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metal&ROCK | Europe

Gold: More Than a Rates Trade

Gold's recent resilience suggests structural demand is increasingly offsetting macro headwinds. From here, easing yields and/or oil prices could bring upside, but gold may also prove resilient if rising yields reflect fiscal concerns or rising oil brings stagflation fears. MSe $5,000/oz 2Q27.

Key Takeaways

- Gold is outperforming its macro backdrop: The March-July relationship with real yields would imply a gold price <$3,000/oz, or ~28% lower than current levels.
- From here, any reversal in real yields should be supportive for gold, reducing opportunity cost and encouraging investment flows.
- But higher yields do not necessarily mean lower prices if this reflects fiscal sustainability and sovereign risk concerns, supporting gold.
- Falling oil prices should support gold, but gold could also be resilient if further strength drives growth and stagflation concerns.

Gold is already outperforming its macro backdrop: Despite the recent Fed hike, a stronger USD and elevated long-dated bond yields around the world, gold has fallen just 10% from August's high to hold above $4,000/oz. In contrast, if the March-July relationship between gold and real yields had held, gold should already be < $3,000/oz, or 28% below current levels (Exhibit 1). Strong central bank buying and ETF inflows are helping offset these macro headwinds, suggesting gold is becoming less dependent on a supportive rates environment to perform.

Lower yields offer the clearest upside from here, but higher yields are not necessarily bearish: Any weakness in yields would reduce gold's opportunity cost, while our economists also expect fewer Fed rate hikes than market pricing. However, if yields rise further on fiscal sustainability concerns, investors may increasingly look to real assets with no credit risk, keeping gold resilient too.

Oil prices could also provide support in different scenarios: Since the Middle East conflict began, gold has gained 0.2% on average on oil-down days but fallen 0.5% on oil-up days, reflecting the impact on Fed expectations. Lower oil prices could ease inflation and rate hike concerns, while sustained strength could shift market focus towards growth and stagflation risks, a supportive environment for gold too.

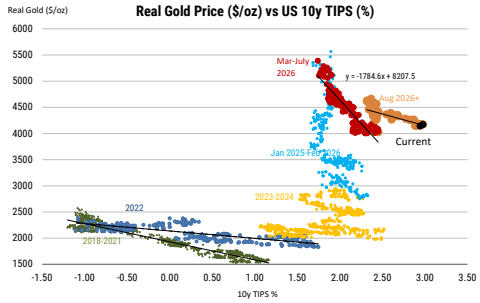
MS Outlook: Gold remains our top commodity pick (see price deck) - we target $5,000/oz by Q2 2027. Strong physical demand is already helping establish support around $4,000/oz, with scope for upside if macro conditions ease or oil prices moderate. Fiscal sustainability and/or stagflation concerns provide alternative upside catalysts. Key risks include further Fed tightening, dollar strength, central bank selling and technical liquidation.

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Exhibit 1 : Gold is increasingly resilient to macro headwinds: Strong central bank and ETF demand is helping offset the impact of rising real yields, suggesting gold's traditional relationship with rates is changing once again



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Gold: More Than a Rates Trade

Gold's relationship with real yields is changing again

Gold's relationship with real yields has been evolving since 2022: Exhibit 2 shows how the relationship between gold and real yields has been evolving since the start of the Russia-Ukraine conflict. Gold has generally performed much better than expected throughout this time period as central banks doubled their annual purchase rate from ~500t/year to ~1,000t/year, and then pricing accelerated in 2025 as ETFs added the most gold outside of 2020 and 2008. However, after the start of the Middle East conflict, gold was showing a more "normal" relationship with yields, with prices falling as rate hike expectations grew, while some central banks liquidated gold to ease currency pressures.

Macro conditions for gold have worsened further: After a brief improvement in August as market expectations for a US rate hike moderated temporarily, macro conditions for gold worsened through September. The Fed delivered its first rate hike since 2023, the dollar strengthened and US 10-year Treasury yields climbed to their highest level since the early 2000s. Almost all of the increase in nominal yields was driven by real yields, with 10-year breakevens rising just 4bp. Higher real yields increase the opportunity cost of holding non-yielding gold, while relatively stable inflation expectations limit its appeal as an inflation hedge. Both would ordinarily point to significant downside for gold.

But gold's relationship with real yields has evolved again: Gold prices did moderate, now trading 10% below August's high. However, against this macro backdrop, the decline in gold arguably should have been considerably larger. Extrapolating the relationship observed between gold and 10y real yields between Mar-July would imply gold at < $3,000/oz by now, 28% below current levels. Instead, the slope of the line has flattened, keeping gold well supported even with real yields at 20+ year highs. We think this divergence reflects increasingly important structural sources of demand, particularly central bank purchases and ETF inflows, which have continued despite the September rate hike.

Exhibit 2: Gold has held up much better than expected given where real yields are

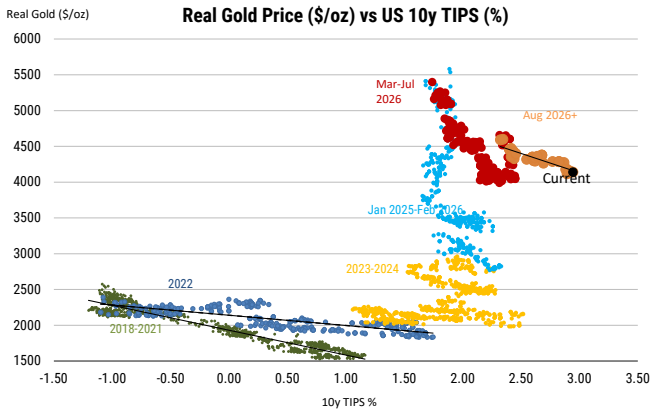
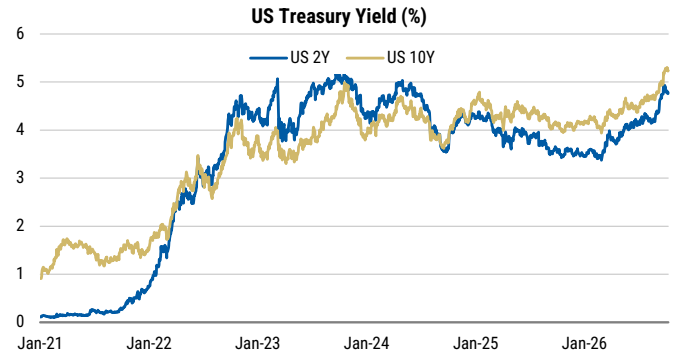


Exhibit 3: The US 10Y yield hit its highest level since 2002 in early October



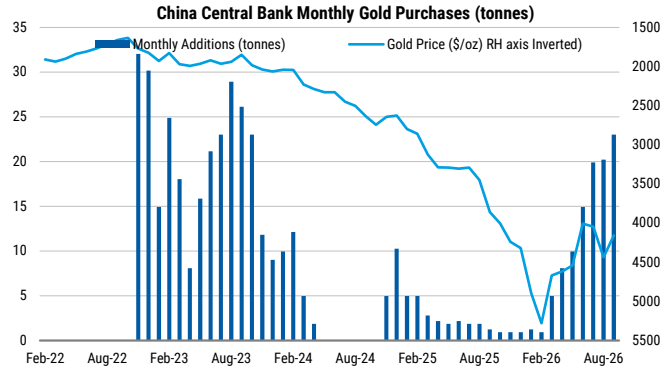
Source: Bloomberg

Physical demand is reducing gold's sensitivity to macro drivers

Strength in central bank purchases continues: After a weak 1Q, central banks purchased 289t of gold in 2Q26, equivalent to an annualised 1,155t versus 860t in FY2025 and our modelling for 800t in 2026. Early indications suggest momentum remained strong in 3Q, which may bring upside risk to our 2026 estimate. For example, China's PBoC has purchased 103t YTD, the most since 2023, with 60% of this in Q3.

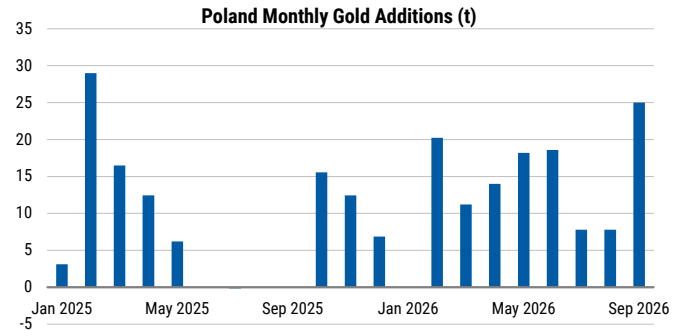
Poland remains on track to be the largest buyer again in 2026, with gold reserves rising to 673t. This implies 123t of buying YTD, exceeding the 102t added in 2025. September was particularly strong. Elsewhere, the DRC has announced plans to lift its gold reserves from 3t to 5t by the end of the year, while Serbia has also recently added gold.

Exhibit 4: China's PBoC has added 103t of gold YTD, the most since 2023



Source: Bloomberg

Exhibit 5: Poland has added 123t of gold YTD, exceeding 2025's record addition



Source: World Gold Council

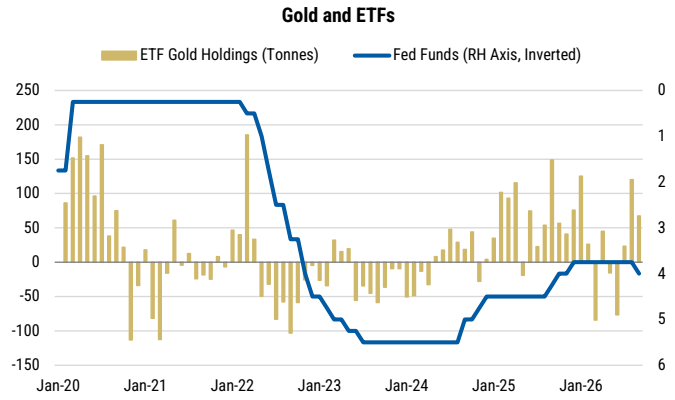
Broader Chinese demand also looks robust: China's gold imports reached 1,100t through August, an annualised pace that would be the highest since at least 2017. This is running at >10x PBoC additions, suggesting good demand elsewhere in China too, with weak property and equity markets pushing investors towards alternatives such as gold (see CNBC).

ETFs have also been adding despite rate hikes: A lot of the 2025 strength in gold prices was driven by the 800t of ETF inflows seen as the Fed started to deliver rate cuts. YTD inflows have been slower, at just 250t, which makes sense given the more challenging macro backdrop. However, more recently, ETF inflow data has looked more encouraging - global gold ETFs recorded their strongest quarterly inflows on record in dollar terms in 3Q, at $31bn, accounting for ~220t of the ~250t of additions YTD, despite the Fed hiking. On top, European inflows exceeded those in the US for the first time since 2021, led by the UK.

Fiscal concerns are changing the relationship between gold and yields: Rising bond yields typically weigh on gold, but the reason yields are rising matters. Following September's Fed hike, yields initially eased before long-dated yields resumed their rise, steepening the Treasury curve. With the US fiscal deficit approaching $2tn, growing debt issuance and competition from long-dated AI-related corporate borrowing are adding pressure, potentially reflecting greater compensation demanded for duration and fiscal

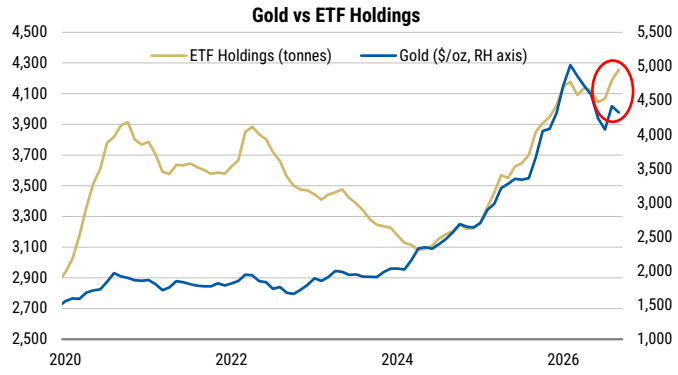
risk. As the WGC noted, this can reflect "concerns over inflation uncertainty, fiscal sustainability and sovereign bond-market risks". Such concerns could encourage diversification towards gold, which carries no issuer or credit risk, helping explain resilient ETF demand despite rising yields.

Exhibit 6: ETFs have been net buyers even as the Fed has hiked



Source: World Gold Council, Bloomberg

Exhibit 7: ETF holdings have diverged from the gold price too after close tracking since mid 2024



Source: World Gold Council

Any reduction in rate hike expectations or bond yields could bring upside

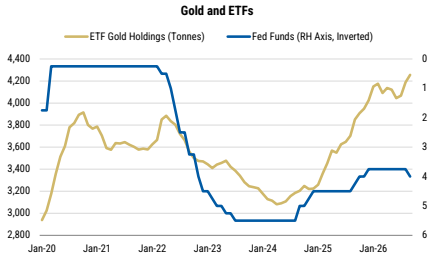
Easing rate expectations could provide a catalyst for gold to rally: Lower interest rates and / or bond yields reduce the opportunity cost of holding gold and could encourage renewed ETF inflows and speculative buying. Our economists expect just two further Fed hikes through end-2027, compared with ~3.5 priced by the market. If inflation pressures ease, allowing the Fed to deliver fewer hikes than expected, this could bring relief to rate hike expectations and support gold. The team also sees the US 10y yield reaching 4.7% by 3Q 2027, from 5.23% currently.

Treasury intervention offers another potential catalyst, although further intervention may be less likely from here: In August, Treasury buybacks of long-dated securities coincided with a temporary stabilisation in yields and a sharp gold rally, amplified by positioning and technical factors. Further buybacks or other measures that ease pressure on long-dated yields could again be supportive, although Treasury Secretary Scott Bessent's recent comments suggest limited appetite for more active intervention. The 4 November refunding announcement will therefore be an important event to watch. Alternatively, even if long-dated yields remain elevated on fiscal concerns, but short-dated yields fall on lower rate hike expectations, a steeper yield curve could reinforce gold's appeal as an alternative to sovereign debt.

Further yield increases may not be bearish for gold

Exhibit 8: ETF holdings versus Rates

As discussed above, higher bond yields typically weigh on gold by increasing the opportunity cost of holding a non-yielding asset. However, if further increases in long-dated yields reflect growing concerns over fiscal sustainability and sovereign debt risks, rather than tighter monetary policy, the traditional inverse relationship could weaken.



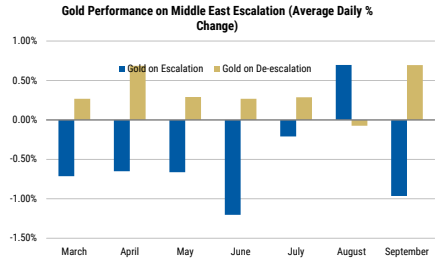
Source: World Gold Council, Bloomberg

Gold carries no issuer or credit risk, potentially encouraging diversification away from government bonds and offsetting the headwind from higher real yields. Historically, gold has also been able to rally alongside bond yields during periods of heightened inflation and fiscal uncertainty, including episodes in the early 1980s.

This may already be playing out, with ETF inflows remaining strong despite rising yields. The President of the Bundesbank recently made a similar argument: "*The recent rise in global government bond yields has boosted the relative attractiveness of debt securities again. At the same time, rising debt levels have increased concerns about the credit risk of these assets. Furthermore, geopolitical risks are likely to continue to shape reserve management decisions. Taken together, the case for further diversification into gold remains significant.*" Germany holds the world's second largest gold reserves.

Middle East conflict: Scenarios for Gold

Exhibit 9: Since the start of the Middle East conflict, gold has rallied on average 0.2% on oil down days, and fallen 0.5% on oil up days



Gold has not played its traditional safe haven role so far in this conflict: In Gold: Safe Haven or Risk Asset?, we examined whether gold still held its status as a safe haven asset amid its decline following the onset of conflict in the Middle East. The key takeaway was that although gold works well in demand shocks, it struggles in supply shocks, especially where inflation expectations and bond yields rally.

Performance has been best on oil-down days: Since the conflict began, gold's short term performance has been closely linked to oil prices and Treasury yields, with the strongest returns generally occurring on oil-down days (Exhibit 10). Lower oil prices ease inflation concerns, reduce expectations for further Fed tightening and allow yields to moderate, driving gold higher. If we see a de-escalation in the Middle East, bringing oil prices lower and easing the inflation pressure that has kept the Fed tightening, gold should be supported, especially if Fed rate hike expectations ease and the USD weakens.

But further oil strength could start to weigh on growth and bring stagflation worries: So far, gold has come under pressure as oil has rallied, particularly since late August where Brent crude has gone from $90/bbl to $105/bbl currently while Gold has fallen from $4,650/oz to $4,160/oz. In the near term, a jump in oil prices might bring further downside pressure to gold, particularly if it is used as a source of liquidity. However, we think dips are to be bought, especially if oil prices stay higher for longer. A sustained period of elevated oil prices would raise the risk of stagflation, with energy costs feeding through to broader inflation while squeezing household incomes, business margins and growth. As growth weakens, central banks may find it increasingly difficult to justify further tightening, and a pause in rate hikes while inflation stays elevated should support gold, all else equal. A stagflation environment also tends to weigh on equities and bonds together, which strengthens gold's role as a portfolio diversifier. This has historically been associated with periods of strong gold performance.

Exhibit 10: The market is pricing one more hike by year end and then 2.4 hikes in 2027

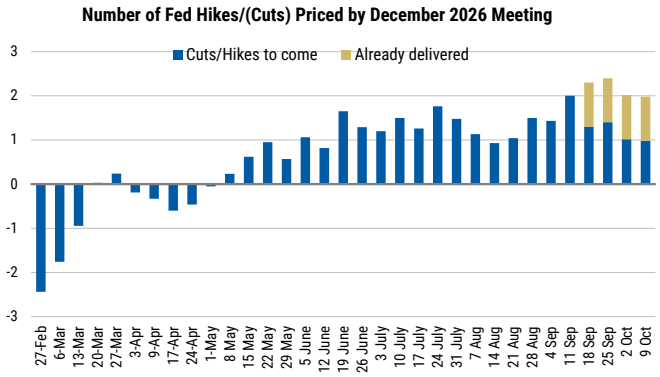
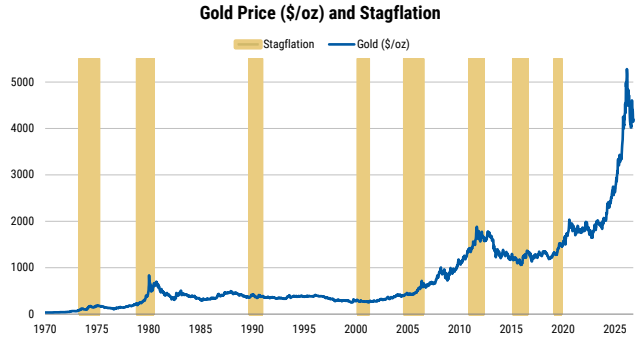


Exhibit 11: Gold tends to perform well in stagflation



Source: Bloomberg

Positioning and technical levels matter for timing and magnitude of any move

CTAs and systematic investors have contributed significantly to gold's volatility in 2026. CFTC positioning data showed net longs peaked in January, before staying near 3y lows through Q2 and early Q3. Since then, we have seen some recovery, mostly in August but the more interesting dynamic is the split between Managed Money and Other Reportables. The WGC associates Other Reportables with CTAs which can suddenly change trading direction and exaggerate moves both up and down. Managed Money net longs troughed in May as gold reached $4,000/oz but Other Reportables did not start to rise until late July. This coincided with gold's rapid move above $4,600/oz, showing how price action can be exaggerated. Other reportables net positioning has remained largely stable through September and early October and with shorts now near record lows, any meaningful recovery would need fresh CTA buying rather than short covering.

Technical levels matter too: Gold is currently trading below key technical levels after it failed to move meaningfully above the 200 DMA in August. The spread between these technical levels has also narrowed meaningfully since March to just ~$270/oz between the lowest and the highest moving averages. The moving averages have also crossed each other multiple times, with 50 and 100 DMAs within ~$80/oz of each other currently. A compression like this can precede a decisive move if trend signals across different time horizons start to re-align. With many CTA models built around these signals, a recovery back toward the 200 DMA could bring a renewed uptrend, although breaks below YTD lows may bring renewed selling. With US CPI due this week, the 28th October Fed decision and the 4th November refunding approaching, systematic flows are likely to amplify gold's next move.

