EMEA Metals & Mining

Gold: Range-bound resilience until rates pivot unlocks sustainable upside; Stay OW EMEA Gold Miners

European Metals, Mining & Steel

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JPM Commodities Research (led by Greg Shearer) have published their latest view on precious metals (link). Despite the continued rise in long-end US yields, our colleagues note that gold has been resilient, falling ~5% over the last two weeks to ~$4,150/oz even as US 10yr real yields have added over 50bp since Jackson Hole. They attribute this to: 1) a much shallower inverse beta to real yields, with gold now losing about $4.5/oz per 1bp move higher versus roughly $17/oz from March through July; 2) persistent ETF inflows; and 3) recovering Chinese onshore demand, with Shanghai premiums back in a $10-20/oz range. While gold could test $4,000/oz in the near term, they expect that floor to hold, supported by structural dip buyers, particularly out of China via investor demand or increased PBoC official purchasing. The team retain a long-term bullish outlook and see a recovery in 2027 as structural central bank and physical buying re-emerges, compounded by an eventually less hawkish Fed than is currently priced into the market through 2027.

Within EMEA gold miners, we see compelling value across our coverage: our top picks remain **AngloGold (OW)** and **Fresnillo (OW)**. Fresnillo has de-rated ~20% to ~6x spot EV/EBITDA, despite an improving gold growth pipeline and potential for strong cash returns with FY'26 results (link). AngloGold recently held its Nevada site visit to showcase its Arthur and North Bullfrog projects, which could contribute >500koz pa production in the next decade on 25 Sept (Postcard from Nevada). Please see our inaugural Global Gold Miners dashboard here.

Figure 1: EMEA Gold Miners valuations at spot precious metals prices

	Recc.	PT vs. Price	PT £/shr	Price £/shr	M.Cap $m	PER 2026E	PER 2027E	PER 2028E	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E	FCF yield 2026E	FCF yield 2027E	FCF yield 2028E	Dividend yield 2026E	Dividend yield 2027E	Dividend yield 2028E	Net Debt / EBITDA 2026E	Net Debt / EBITDA 2027E	Net Debt / EBITDA 2028E
Fresnillo	OW	75%	47.00	26.80	26,098	11.2x	10.9x	10.2x	6.1x	6.0x	5.3x	8.2%	8.7%	9.4%	4.3%	4.6%	4.9%	-0.6x	-0.9x	-1.1x
Hochschild	OW	58%	8.40	5.32	3,617	8.0x	9.1x	6.1x	4.1x	3.8x	2.8x	5.8%	3.5%	8.6%	2.6%	1.3%	2.6%	-0.1x	-0.2x	-0.3x
Endeavour	OW	20%	51.00	42.44	13,553	11.0x	9.3x	8.7x	4.3x	3.6x	3.3x	9.5%	10.1%	10.9%	3.2%	4.4%	5.9%	-0.2x	-0.4x	-0.5x
AngloGold	OW	49%	$140.00	$94.20	47,472	11.7x	10.9x	9.4x	5.8x	5.6x	4.8x	7.7%	8.0%	10.3%	3.3%	3.4%	4.4%	-0.1x	-0.3x	-0.6x
Gold Fields	NR	NR	NR	$35.79	31,843	9.2x	9.6x	9.2x	4.2x	3.9x	3.6x	12.8%	10.4%	10.5%	4.9%	4.7%	5.1%	0.0x	-0.3x	-0.5x

Source: J.P. Morgan estimates. Priced intraday as at 2nd Oct'26.

We provide excerpts from our JPM Commodities Research team's note below (link):

- **Gold has slumped but hasn't cracked amid the continued march higher in long-end US yields.**
- **While gold has re-correlated with US real yields since Jackson Hole, it's done so at a much shallower inverse beta as ETF inflows have remained remarkably sticky.**
- **Gold still remains vulnerable to a test of support around $4,000/oz once again in the near-term. While there is risk of a bearish overextension, we expect more structural dip buyers to hold the floor.**
- **Closer to year-end, we expect gold's bullish window to begin to open. The JPM economic base case ultimately calls for a Fed under-delivering on hikes vs current market expectations, setting up the pivot point towards a $5,000/oz rebound next year.**
- **When gold turns, platinum is our second preferred precious metals pick.**
- **While platinum's S&D balance has loosened with ETF outflows also contributing to additional supply entering the market, it still looks pretty**

See page 5 for analyst certification and important disclosures, including non-US analyst disclosures.

finely balanced over the next year.

