.6	4.6	
Subtotal									58.6	
Australia (4)		ASX - in A\$						A\$		
Newcrest Mining	NCM	31.96	30.25	6	38.28	20.70	816.1	26.1	19.3	
Northern Star Resources	NST	13.65	11.31	21	16.77	8.85	740.8	10.1	7.5	
Evolution Mining	EVN	5.55	3.80	46	6.59	3.29	1,710.0	9.5	7.0	
Saracen Mineral Holdings	SAR	5.22	3.31	58	6.75	2.81	1,110.0	5.8	4.3	
Subtotal									38.1	
South Africa (3)		NYSE - in US\$						US\$		
AngloGold Ashanti	4) AULGF	29.51	22.34	32	38.94	15.44	416.8	12.3	12.3	
Gold Fields	GFIOf	13.03	6.60	97	15.00	4.09	883.3	11.5	11.5	
Sibanye Stillwater	5) SBSW	12.31	9.93	24	13.06	3.50	668.8	8.2	8.2	
Subtotal									32.0	
Subtotal traditional countries									226.3	
<p>1) on <u>January 2, 2019</u> \$ 6 billion takeover of <u>Randgold Resources</u></p> <p>2) to acquire <u>Detour Gold</u> in \$ 4.9 billion deal; Detour Gold to be delisted on February 3, 2020</p> <p>3) on <u>April 18, 2019</u>, \$ 10 billion acquisition of <u>Goldcorp</u> concluded</p> <p>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</p> <p>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</p>										
► Emerging countries (8) :										
Russia (2)		OTC US in US\$						US\$	US\$ billion	
Polyus Gold International	1) OPYGY:US	118.00	56.60	108	128.00	43.41	268.5	31.7	31.7	
		LSE - in £						£		
Polymetal International	2) POLY:LN	2.06	1.20	72	2.05	1.04	470.2	9.7	12.6	
Subtotal									44.3	
China (1)		Hong Kong / Shanghai - in HK\$						HK\$		
Zijin Mining	3) 2899 / 601899	5.29	3.88	36	5.69	2.30	25,380.0	134.3	17.5	
Mexico (2)		TSX - in C\$						C\$		
Alamos Gold	AGI	13.65	6.02	127	15.53	4.43	399.6	5.5	4.1	
Brasil (1)		TSX - in Cdn\$						C\$		
Yamana Gold	YRI	8.08	5.14	57	9.29	3.11	951.6	7.7	5.8	
Nicaragua (1)		NYSE - in US\$						US\$		
B2Gold	BTG	6.74	4.01	68	7.56	2.17	1,045.3	7.0	7.0	
West Africa (1)		TSX - in C\$						C\$		
Endeavour Mining	4) EDV	36.16	24.53	47	38.98	15.69	163.1	5.9	4.5	
Subtotal Emerging countries									83.2	
Subtotal Traditional countries									226.3	
Subtotal Emerging countries									83.2	
Total									309.5	

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

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

source: Goldletter International

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

August 31, 2020	Trading symbol	Share price Aug. 31 2020	Share price year-end 2019	Change in %	High 12 month	Low	Shares issued	Market capitalization local currency (billion)	US\$ billion
► Traditional countries (7) :									
Canada (4)								C\$	
Equinox Gold	1) EQX	17.05	9.99	71	17.99	6.60	241.1	4.1	3.1
Pretivm Resources	PVG	16.75	11.13	50	18.30	6.25	186.7	3.1	2.4
IAM GOLD	IMG	5.61	4.85	16	7.08	2.00	473.8	2.7	2.0
Osisko Mining	OSK	3.98	4.05	-2	4.85	1.67	340.7	1.4	1.0
								8.5	
United States (1)								C\$	
SSR Mining	2) SSRM	27.98	24.99	12	33.69	12.12	123.3	3.4	2.6
Australia (2)								A\$	
Regis Resources	RRL	5.28	4.34	22	6.18	2.90	508.4	2.7	2.0
St. Barbara	3) SBM	3.45	2.72	27	3.98	1.62	703.5	2.4	1.8
								3.8	
Subtotal								14.9	
1) On January 28, 2020, <u>Equinox Gold</u> and <u>Leagold Mining</u> shareholders approve merger; also production in Brazil- Leagold focused on <u>Mexico</u> and <u>Brazil</u>									
2) also gold production in Argentina									
3) acquisition of Atlantic Gold by St. Barbara for C\$ 802 million, completed in July 2019									
► Emerging countries (7):									
Turkey (2)								A\$	
Alacer Gold	4) AQG	9.15	6.90	33	11.40	4.20	294.8	2.7	2.0
Eldorado Gold								C\$	
Eldorado Gold	5) ELD	14.90	10.43	43	17.46	6.29	174.1	2.6	2.0
Mongolia (1)								C\$	
Centerra Gold (also Kyrgyzstan)	CG	16.99	10.33	64	19.60	5.52	294.5	5.0	3.8
Mexico (2)								C\$	
Alamos Gold	AGI	13.65	6.02	127	15.53	4.43	399.6	5.5	4.1
Torex Gold	TXG	20.14	20.52	-2	25.53	8.79	85.5	1.7	1.3
Peru (1)								US\$	
Minas Buenaventura	BVN	14.08	15.10	-7	15.94	5.12	274.9	3.9	3.9
Burkina Faso (1)								C\$	
Teranga Gold	TGZ	15.18	7.02	116	16.80	3.86	167.6	2.5	1.9
Subtotal								19.0	
Total valuation in US\$ billion								33.9	

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

CALENDAR OF MINING EVENTS



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We will regularly check on any future postponements

September	9 – 11	World Nuclear Strategic eForum – London	online event
October	6 – 8	MINEX Russia - Moscow, Russia	
October	20 – 21	The Mining Show – Dubai	online event
November	2 – 3	ARAB & AFRICAN MINING – London	online event
November	4 – 6	Mining Peru 2020 – Lima, Peru	online event
November	10 – 12	MINEX Kazakhstan – Nur Sultan, Kazakhstan	
November	24 – 27	IMARC Intern. Mining and Resource Conference – Melbourne	online 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	

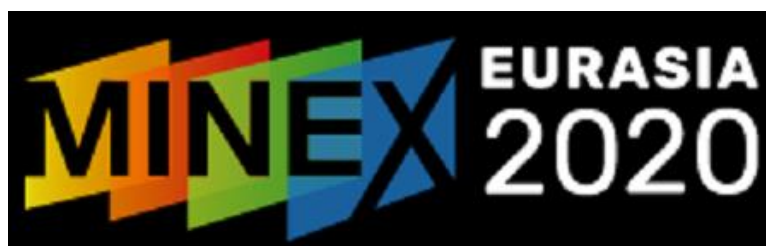
CALENDAR OF MINING EVENTS 2021

Media Partners 2021

February	1 – 4	African Mining Indaba – Capetown, South Africa	
March	7 – 10	PDAC Convention - Toronto, Canada	
June	2 – 4	WAMPEX 2021 – Accra, Ghana	
June	15 – 17	DRC Mining Week – Lubumbashi, DRC	
September	8 – 10	World Nuclear Symposium - London	
October	26 – 28	IMARC Intern. Mining and Resources Conference – Melbourne, Australia	



Rescheduled to online event November 24 - 27, 2020



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