Exhibit 12: CFTC data shows Other Reportables have been adding longs since late July, although the pace of the build has slowed through Sept

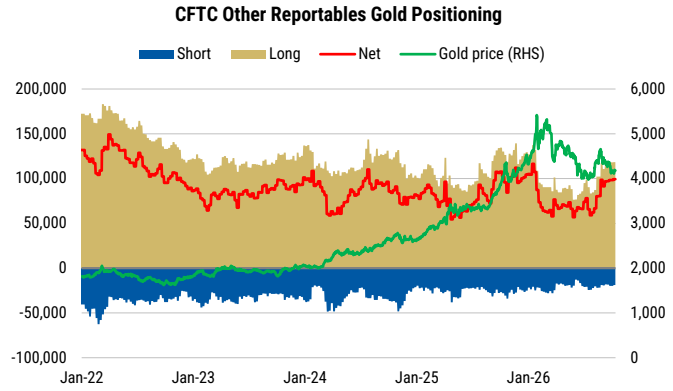
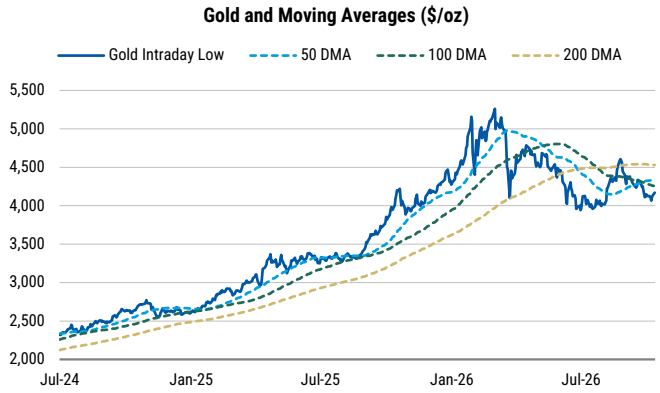


Exhibit 13: Gold is trading below key technical levels



Source: Bloomberg. DMA = day moving average.

MS Outlook

Gold is showing resilience against an increasingly challenging macro backdrop, supported by strong central bank demand and ETF inflows. Central bank purchases appear to have accelerated in 3Q, bringing upside risk to our 800t full-year estimate, while most of the ~250t of ETF additions YTD occurred in 3Q despite the Fed delivering its first rate hike since 2023.

We think this reflects growing appetite for gold as a hedge against geopolitical risks and concerns over government debt sustainability. With prices repeatedly finding support around $4,000/oz, we see attractive risk-reward from here, targeting $5,000/oz by Q2 2027.

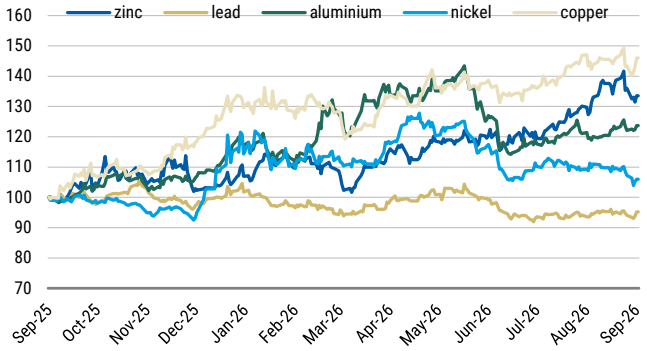
Lower yields offer the clearest route higher. Falling bond yields and/or oil prices could ease Fed tightening expectations, reduce gold's opportunity cost and encourage renewed investment inflows. However, further increases in long-dated yields need not be bearish if driven by fiscal sustainability concerns, encouraging diversification towards real assets like gold, which has no credit risk. Similarly, while rising oil prices could initially weigh on gold through higher rate expectations, sustained strength could eventually shift market concerns towards growth and stagflation, creating an alternative source of support.

Key risks: Further Fed tightening and dollar strength could trigger ETF outflows and weigh on physical demand, particularly jewellery in China and India. Central bank selling is another risk (e.g. Kazakhstan plans to reduce the proportion of gold within its reserves from 78% to 75% as the country's central bank looks to rebalance amid elevated Treasury yields, which will be split 50/50 across physical gold and options, according to a recent interview with the Deputy Governor of Kazakhstan's central bank). A break below key technical levels could amplify downside through systematic selling.

Week in Review

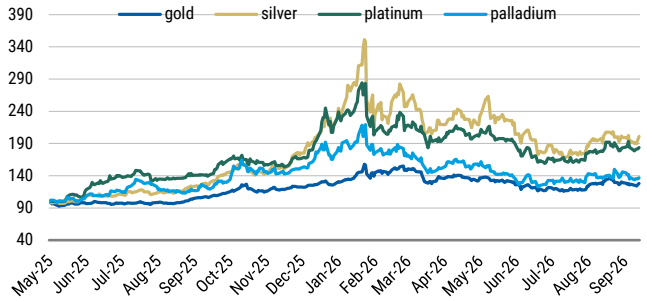
Base Metals: Base metals were up across the board last week, with the exception of aluminium. LME and COMEX copper were up 2.0% and 2.2%, respectively, WoW, amid ongoing production struggles and strike action in Chile. Meanwhile, China showed strong import demand post Golden Week, with the Yangshan premium rallying to a four-year high of $135/t at the end of the week. Zinc gained 2.6% WoW as global supply remains tight. Lead was up 2.0% WoW with nickel flat. Aluminium declined 1.7% WoW.

Exhibit 14: Base metals price indices (12-month rolling)



Precious Metals: Gold and silver rose 1.3% and 0.8% WoW respectively last week as Treasury yields eased slightly from the week prior, lowering the opportunity cost of holding non-yielding assets. This comes despite higher oil prices, which have weighed on the precious metals complex through much of this year. Platinum and palladium dropped 0.5% and 1.4% WoW, respectively.

Exhibit 15: Precious metals indices (12-month rolling)



Bulks: Bulks declined across the board last week. Iron ore dropped 0.8% WoW amid weak steel mill margins and underwhelming post holiday restocking in China. Met coal fell 1.2% on weak offtake from Chinese steel mills. Thermal coal was down 0.1% WoW despite higher prices across the rest of the energy complex.

Exhibit 16: Bulk commodity price indices (12-month rolling)

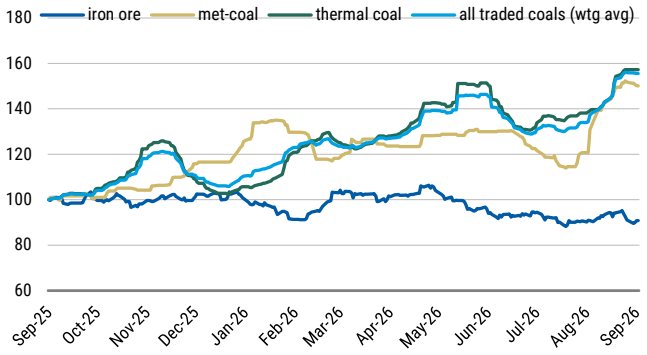


Exhibit 17:

commodity group	unit	3Q 26a	4Q 26e	1Q 27e	2Q 27e	3Q 27e	4Q 27e	1Q 28e	2Q 28e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	LT real	LT nom.
Base Metals																		
LME Aluminium	US$/lb	1.46	1.41	1.36	1.32	1.27	1.27	1.27	1.27	1.48	1.30	1.27	1.32	1.27	1.27	1.27	1.13	1.34
	US$/t	3,228	3,100	3,000	2,900	2,800	2,800	2,800	2,800	3,272	2,875	2,800	2,900	2,800	2,800	2,800	2,500	2,952
LME Copper	US$/lb	6.40	6.71	6.53	6.35	6.12	5.81	5.81	5.81	6.24	6.20	5.81	5.90	5.90	5.67	5.67	4.85	5.73
	US$/t	14,104	14,800	14,400	14,000	13,500	12,800	12,800	12,800	13,760	13,675	12,800	13,000	13,000	12,500	12,500	10,700	12,633
COMEX Copper	US$/lb	6.49	7.12	6.92	6.79	6.55	6.21	6.04	6.04	6.40	6.62	6.04	6.01	6.01	5.78	5.78	#N/A	#N/A
	US$/t	14,305	15,688	15,264	14,980	14,445	13,696	13,312	13,312	14,113	14,596	13,312	13,260	13,260	12,750	12,750	#N/A	#N/A
LME Nickel	US$/lb	7.51	7.71	7.87	7.94	7.94	7.71	7.71	7.71	7.82	7.86	7.71	7.71	8.16	8.16	8.16	7.44	8.78
	US$/t	16,564	17,000	17,350	17,500	17,500	17,000	17,000	17,000	17,242	17,338	17,000	17,000	18,000	18,000	18,000	16,400	19,363
LME Zinc	US$/lb	1.74	1.93	1.93	1.86	1.77	1.72	1.59	1.50	1.67	1.82	1.52	1.36	1.36	1.36	1.36	1.34	1.58
	US$/t	3,829	4,250	4,250	4,100	3,900	3,800	3,500	3,300	3,693	4,013	3,350	3,000	3,000	3,000	3,000	2,951	3,484
LME Lead	US$/lb	0.84	0.87	0.86	0.86	0.86	0.86	0.86	0.86	0.87	0.86	0.88	0.91	0.91	0.91	0.91	0.74	0.87
	US$/t	1,856	1,925	1,900	1,900	1,900	1,900	1,900	1,900	1,916	1,900	1,950	2,000	2,000	2,000	2,000	1,631	1,926
Precious Metals																		
Gold	US$/oz	4,267	4,450	4,850	5,000	5,100	5,250	5,000	4,750	4,524	5,050	4,688	4,500	4,500	4,500	4,500	3,300	3,896
Silver	US$/oz	62.7	68.5	71.3	71.4	72.9	75.0	71.4	67.9	72.0	72.7	67.0	64.3	64.3	64.3	64.3	47.1	55.7
Platinum	US$/oz	1,736	1,650	1,700	1,750	1,800	1,850	1,900	1,950	1,883	1,775	1,975	2,175	2,375	2,481	2,531	2,247	2,653
Palladium	US$/oz	1,317	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,441	1,300	1,300	1,316	1,343	1,370	1,398	1,241	1,465
Bulks																		
Iron Ore (fines 61% Fe, cfr N.China)	US$/t	97	95	90	90	90	90	90	90	100	90	90	90	95	95	102	88	104
Hard Coking Coal (spot, fob Aus)	US$/t	248	280	245	230	230	230	220	210	250	234	214	215	215	215	233	200	236
Thermal coal (spot, fob Newc)	US$/t	138	150	155	140	135	135	130	130	137	141	130	130	135	135	145	125	148
Other																		
Manganese ore (44%)	US$/mtu	4.8	4.9	5.2	5.3	5.5	5.5	5.6	5.6	5.0	5.4	5.6	5.7	5.8	5.8	6.0	5.2	6.1
Alumina (spot, fob Aus)	US$/t	348	350	350	350	350	350	350	350	328	350	350	350	380	400	400	380	449
Lithium carbonate (spot China, ex-VAT)	US$/t	19,030	17,500	18,000	19,000	18,000	18,000	17,000	17,000	19,565	18,250	16,000	14,000	15,310	16,000	16,612	14,000	16,529
Cobalt	US$/lb	26.4	22.0	20.0	20.0	20.0	20.0	20.0	20.0	25.2	20.0	17.5	15.0	15.0	15.0	16.3	14.0	16.5
Uranium - spot	US$/lb	88.6	95.0	100.0	105.0	110.0	100.0	90.0	90.0	89.3	103.8	87.5	70.0	70.0	70.0	71.0	61.0	72.0
Exchange Rates																		
1 AUD = USD		0.71	0.71	0.71	0.70	0.70	0.70	0.70	0.70	0.71	0.70	0.70	0.70	0.69	0.69	0.70	0.71	0.72
1 USD = BRL		5.14	5.21	5.31	5.40	5.49	5.55	5.57	5.60	5.16	5.44	5.61	5.70	5.80	5.89	5.99	5.40	6.06
1 USD = CAD		1.40	1.35	1.36	1.36	1.36	1.36	1.36	1.36	1.38	1.36	1.36	1.36	1.36	1.36	1.36	1.41	1.35
1 USD = ZAR		16.29	16.50	16.62	16.75	16.87	17.00	17.13	17.26	16.40	16.81	17.32	17.85	18.39	18.95	19.52	17.33	19.78
1 EUR = USD		1.15	1.15	1.16	1.16	1.16	1.17	1.17	1.17	1.16	1.16	1.17	1.19	1.20	1.21	1.22	1.21	1.23
1 USD = CNY		6.74	6.75	6.77	6.70	6.77	6.75	6.75	6.75	6.81	6.75	6.75	6.68	6.56	6.44	6.50	7.50	6.52

otherwise indicated.

Commodity Thermometer

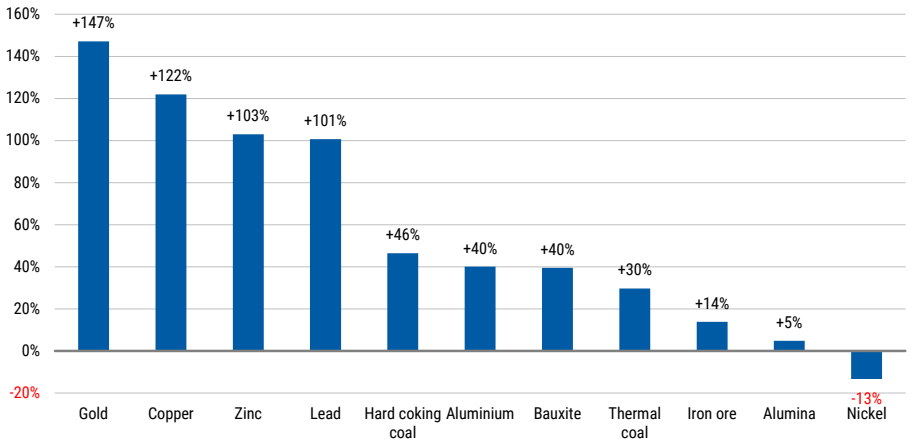
Exhibit 18: Metals & Mining Commodity Thermometer

Commodity	Bearish Neutral Bullish	Thesis
Gold		Gold has been resilient despite challenging macro conditions, implying strong physical demand. We see many situations where gold can rally, whether oil goes up or down, and whether bond yields rise further or fall.
Silver		Silver sees some upside alongside gold, but weaker ETF buying and solar sector thrifting may hold it back relative to gold.
Uranium		Uranium should rise on strong contracting activity, the carry trade supporting spot prices and supply risks.
Zinc		Zinc tightness can continue through 2H as mine and smelter supply both face disruptions. China is in surplus, but exports are only flowing sporadically, keeping RoW tight. However, the balance should ease later in 2027.
Nickel		We see upside if Indonesia caps mining quotas further for 2027, while costs are likely to continue to see upward pressure as sulphur contracts for 2027 are agreed.
Manganese Ore		Some supply curtailments are still needed to balance the market given the weak steel outlook, likely from South African road-bound supply.
Thermal Coal		We still see a supportive outlook for coal prices in 4Q26 on elevated coal burn across Asia in a higher gas price environment, constrained Indonesia supply and restocking from India.
Lithium Carbonate		Supply risks bring upside price risk, with Zimbabwe's approaching concentrate export ban and the delay to CATL's mine restart. However, an improvement in sentiment on energy storage systems (ESS) is likely needed for a rebound.
COMEX Copper		We see modest upside to COMEX copper – a rollover of the US tariff decision would keep imports elevated while China is buying on dips. Supply continues to face challenges, keeping 2027 in deficit. A tariff decision may bring downside.
Palladium		Palladium's exposure to the autos sector tips the market into surplus by 2030.
Lead		Weak mine supply provides some support, but weak demand keeps the market oversupplied overall.
LME Copper		We are more neutral on LME copper given its recent catch-up to COMEX. Any slowdown in US stockpiling could make the market feel looser, but China's demand has been resilient and supply is facing significant disruptions.
Alumina		Alumina is in surplus, but rising costs for bauxite and freight have supported prices. The market continues to watch for potential bauxite export restrictions.
Platinum		Platinum should to continue taking direction from gold, with correlations sharply higher since mid-2025. The fundamental S/D is supportive.
Iron ore		Iron ore is shifting to oversupply on stronger seaborne supply and softer Chinese demand, while cost support should also be reversing.
Aluminium		Middle East disruptions continue to reverse, while Indonesian exports are accelerating, pushing aluminium into surplus in 2027 and weighing on prices.
Hard Coking Coal		Met coal stays tight for now with China supply disruptions, but this is already reflected in the price while weakening steel margins may weigh on demand.
Cobalt		Shipments have picked up from the DRC as logistics improve with export quotas, while weak consumer electronics output weighs on demand.

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Commodity Matters: Tighter Copper Scrap Market in China?	14-May-2026

Exhibit 19: Spot commodity prices vs. the marginal cost of production



Commodity Price Snapshot

Exhibit 20: Key metals: one-week absolute performance

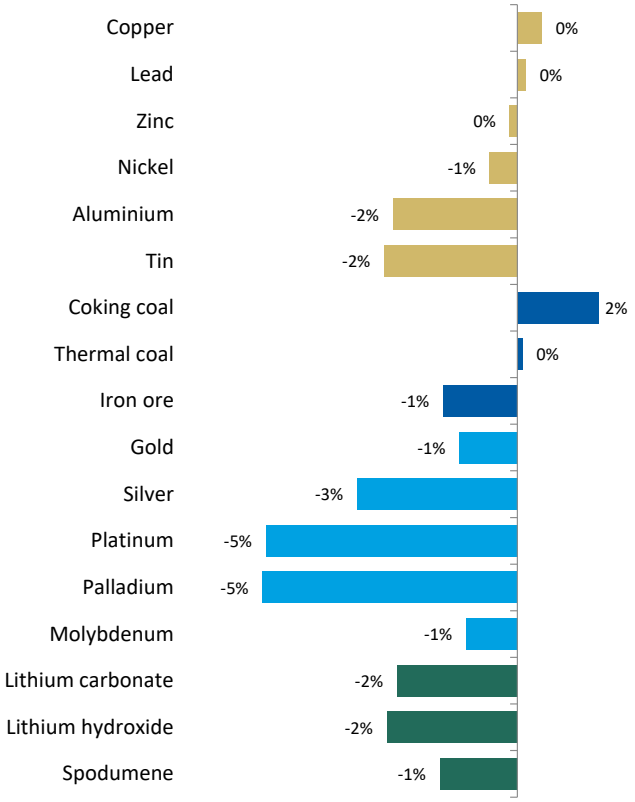


Exhibit 21: Key metals: YTD absolute performance

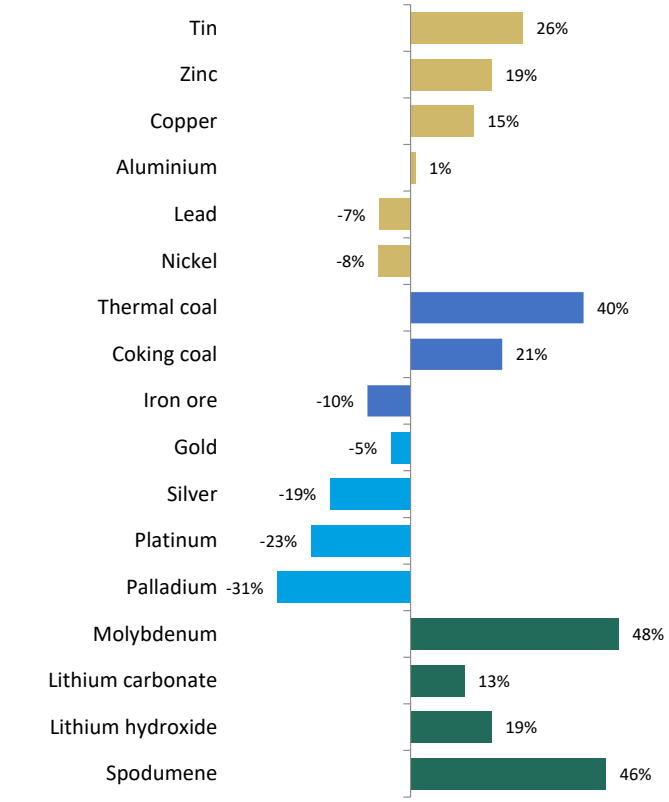


Exhibit 22: Precious Metals: Price Snapshot

Precious	08-Oct-26	01-Oct-26	WoW Change (%)	02-Jan-26	YtD (%)
Gold	4,133	4,178	-1.1%	4332.29	-4.6%
Silver	59	61	-3.0%	72.8181	-18.7%
Platinum	1,646	1,727	-4.7%	2142.88	-23.2%
Palladium	1,129	1,185	-4.7%	1636.36	-31.0%