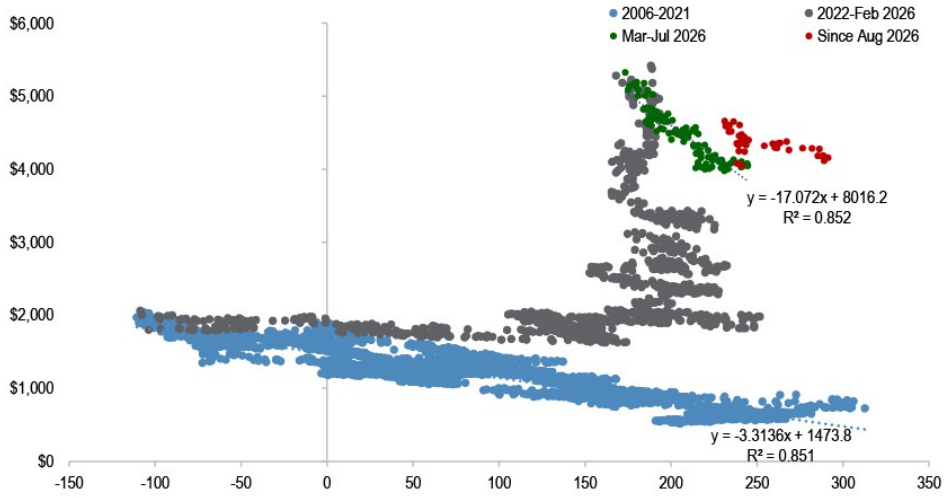
- **In our view, this means that a shift back towards stronger investment demand has the potential to bullishly skew the fundamental impulse in platinum, driving a recovery back towards $1,950/oz by the end of 2027.**

Gold stumbles but remains remarkably resilient

Gold has slumped but hasn't cracked amid the continued march higher in long-end yields. Since flagging our tactically cautious view on gold heading into the September FOMC meeting, gold prices have sagged by around 5% over the last two weeks, slumping back to ~$4,150/oz. Yet, in the context of another +20bp being added to US 10 yr real yields since the rate hike, bringing the cumulative increase since Jackson Hole to over 50 bps, gold's price performance has remained extremely resilient. In effect, while gold has re-correlated with real yields since Jackson Hole, it's done so at a much shallower inverse beta (Figure 1). Whereas gold lost about $17/oz for every one basis point climb in US 10 yr real yields from March through July, since Jackson Hole triggered this next broader leg higher in long-end yields, gold has only lost about $4.5/oz for the same 1 bp move higher in yields.

Figure 2: price vs US 10yr real yield level, daily

X-axis: US 10yr real yield level (bp); y-axis: Gold price (US$/oz)



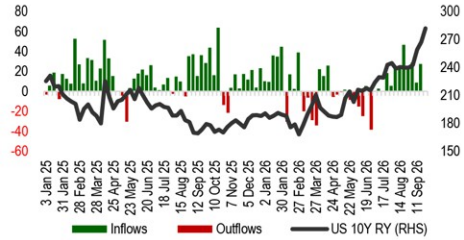
Source: Bloomberg Finance L.P., J.P. Morgan Commodities Research

Why so sticky? Gold is no stranger to shifting relationships with yields, case in point: 2022-2025. But why now given the intensity of the march higher in yields in the last month? A few things might be at play. One contributing factor for sure has been the remarkable stickiness of recent ETF inflows. In early August, ETF inflows were driven by re-emerging debasement concerns, yet even as this theme dropped off post Jackson Hole, that length has stayed in and continued to grow. In September, as rates were moving higher and gold prices were reversing off the late August highs, global gold ETFs continued to add ounces over the first three weeks of the month and only eventually saw a very modest outflow last week. This stickiness/ persistence in ETF demand over the last month is a break from earlier this year when we saw much more rate-reflexive ETF flows (Figure 2).

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Figure 3: Weekly global gold ETF flows and US 10 year real yields

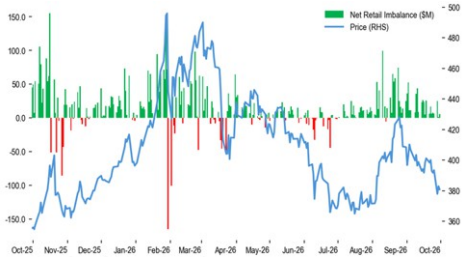
LHS: Tonnes; RHS: Bps



Source: World Gold Council, Bloomberg Finance L.P.