Exhibit 23: Bulks: price snapshot

Bulks	08-Oct-26	01-Oct-26	WoW Change (%)
Iron ore	91	93	-1.4%
Thermal coal	149	149	0.1%
Coking coal	267	263	1.5%

Exhibit 24: Other Metals: price snapshot

Other metals	08-Oct-26	01-Oct-26	WoW Change (%)
Molybdenum	33	33	-1.0%
Lithium carbonate	16,525	16,905	0
Lithium hydroxide	15,239	15,619	0
China Spodumene 6% min CIF	2,116	2,147	-1%

Exhibit 25: Exchange rate snapshot of major metal producing countries

Currency	08-Oct-26	01-Oct-26	WoW Change (%)
1 AUD = USD (Australian $)	0.7	0.7	0%
1 EUR = USD (Euro)	1.1	1.1	0%
1 USD = BRL (Brazilian Real)	5.0	5.2	-4%
1 USD = CAD (Canadian $)	1.4	1.4	0%
1 USD = CLP (Chilean Peso)	978.9	986.2	-1%
1 USD = CNY (Chinese Renmimbi)	6.7	6.7	0.0
1 USD = KZT (Kazakh Tenge)	450.6	443.3	2%
1 USD = MXN (Mexican Peso)	18.2	18.3	-1%
1 USD = NOK (Norwegian Krone)	9.6	9.6	-1%
1 USD = PEN (Peruvian New Sol)	3.4	3.5	0%
1 USD = SEK (Swedish Krona)	10.0	10.0	-1%
1 USD = ZAR (S. African Rand)	16.6	16.7	-1%
1 USD = ZMW (Zambian Kwacha)	20.0	19.7	1%

China's Macro Indicators

Exhibit 26: China's Electricity Output & Consumption

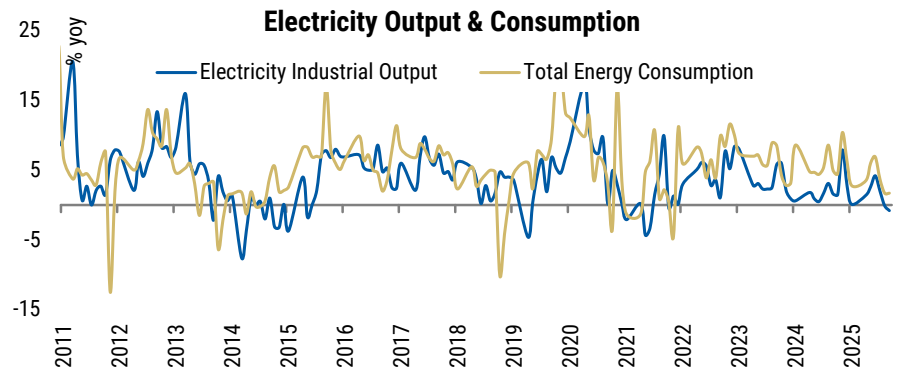


Exhibit 27: China's Purchasing Managers Index and Industrial Production (IP)

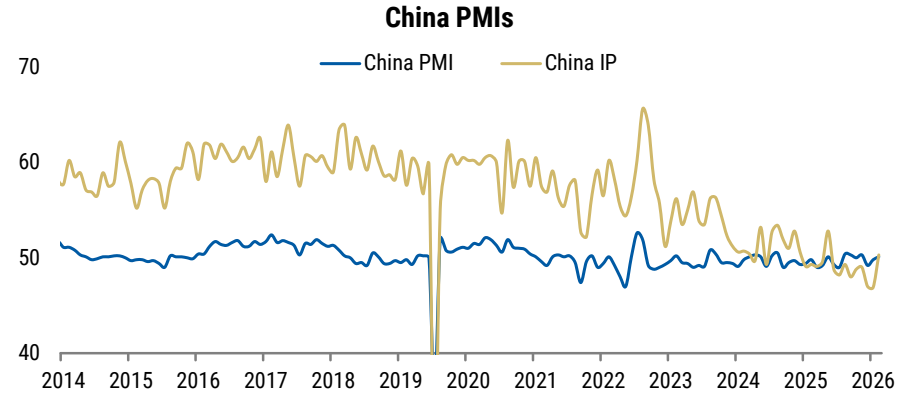


Exhibit 28: China's Money Supply

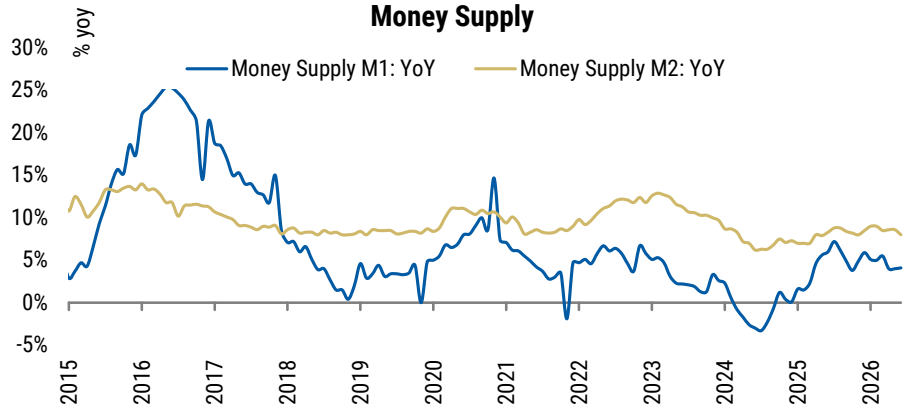


Exhibit 29: China's Output of Industrial Products

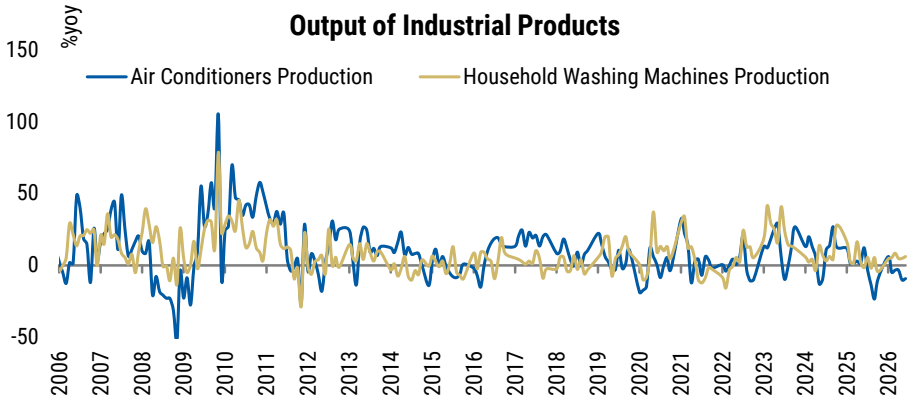


Exhibit 30: China's Infrastructure Fixed Asset Investments (FAI)



Exhibit 31: China's Fixed Asset Investments



Exhibit 32: China's Floor Space Started, Sold and Completed

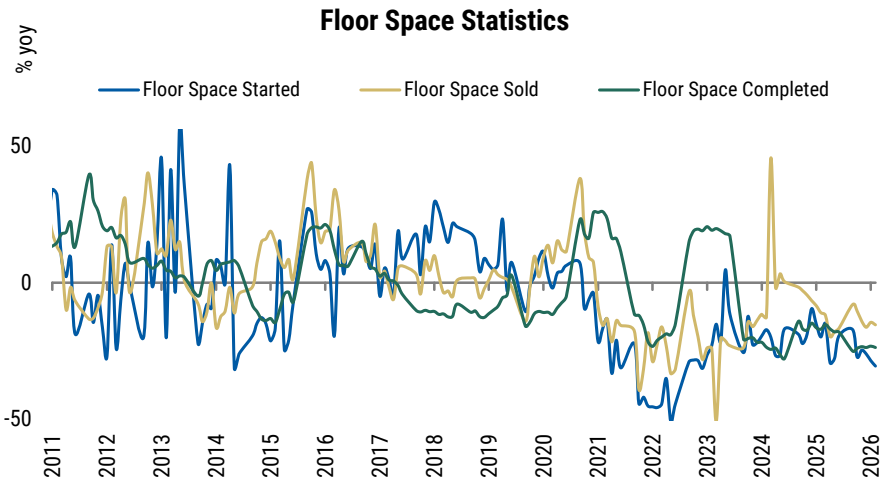


Exhibit 33: Floor Space of Buildings Newly Started

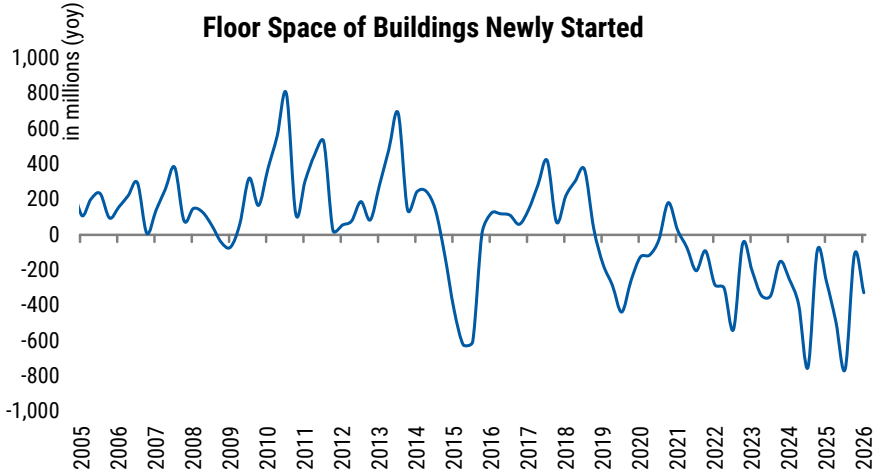
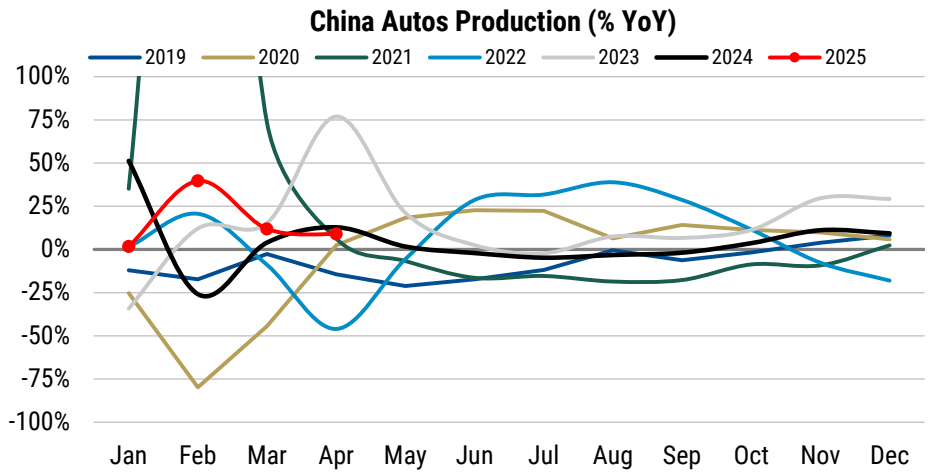
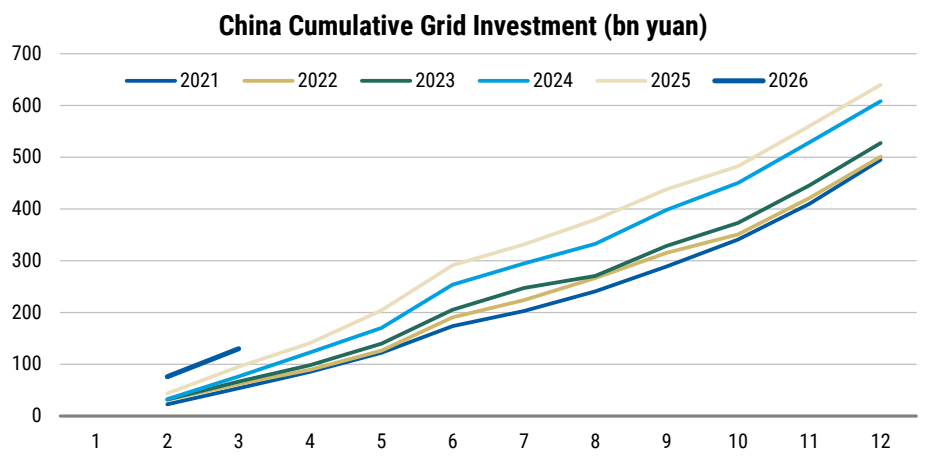


Exhibit 34: China Autos Production



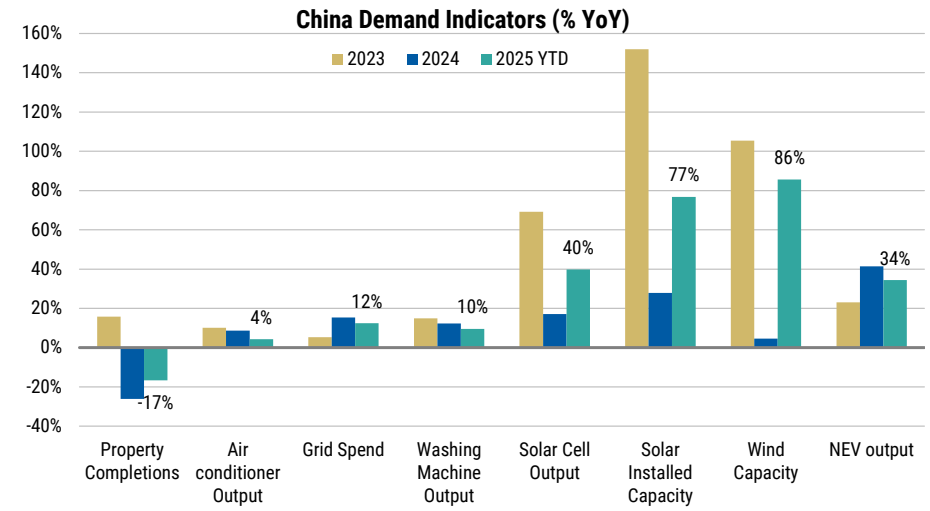
Source: CEIC, CAAM

Exhibit 35: China Cumulative Grid Investment



Source: Bloomberg

Exhibit 36: China Demand Indicators



Source: Bloomberg, CEIC

Exhibit 37: China Excavator Sales



Source: CEIC

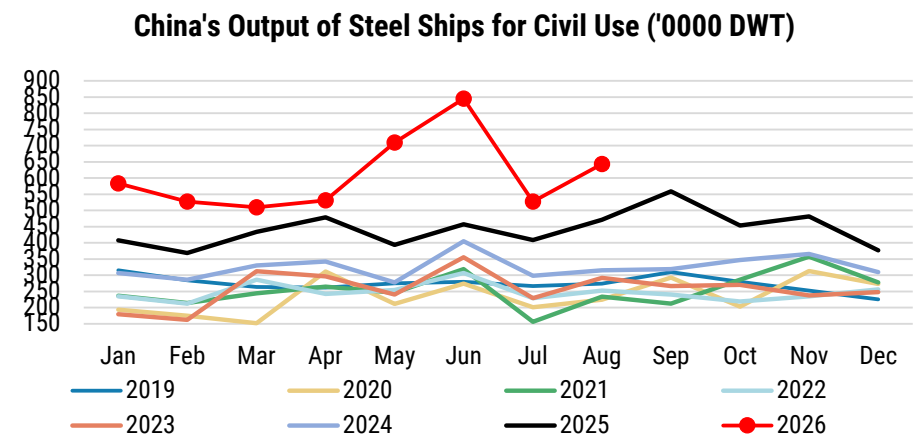
人在草木间
更多资料请加V

Exhibit 38: China Railway FAI YTD



Source: CEIC

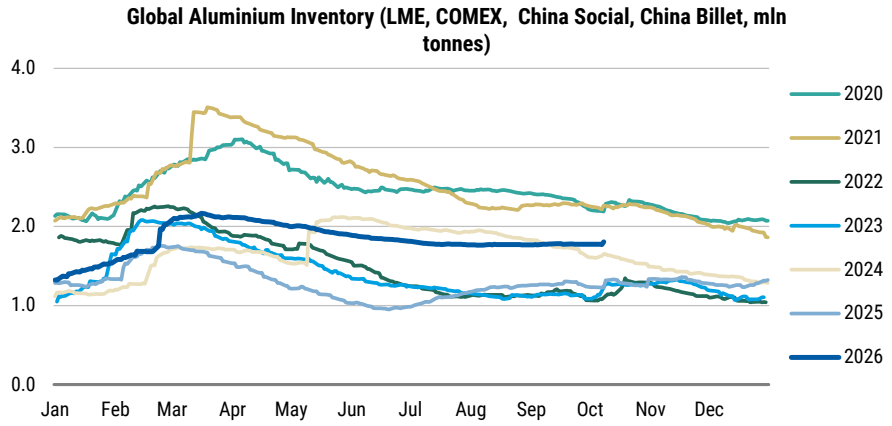
Exhibit 39: China Shipbuilding Output



Source: NBS

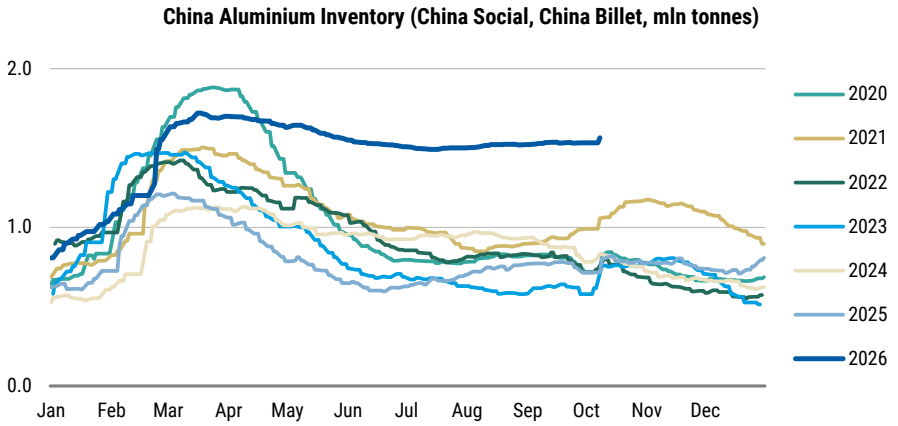
Aluminium

Exhibit 40: Global Aluminium Inventories



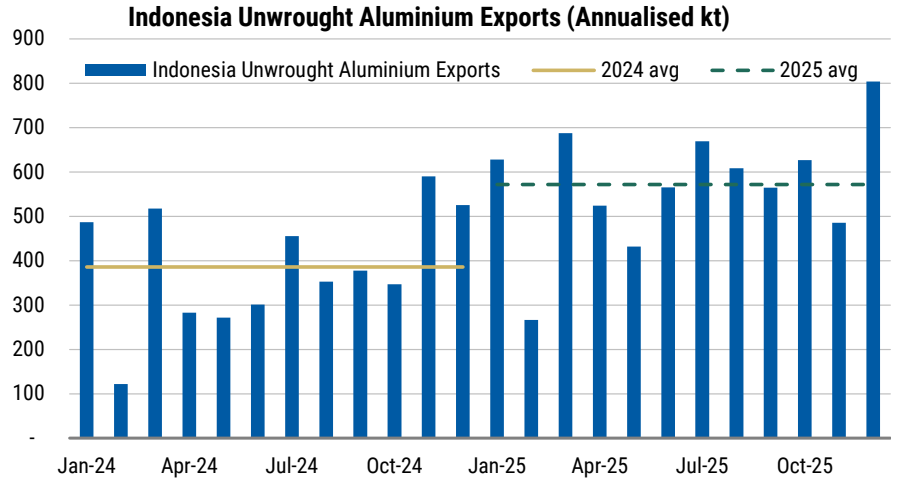
Source: Bloomberg

Exhibit 41: China Aluminium Inventories



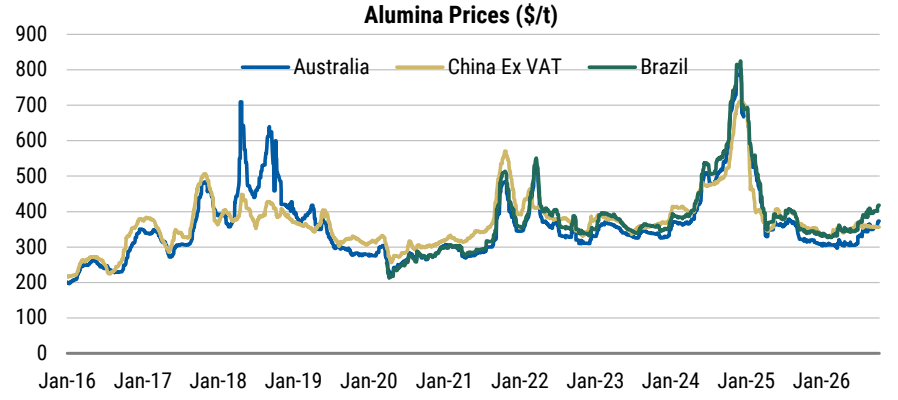
Source: Bloomberg

Exhibit 42: Indonesia Aluminium Exports



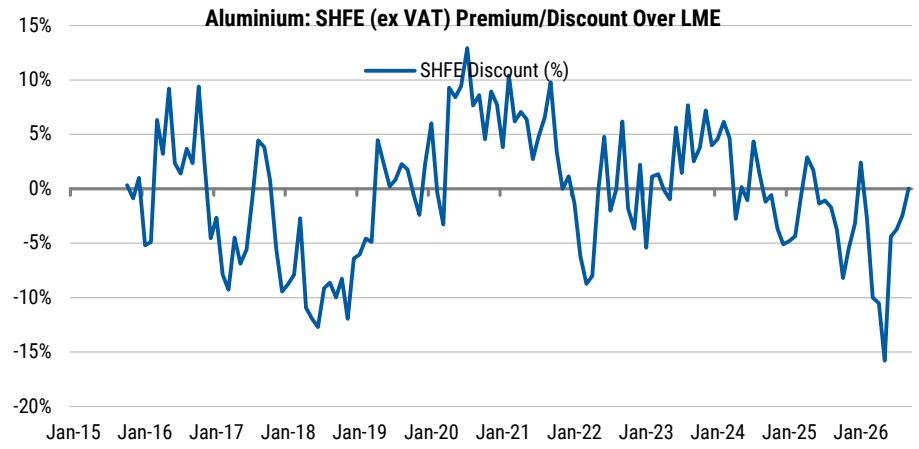
Source: Trademap

Exhibit 43: Raw Materials: Spot Alumina vs China Domestic Price



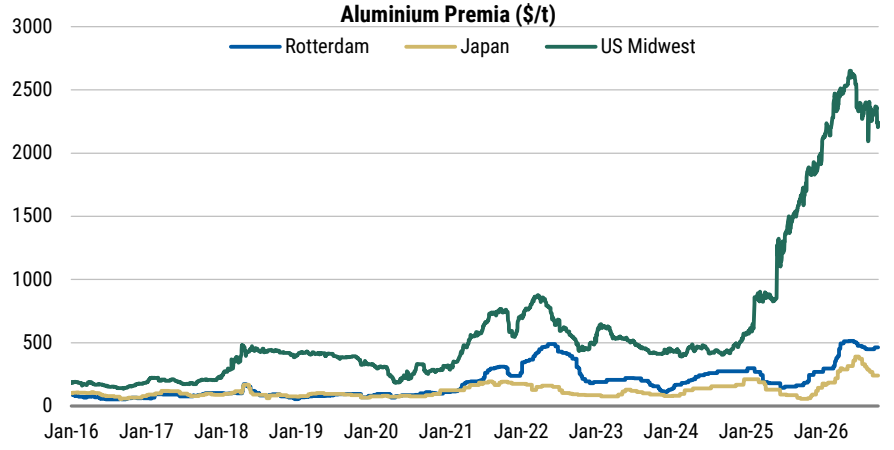
Source: Platts, Bloomberg

Exhibit 44: Price Differentials: SHFE vs LME



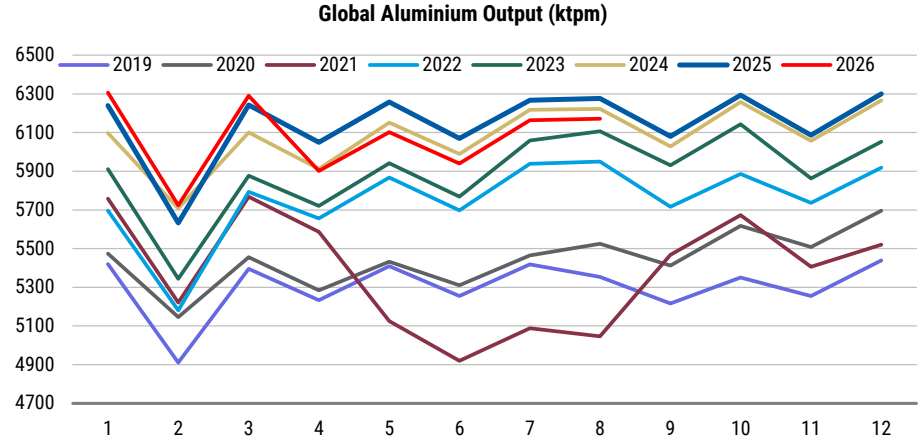
Source: Bloomberg

Exhibit 45: Physical demand: aluminium premia, by region



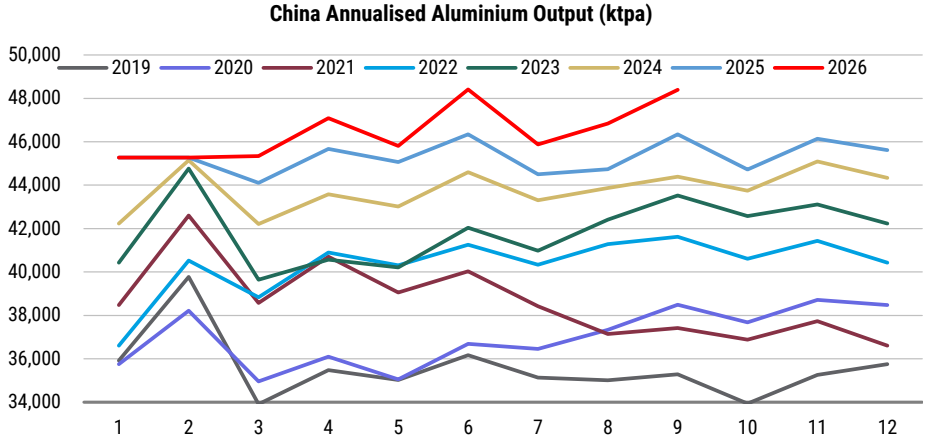
Source: Platts, Bloomberg

Exhibit 46: IAI Global Aluminium Production



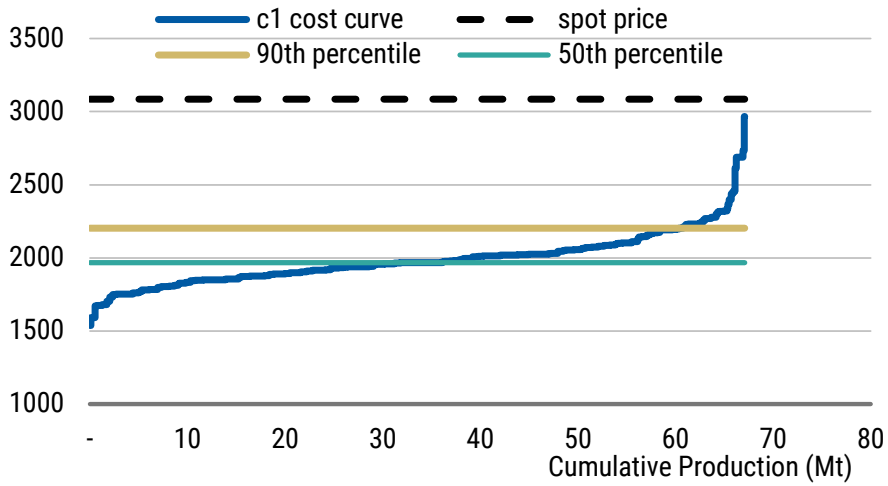
Source: IAI

Exhibit 47: China Aluminium Production



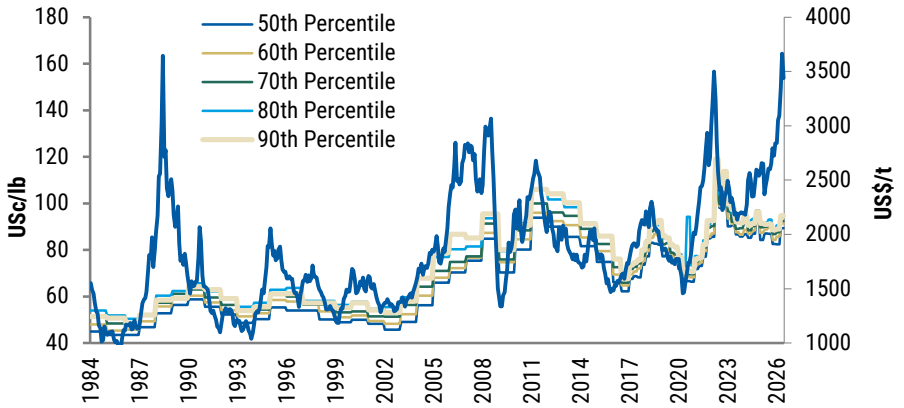
Source: Bloomberg

Exhibit 48: Aluminium C1 Cost Curve vs Spot ($/t)



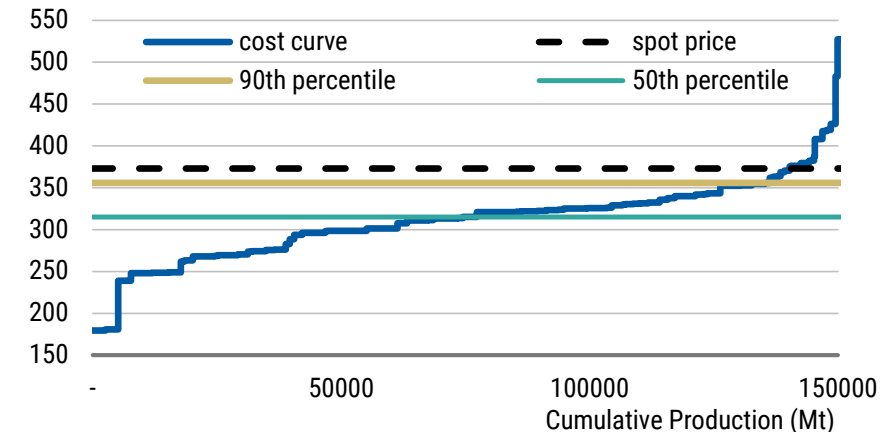
Source: Wood Mackenzie

Exhibit 49: Aluminium Cost Curve Evolution



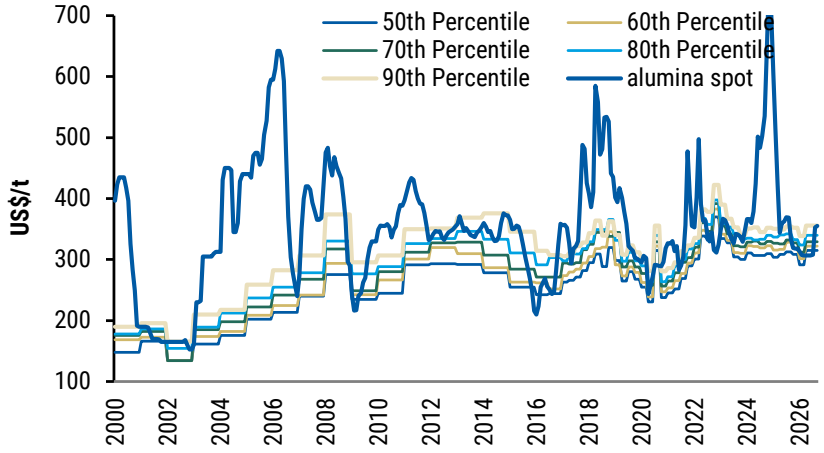
Source: Wood Mackenzie

Exhibit 50: Alumina Total Cost Curve vs Spot ($/t)



Source: Wood Mackenzie

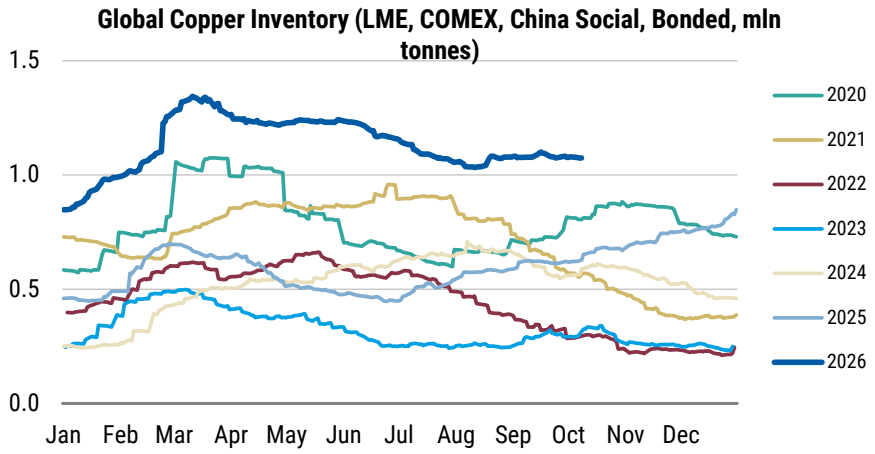
Exhibit 51: Alumina Cost Curve Evolution



Source: Wood Mackenzie

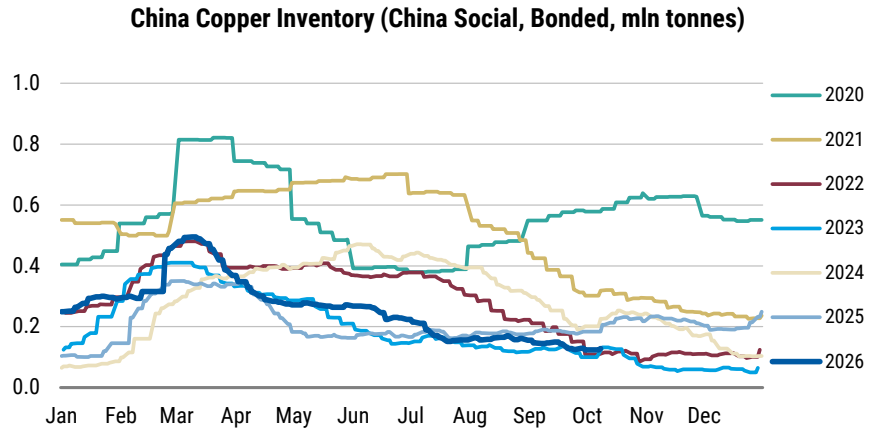
Copper

Exhibit 52: Global Copper Inventories



Source: Bloomberg

Exhibit 53: China Copper Inventories



Source: Bloomberg

Exhibit 54: Copper Price versus China Apparent Consumption

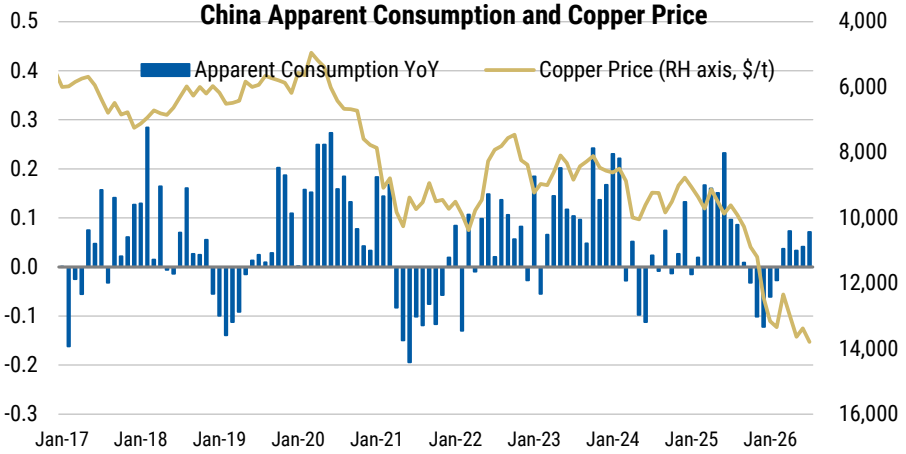
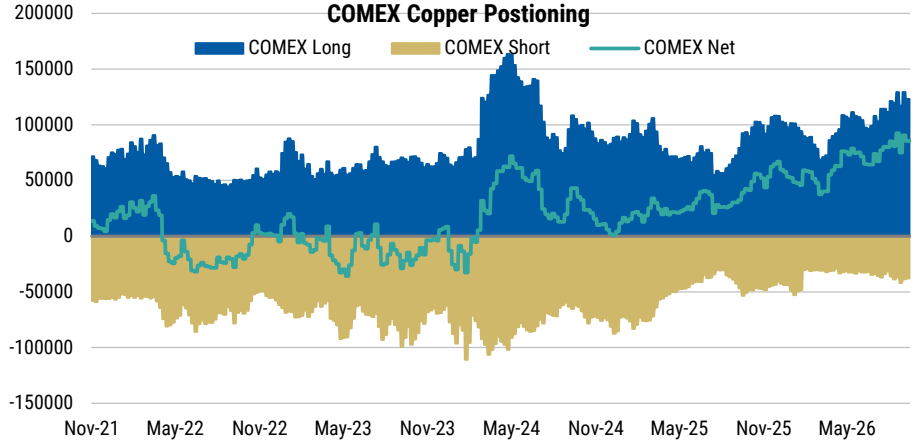
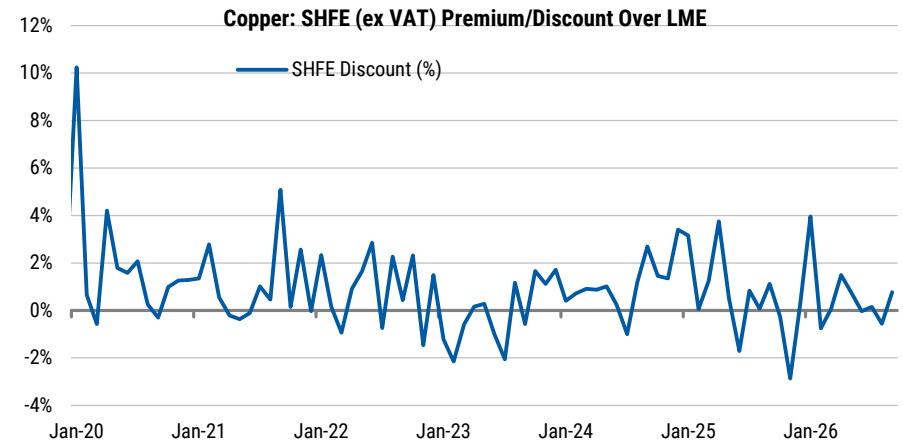


Exhibit 55: Copper CFTC Positioning



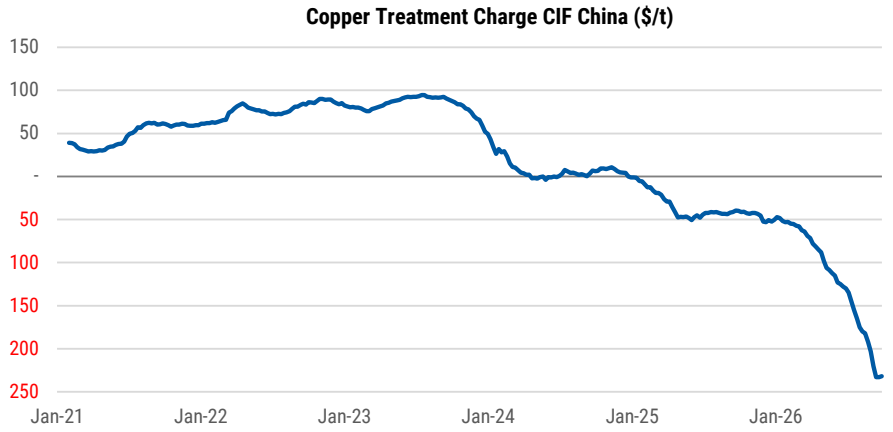
Source: COMEX

Exhibit 56: Price Differentials: SHFE vs LME



Source: Bloomberg

Exhibit 57: Copper treatment charges (TCs)