Figure 4: Cumulative Retail Imbalance in GLD

As of Sep 30

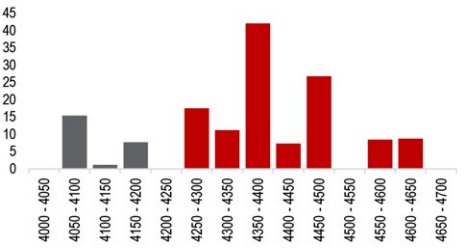


Source: J.P. Morgan Equity Strategy & Quantitative Research. See Retail Radar and Cross Asset Volatility: Gold Waking Up and RV Model Update

It also comes even as some of these holdings look increasingly underwater. As we flagged a few weeks back, our estimate for the weighted cost of creation of ETF inflows since late July is ~$4,365/oz, with significant tranches of holdings now likely 5%+ underwater (Figure 4). While we still think this poses a positioning overhang risk, so far ETF length is holding in, contrary to our caution. Potentially this points to the makeup of recent inflows being more retail oriented, with longer investment horizons and wider loss tolerances. Indeed, while weakening slightly in September, our colleagues tracking still shows notable retail activity in GLD sustaining over the last few weeks (Figure 3).

Figure 5: Remaining Bloomberg aggregated Gold ETF holdings built since July 20 (assuming LIFO daily flow) by estimated price of creation

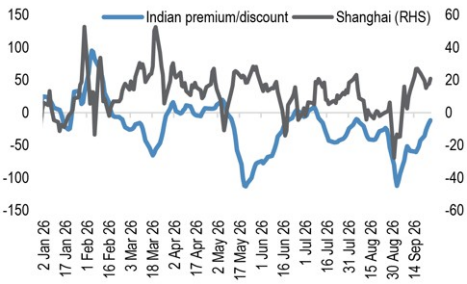
Tonnes



Source: Bloomberg Finance L.P., J.P. Morgan Commodities Research

Figure 6: Chinese and Indian gold premium/ discount

US$/oz, 5 day MA



Source: Bloomberg Finance L.P., Shanghai Gold Exchange, ICE Benchmark Administration, MCX, RBI, NCDEX, World Gold Council

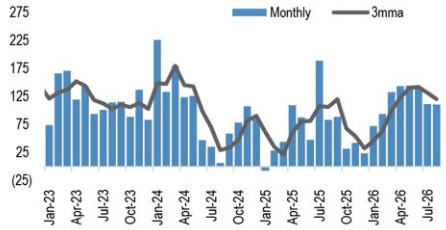
Finally, outside of ETFs, as prices pulled back below $4,440/oz we have also seen signs of a bit more life in Chinese demand with onshore Shanghai premiums recovering to a $10-20/ oz range more recently (Figure 5). This adds another supportive factor coming from China, supplementing China's strong YTD gold import demand amid boosted reported official purchasing by the PBoC (Figure 6 & Figure 7)



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Figure 7: Chinese net imports of unwrought gold

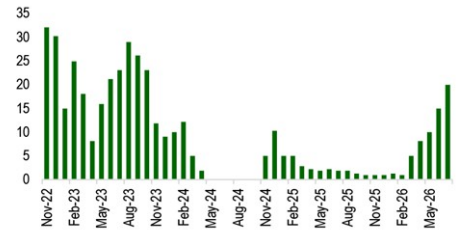
Tonnes



Source: China Customs

Figure 8: PBoC reported gold purchases

Tonnes



Note: PBoC- People's Bank of China
Source: World Gold Council

Holding the range for now waiting for the rates-driven bullish inflection point

Ultimately, we still believe the market is overpricing Fed delivery and US yields will eventually recede, translating into a bullish inflection point for gold ahead. However, we are not feeling urgency to position for this just yet, as before that turning point arrives, we still think gold likely faces another test of defending $4,000/oz, with the risk being that below this key level, technicals still show a bit of an air pocket.

Figure 9: JPM precious metals price forecasts

US$/oz, Quarterly and annual averages

	4Q25A	1Q26A	2Q26A	3Q26A	4Q26	1Q27	2Q27	3Q27	4Q27	2025	2026	2027
Precious Metals												
Gold	4,152	4,873	4,508	4,263	4,500	4,600	4,700	4,800	5,000	3,440	4,536	4,775
Silver	55.2	83.7	73.1	62.7	63.0	63.0	63.5	64.0	65.0	40.1	70.6	63.9
Platinum	1,694	2,204	1,916	1,726	1,800	1,875	1,900	1,950	1,950	1,282	1,912	1,919
Palladium	1,478	1,706	1,409	1,306	1,350	1,400	1,350	1,250	1,200	1,151	1,443	1,300

Source: J.P. Morgan Commodities Research.