Source: Platts, Bloomberg

Exhibit 58: Raw materials: China's copper concentrate, refined and scrap monthly import

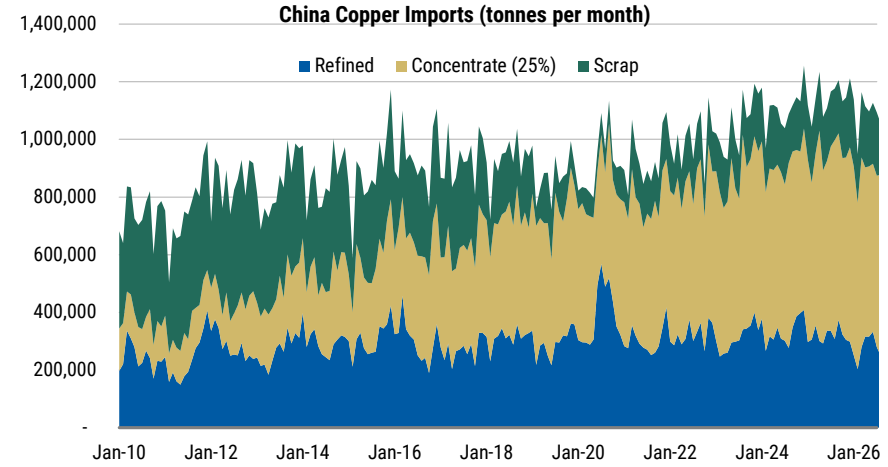
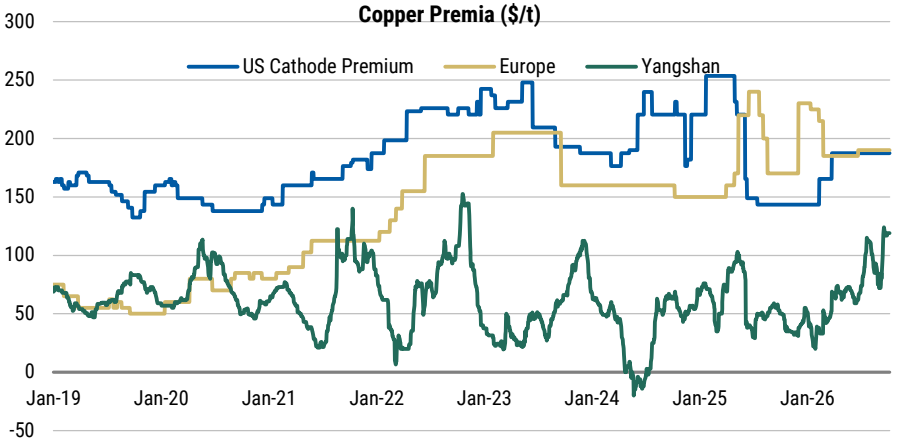
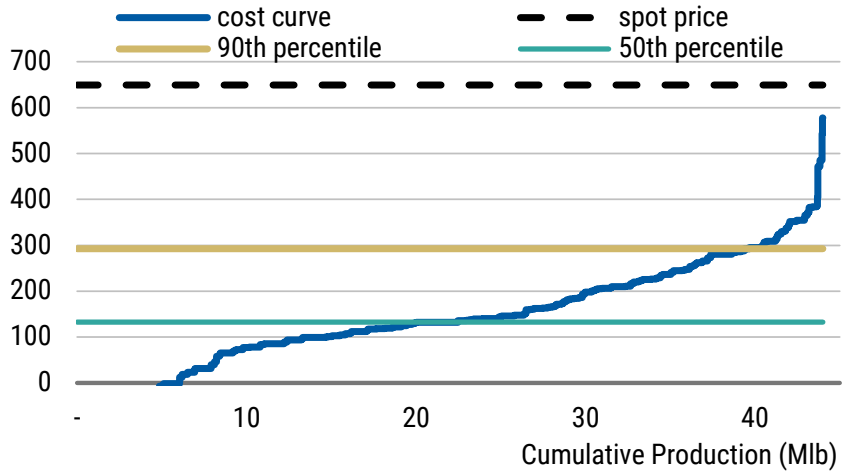


Exhibit 59: Physical Demand: Copper Premia By Region



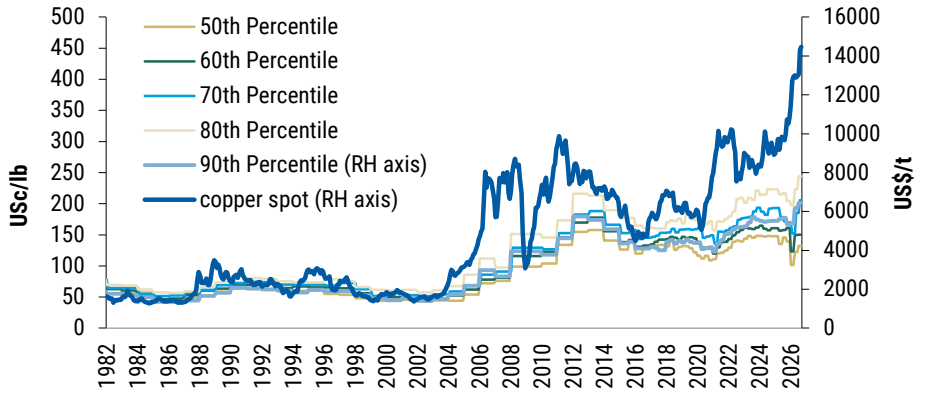
Source: Argus, Bloomberg

Exhibit 60: Copper C1 Cost Curve vs Spot (USc/lb)



Source: Wood Mackenzie

Exhibit 61: Copper Cost Curve Evolution



Source: Wood Mackenzie

Exhibit 62: Copper: Aluminium Ratio

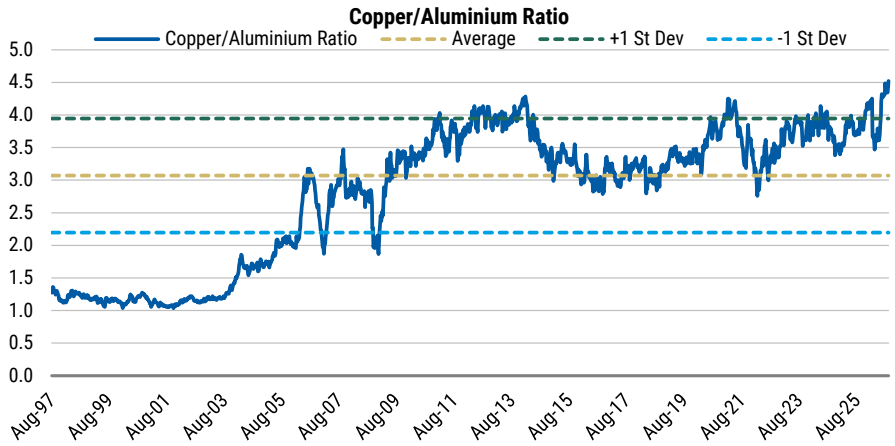
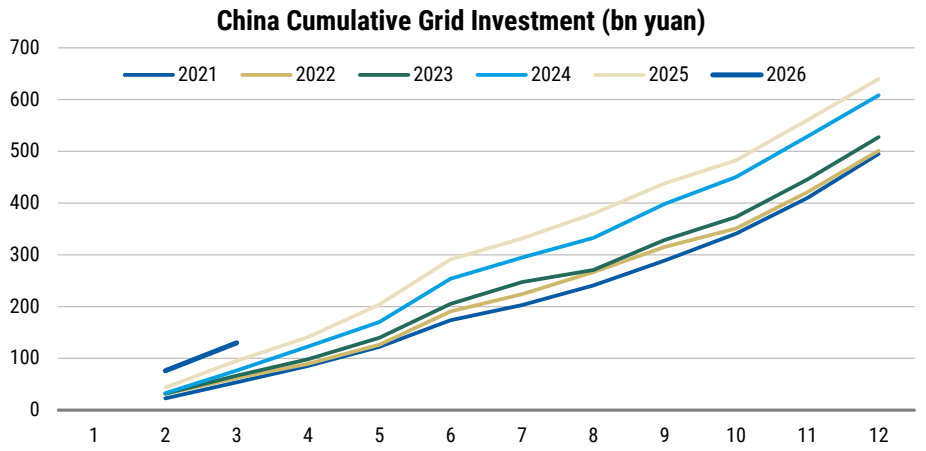
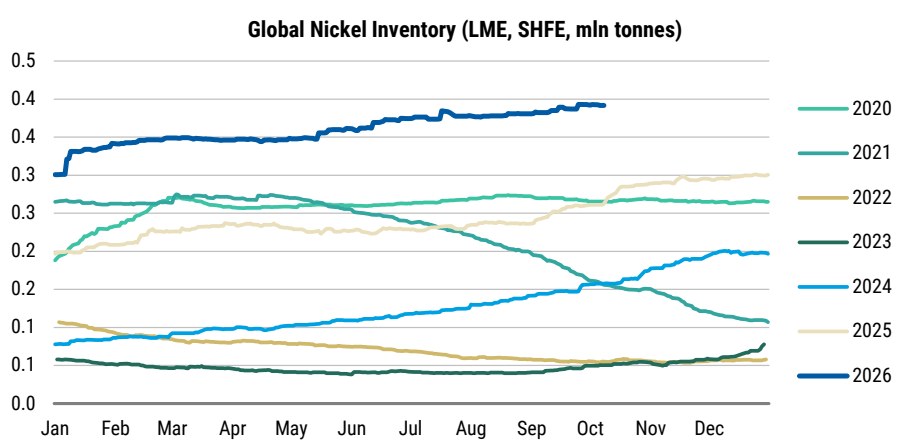


Exhibit 63: China Grid Investment



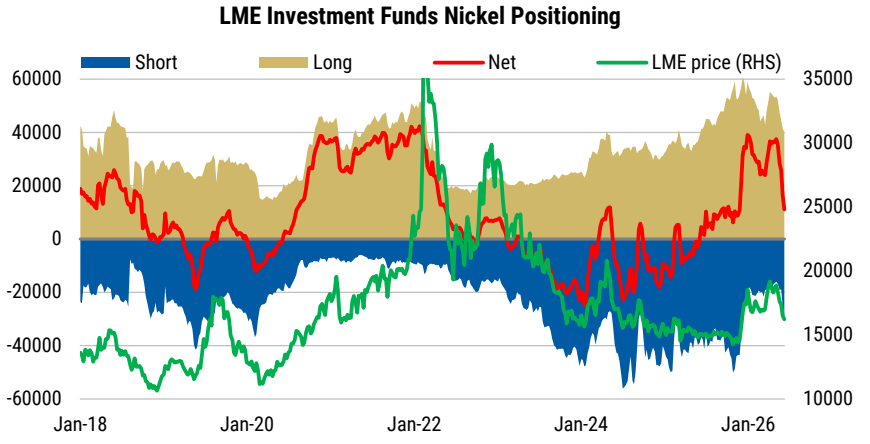
Nickel

Exhibit 64: Global Nickel Inventories



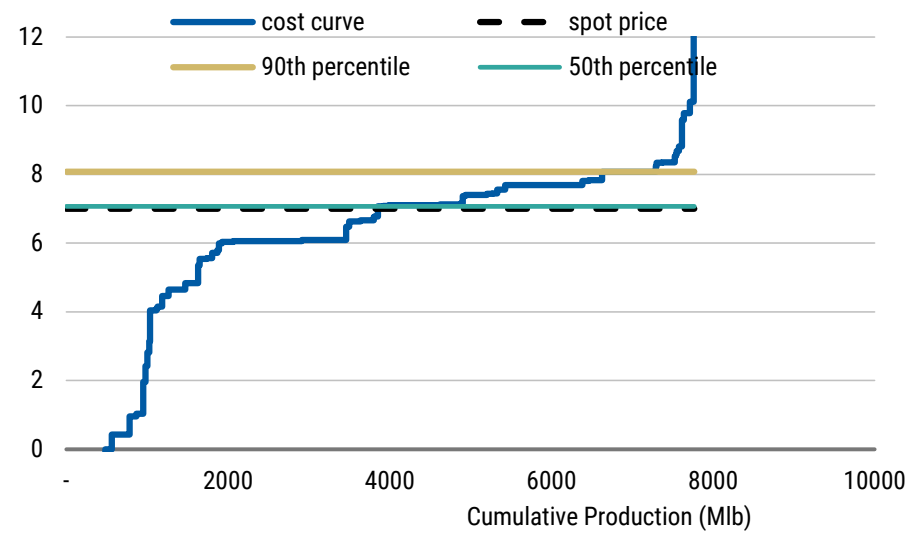
Source: Bloomberg

Exhibit 65: LME Nickel Positioning



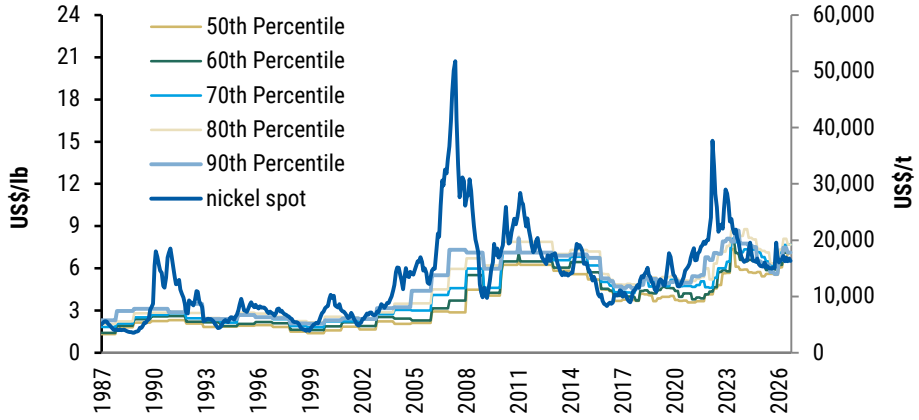
Source: Bloomberg

Exhibit 66: Nickel C1 Cost Curve vs Spot (USc/lb)



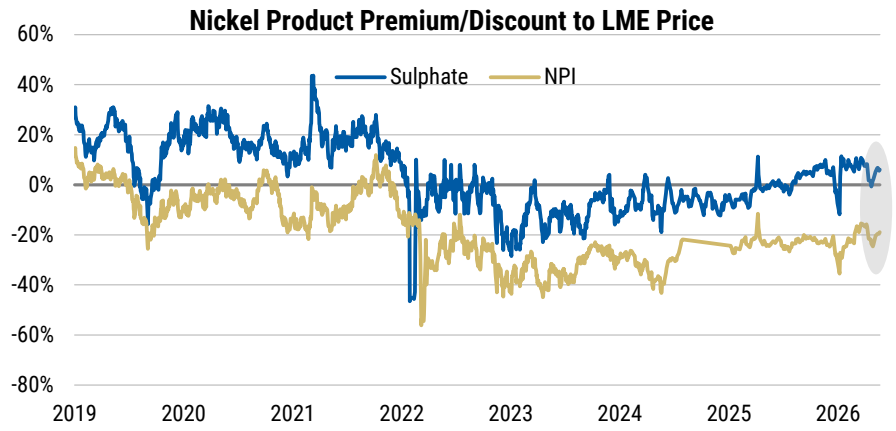
Source: Wood Mackenzie

Exhibit 67: Nickel Cost Curve Evolution



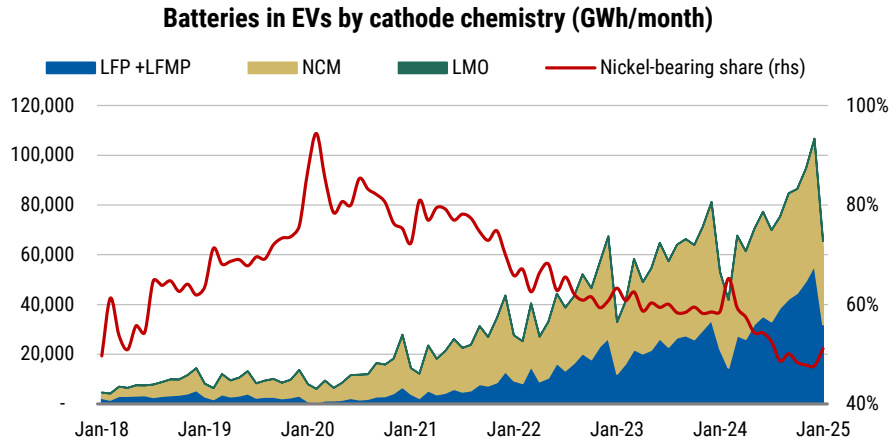
Source: Wood Mackenzie

Exhibit 68: Nickel Product Spreads vs LME Price



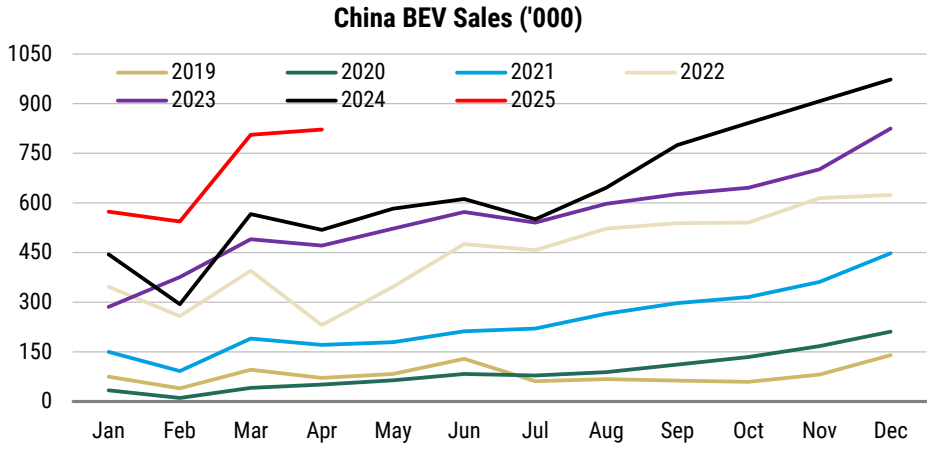
Source: Argus Metals

Exhibit 69: Global Battery Deployment by Chemistry



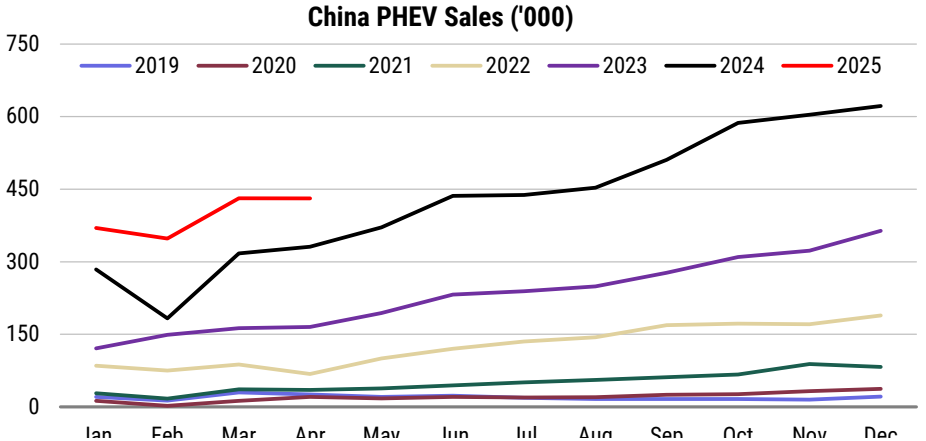
Source: Rho Motion

Exhibit 70: China NEV Sales



Source: CEIC, CAAM

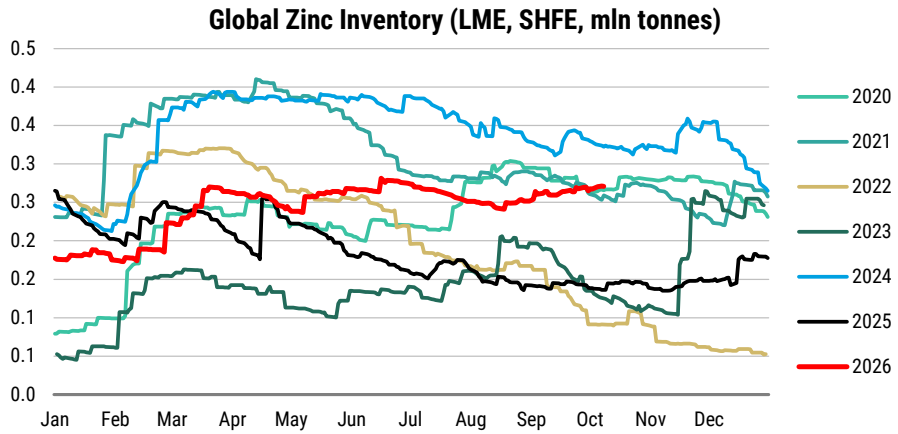
Exhibit 71: China PHEV Sales



Source: CEIC, CAAM

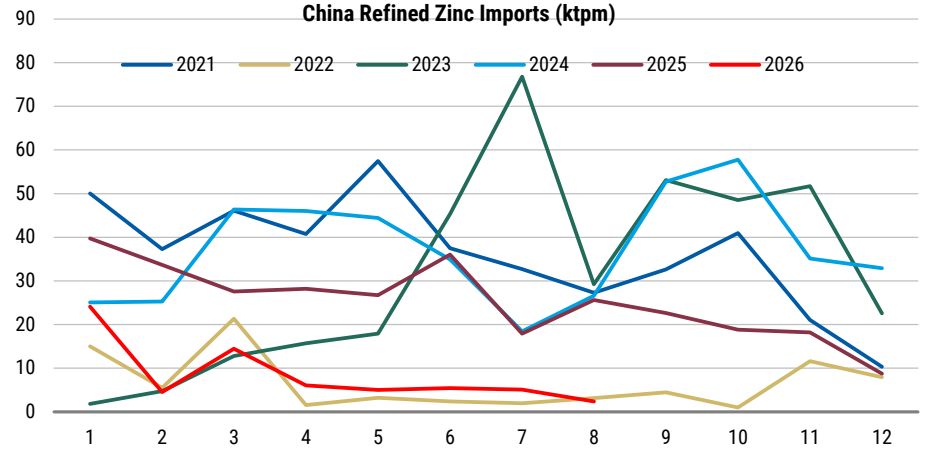
Zinc

Exhibit 72: Global Zinc Inventories



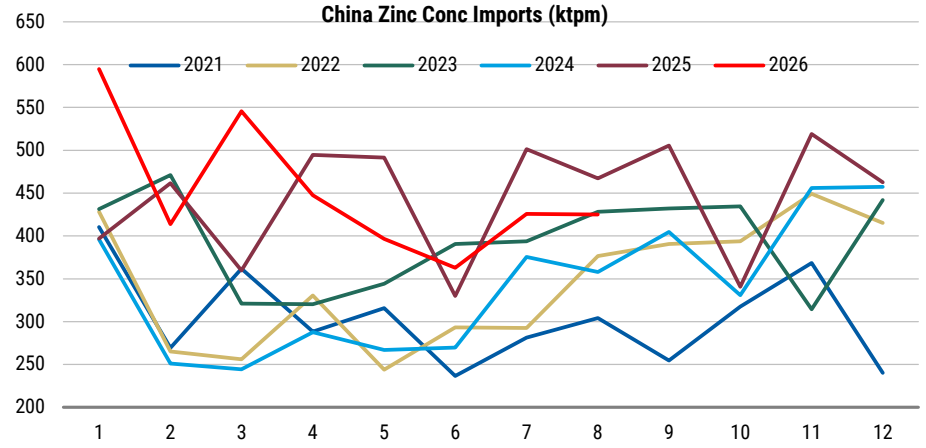
Source: Bloomberg

Exhibit 73: China Refined Zinc Imports



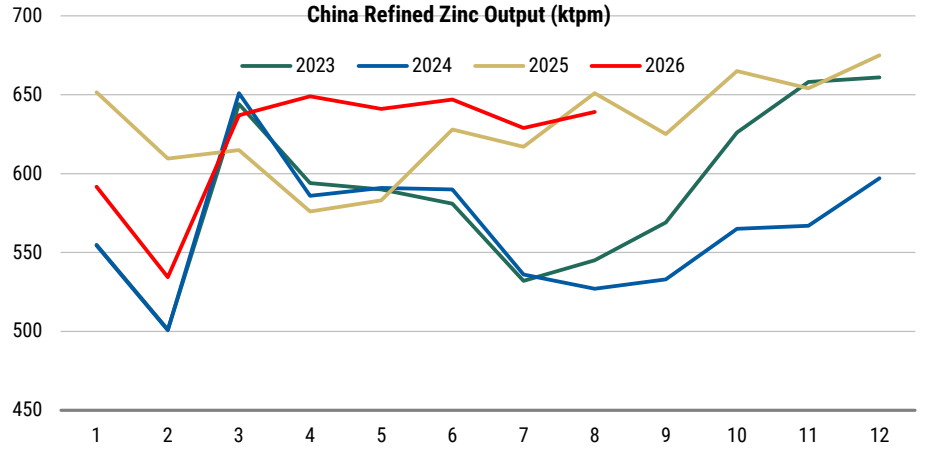
Source: Bloomberg

Exhibit 74: China Zinc Concentrate Imports



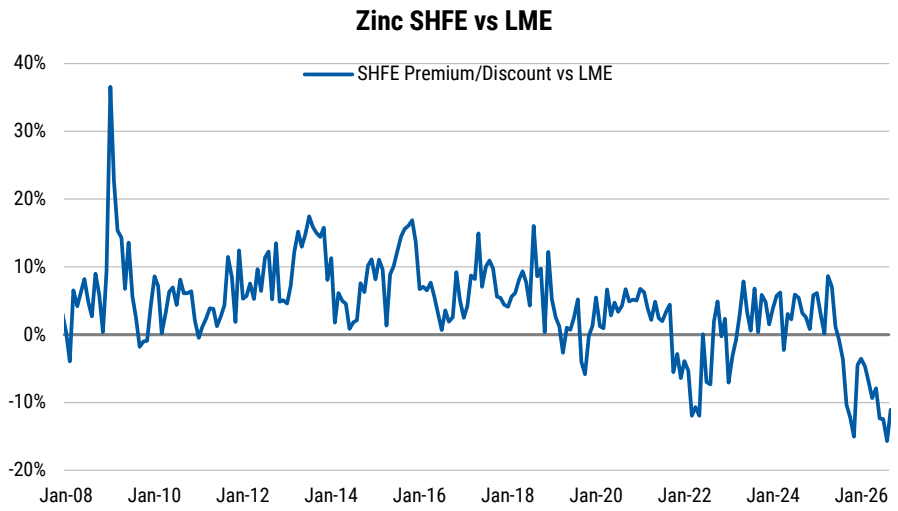
Source: Bloomberg

Exhibit 75: China Refined Zinc Output



Source: Bloomberg

Exhibit 76: Price Differentials: SHFE vs LME



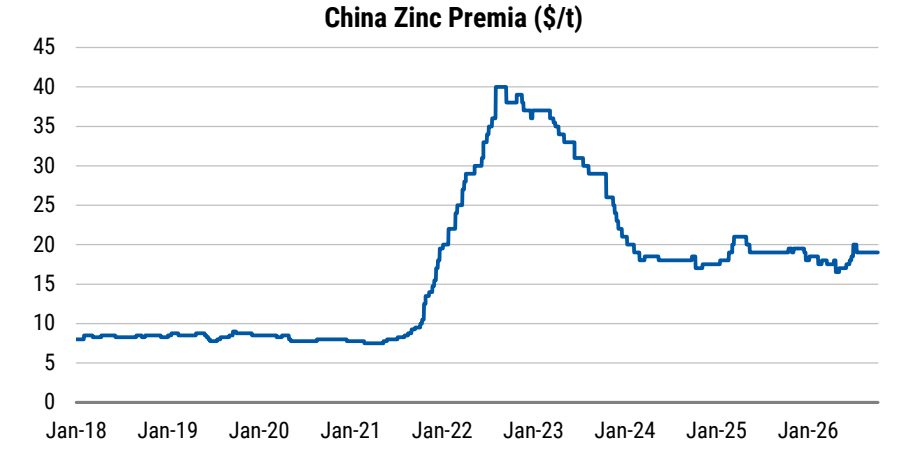
Source: Bloomberg

Exhibit 77: Zinc Treatment Charges



Source: Bloomberg

Exhibit 78: Zinc Premia



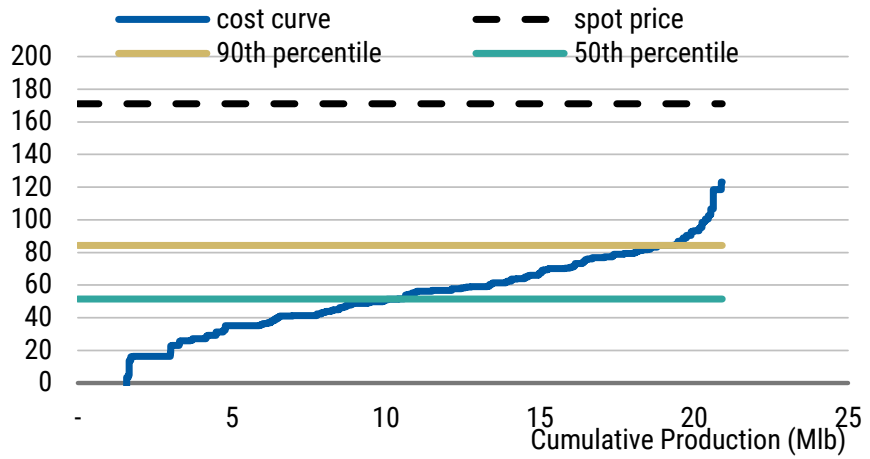
Source: Bloomberg

Exhibit 79: Zinc/Lead Ratio



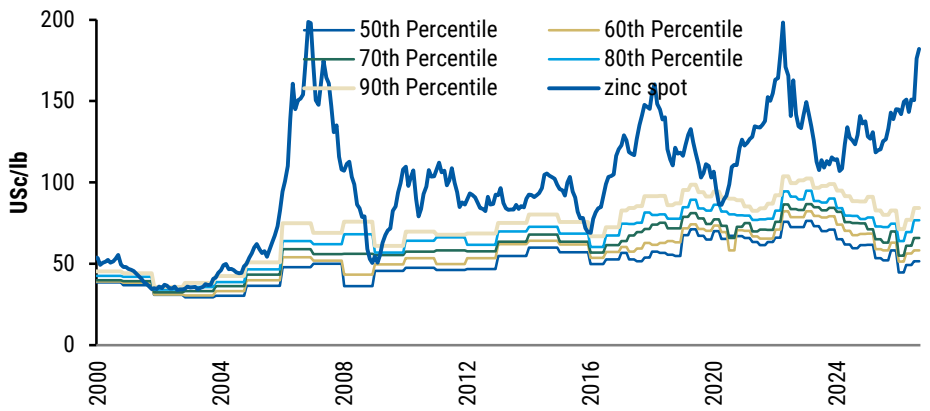
Source: Bloomberg

Exhibit 80: Zinc C1 Cost Curve vs Spot ($/t)



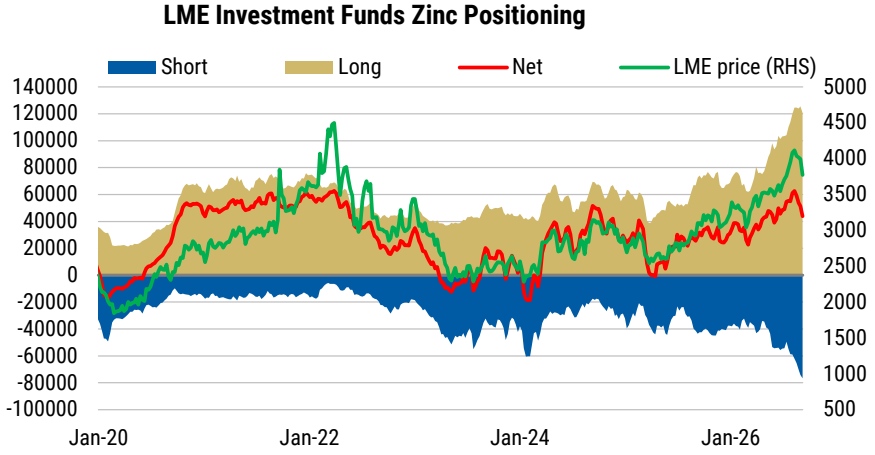
Source: Woodmac

Exhibit 81: Zinc Cost Curve Evolution



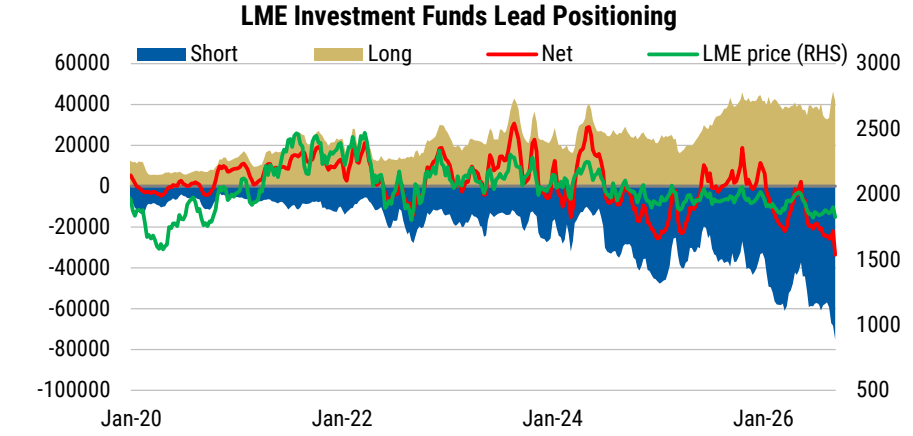
Source: Woodmac

Exhibit 82: Zinc Positioning



Source: Bloomberg

Exhibit 83: Lead Positioning



Source: Bloomberg

Lithium

Exhibit 84: Lithium Chemical Prices

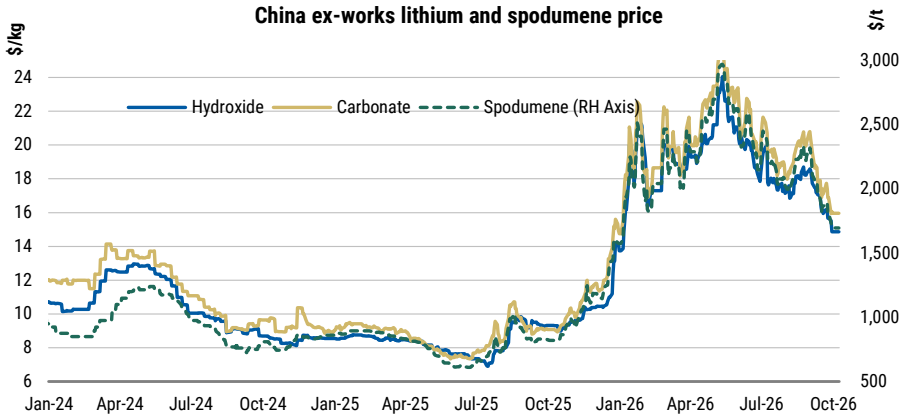
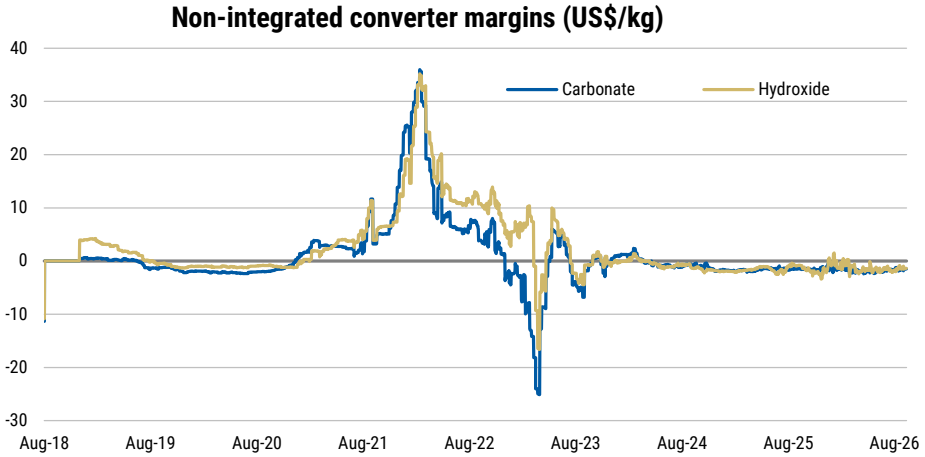


Exhibit 85: Non-integrated Convertor Margins



Source: Fastmarkets, Morgans Stanley Research

Exhibit 86: China Lithium Carbonate Imports

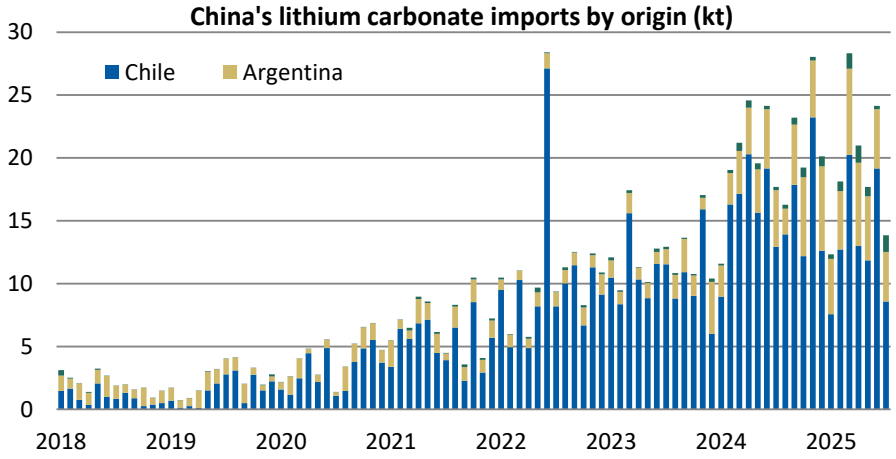
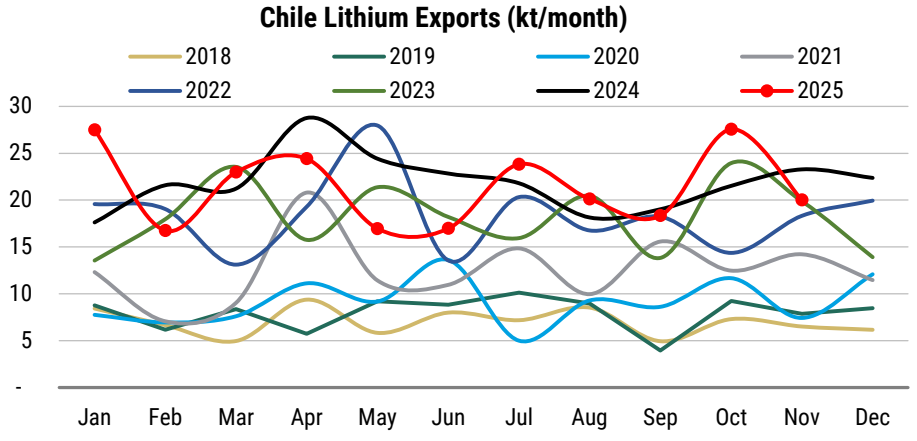
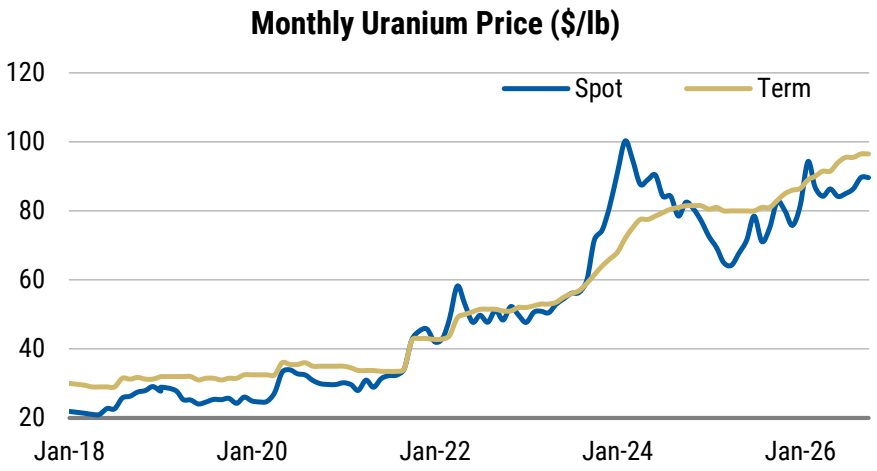


Exhibit 87: Chile Lithium Exports



Uranium

Exhibit 88: Uranium Price (Spot and Term)



Source: Cameco

Exhibit 89: Sprott ETF Purchases

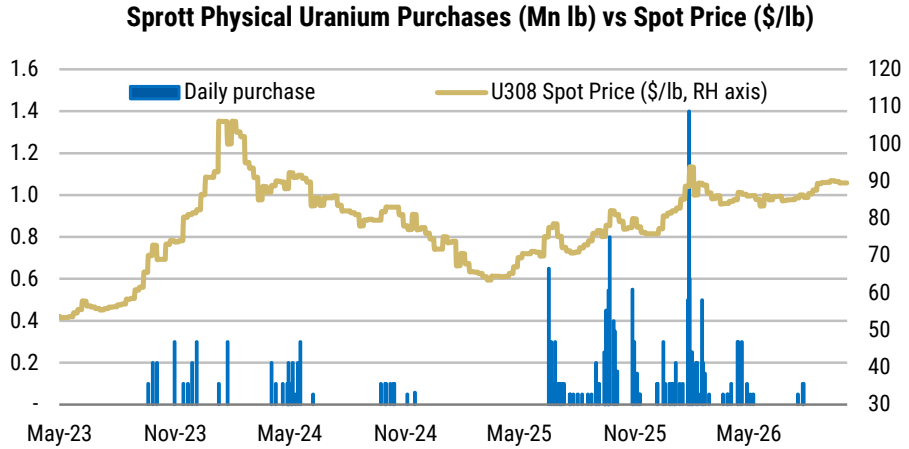
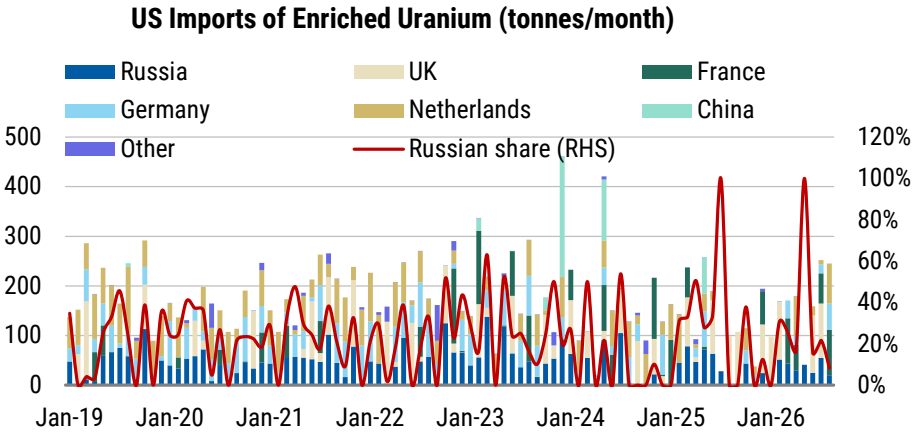
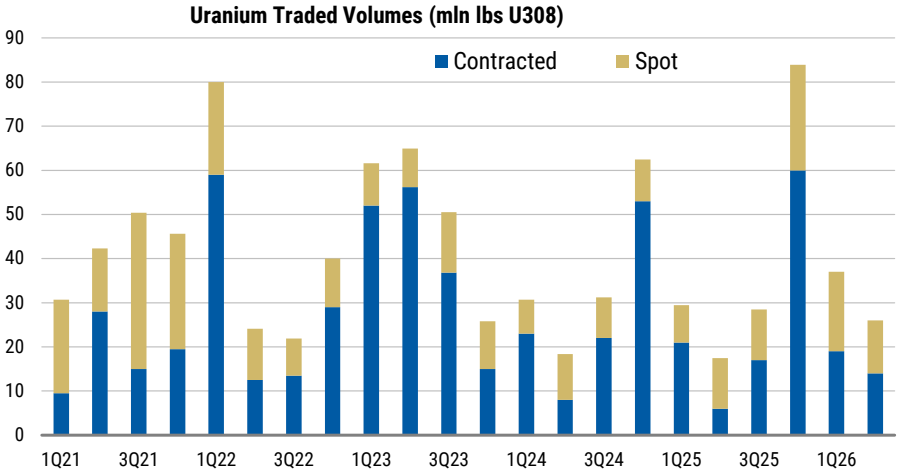


Exhibit 90: US Enriched Uranium Imports



Source: Trademap

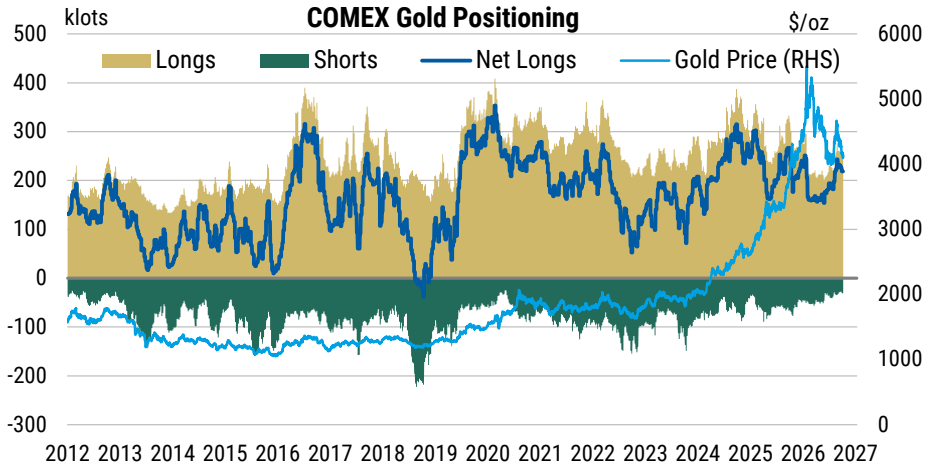
Exhibit 91: Quarterly contracting volumes



Source: Kazatomprom

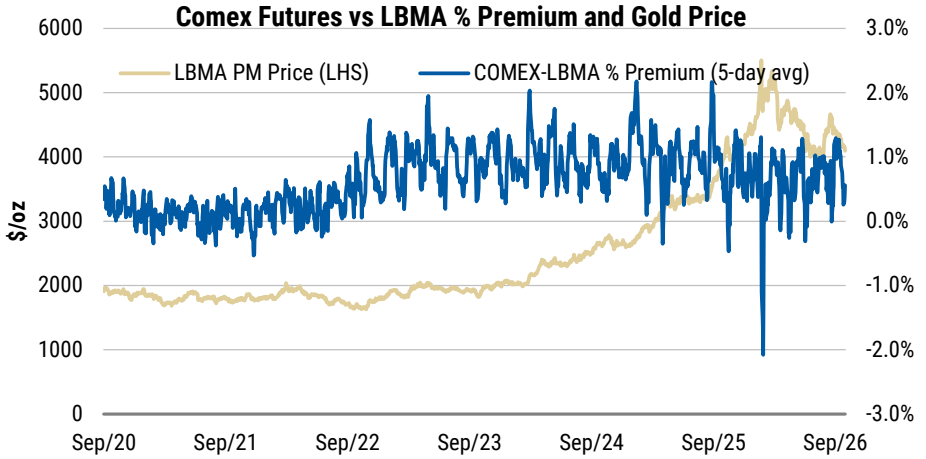
Gold and Other Precious Metals

Exhibit 92: CFTC Gold Futures Positioning



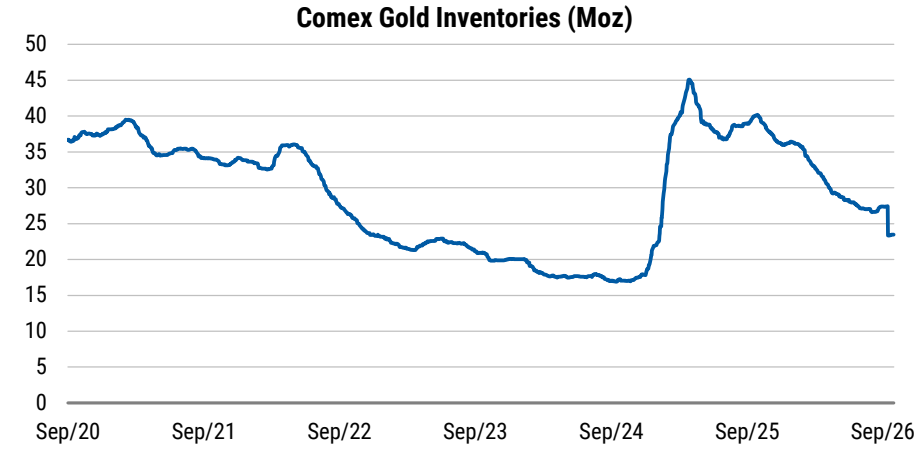
Source: Bloomberg

Exhibit 93: COMEX-LBMA Gold Premium



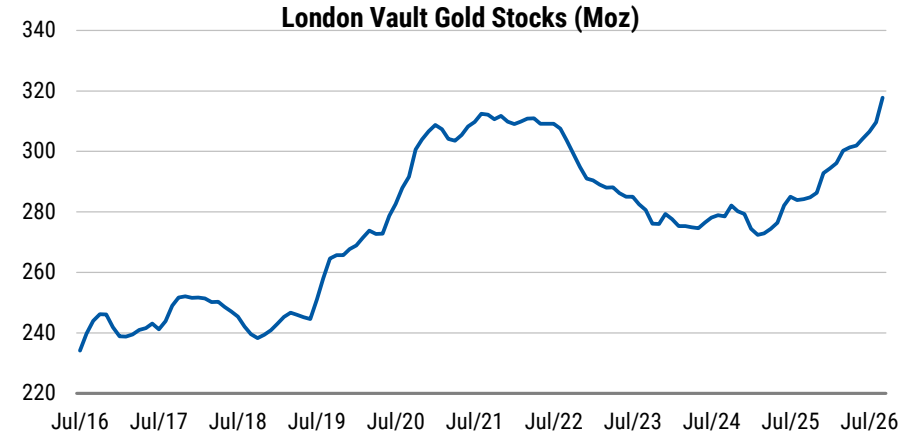
Source: Bloomberg

Exhibit 94: COMEX Gold Inventories



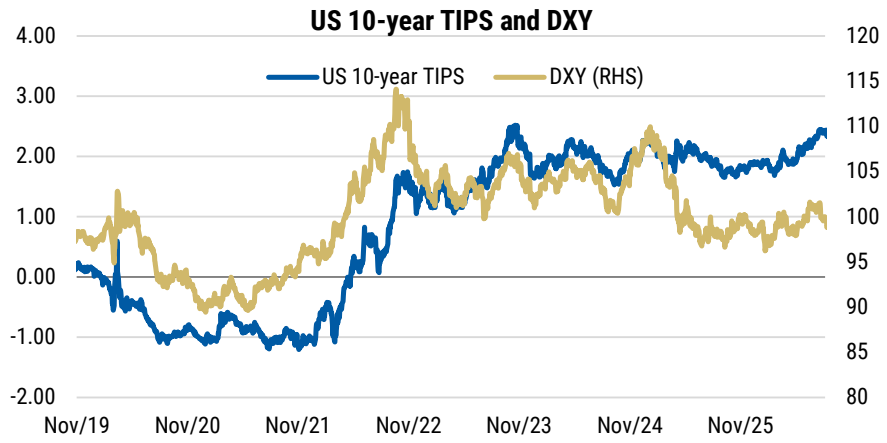
Source: Bloomberg

Exhibit 95: London Gold Vault Stocks



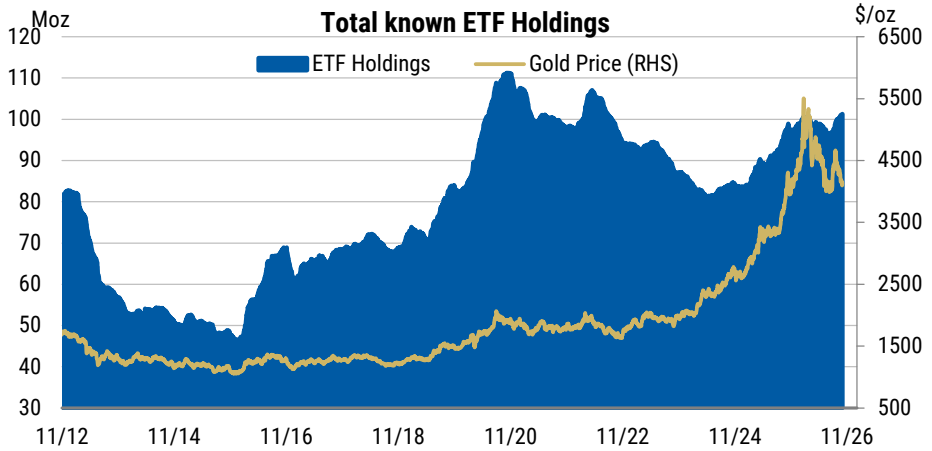
Source: LBMA

Exhibit 96: US 10 Year TIPS and DXY



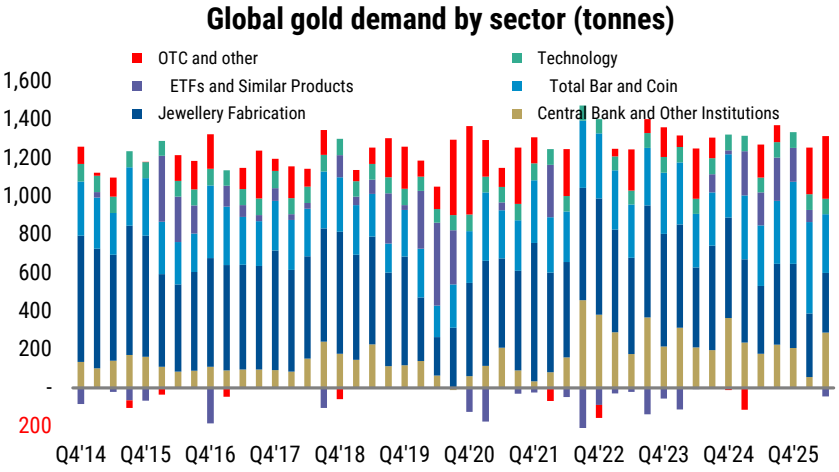
Source: Bloomberg

Exhibit 97: ETF Holdings vs Gold Price



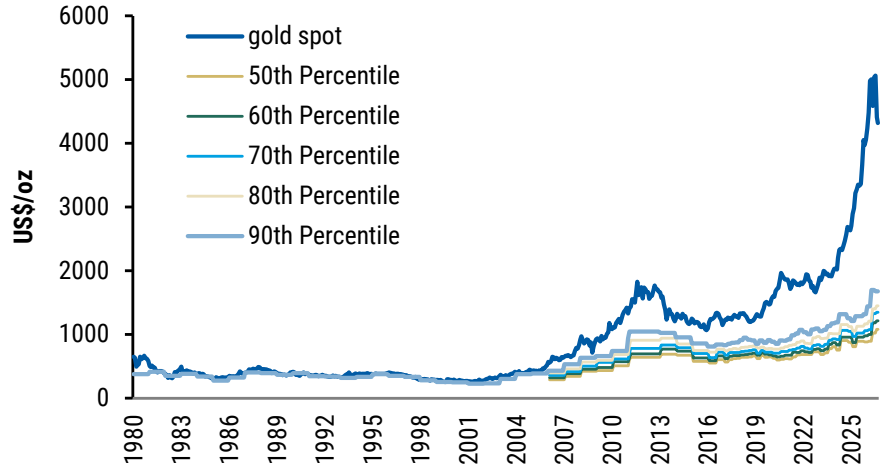
Source: Bloomberg

Exhibit 98: Global Gold Demand by Sector



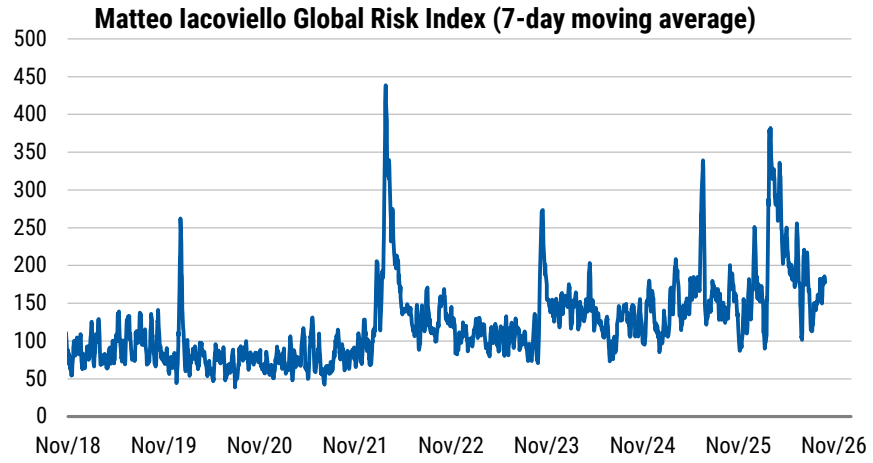
Source: World Gold Council

Exhibit 99: Gold Cost Curve Evolution



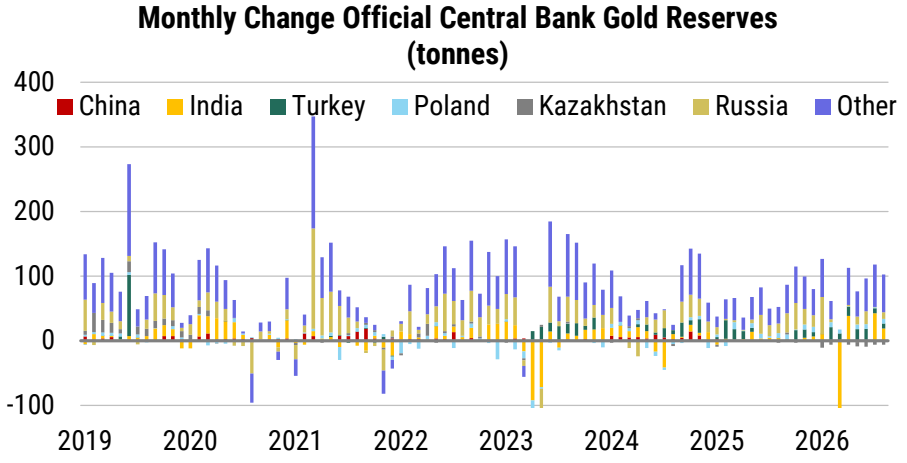
Source: Woodmac

Exhibit 100: Geopolitical Risk Index



Source: Mateo Iacoviello

Exhibit 101: Monthly Central Bank Purchasing



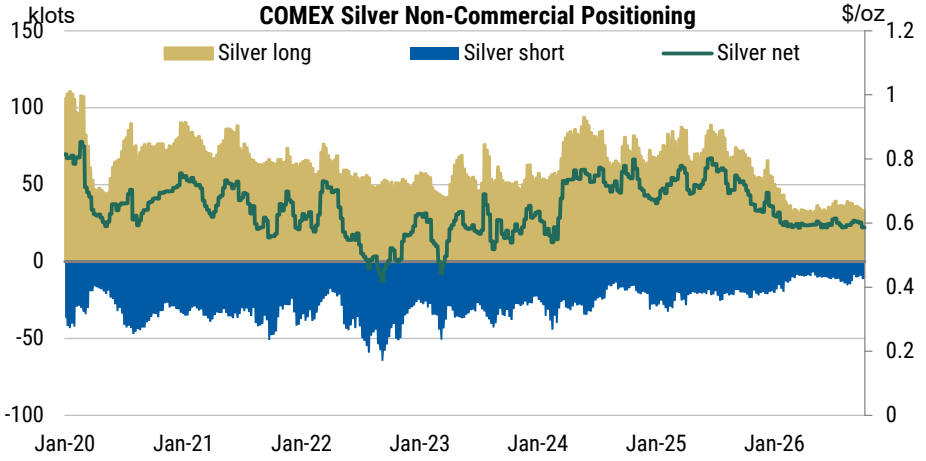
Source: World Gold Council

Exhibit102: Gold/Silver Ratio



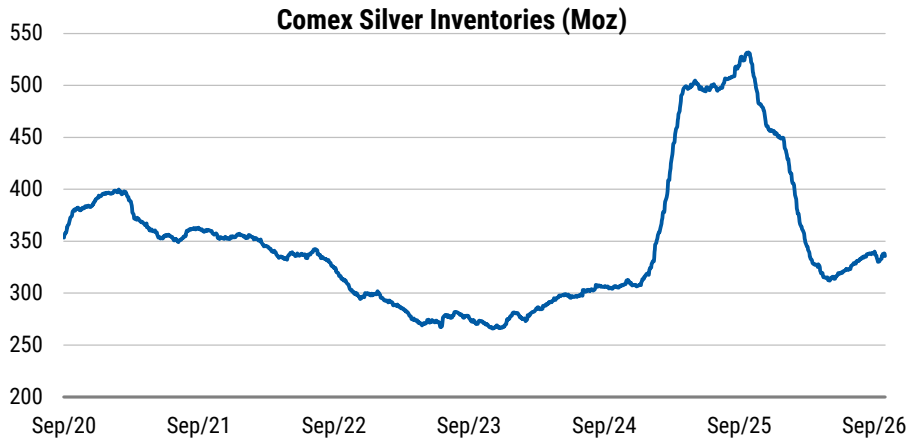
Source: Bloomberg

Exhibit103: CFTC Silver Futures Positioning



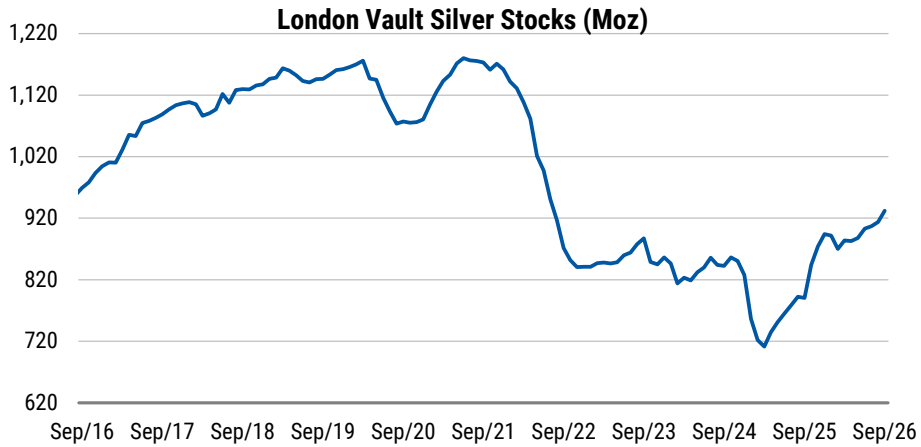
Source: Bloomberg

Exhibit 104: COMEX Silver Inventories



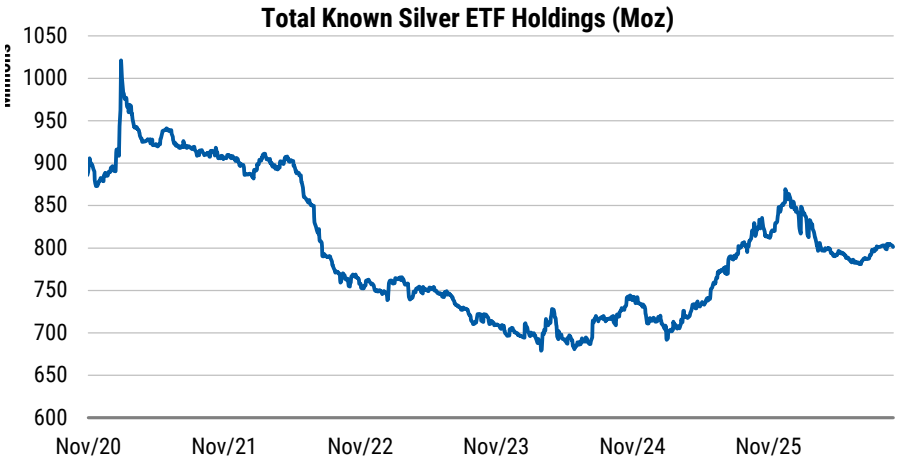
Source: Bloomberg

Exhibit 105: London Vault Silver Stocks



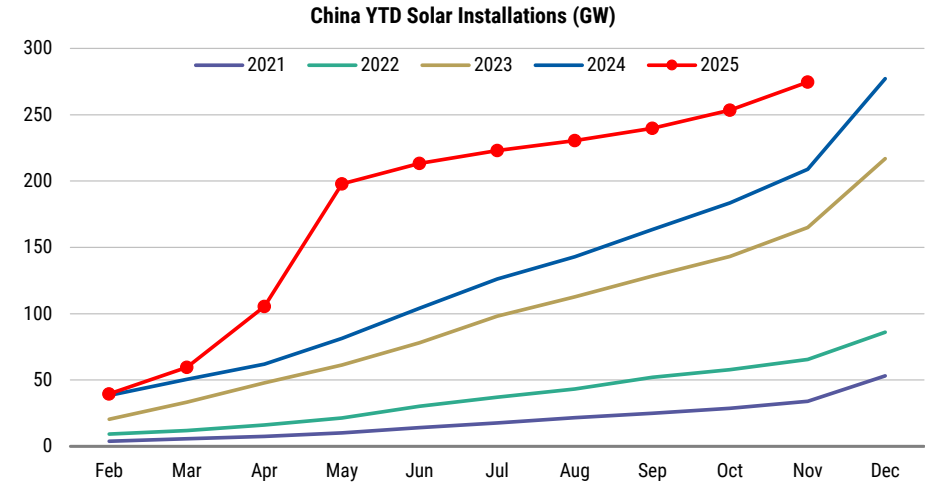
Source: LBMA

Exhibit 106: Total ETF Holdings



Source: Bloomberg

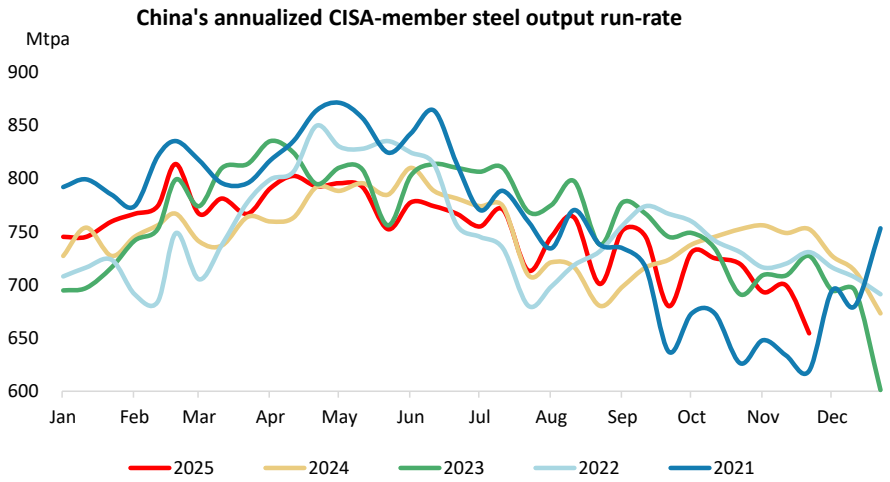
Exhibit 107: China Solar Installations



Source: Bloomberg

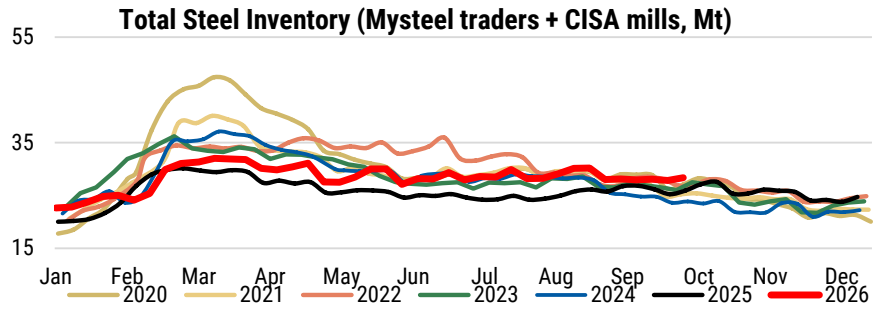
Iron Ore & Steel

Exhibit 108: China CISA Steel Production



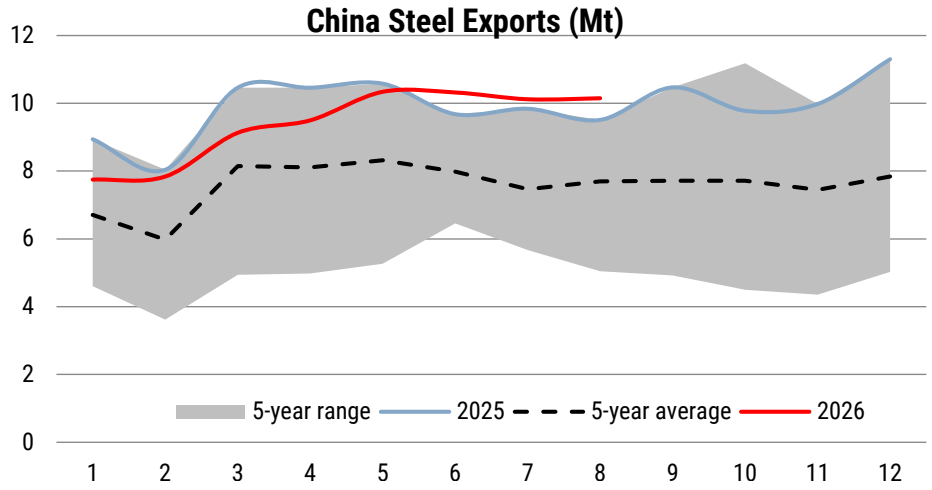
Source: CISA

Exhibit 109: China Steel Inventory



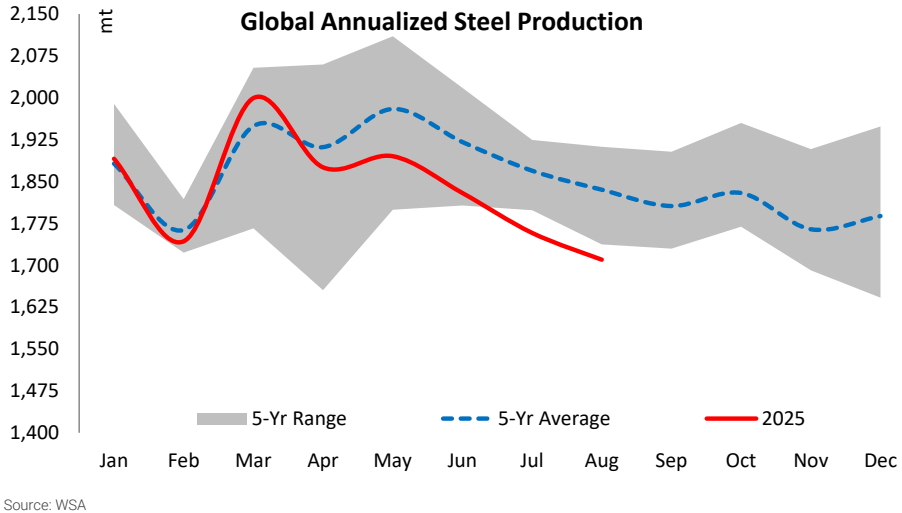
Source: Mysteel

Exhibit 110: China Steel Exports



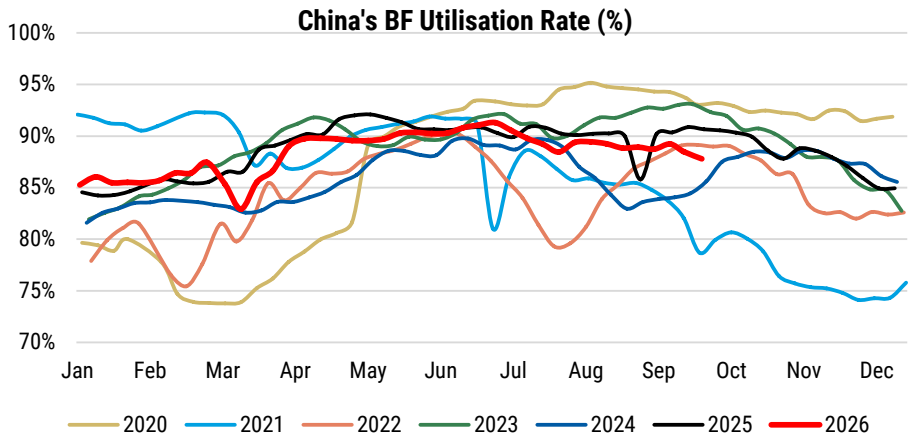
Source: Bloomberg

Exhibit 111: Global Steel Production



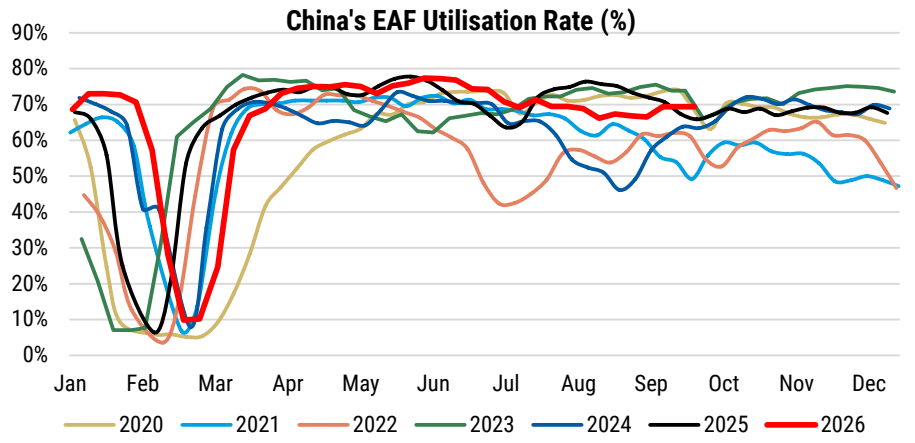
Source: WSA

Exhibit 112: China BF Utilisation Rate



Source: Mysteel

Exhibit 113: China EAF Utilisation Rate



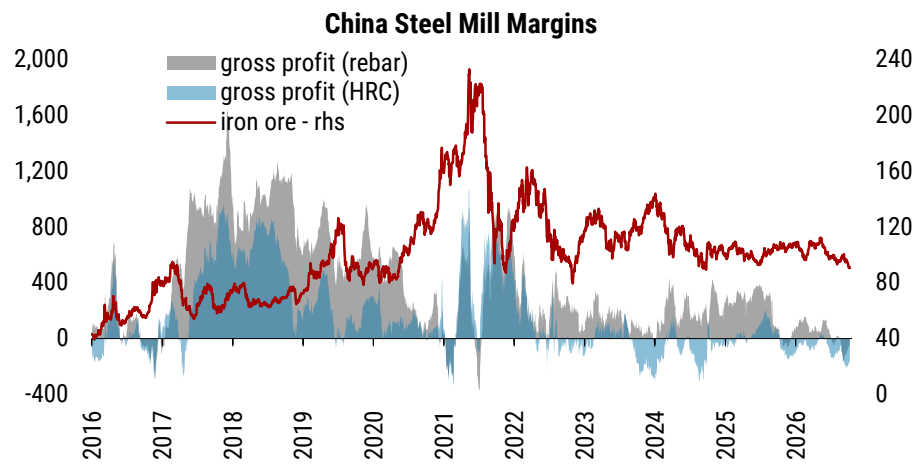
Source: Mysteel

Exhibit 114: China Steel Scrap Ratio



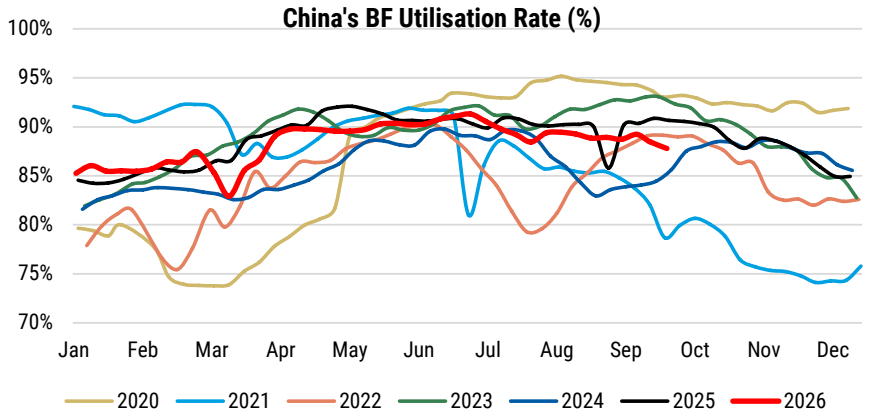
Source: Bloomberg

Exhibit 115: China Steel Mill Margin



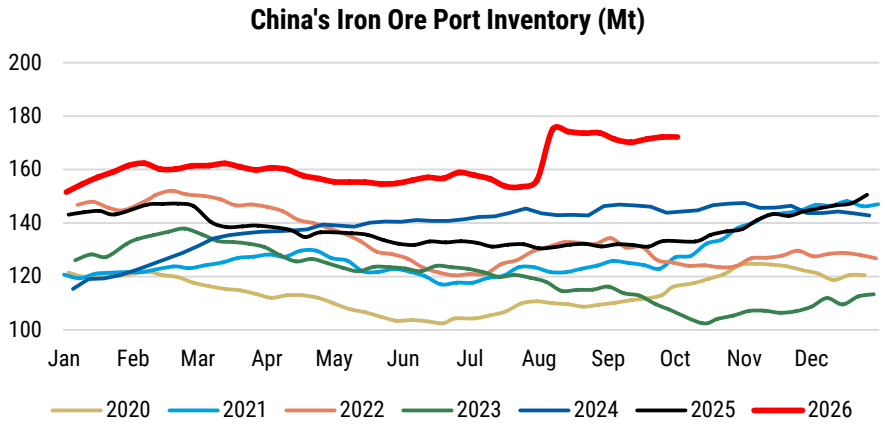
Source: Mysteel

Exhibit 116: China BF Utilisation



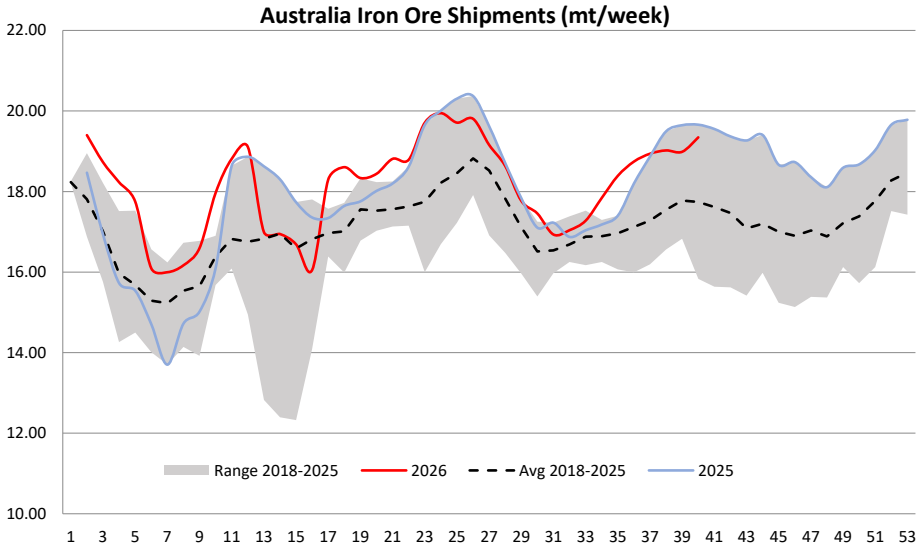
Source: Bloomberg

Exhibit 117: China Iron Ore Port Inventory



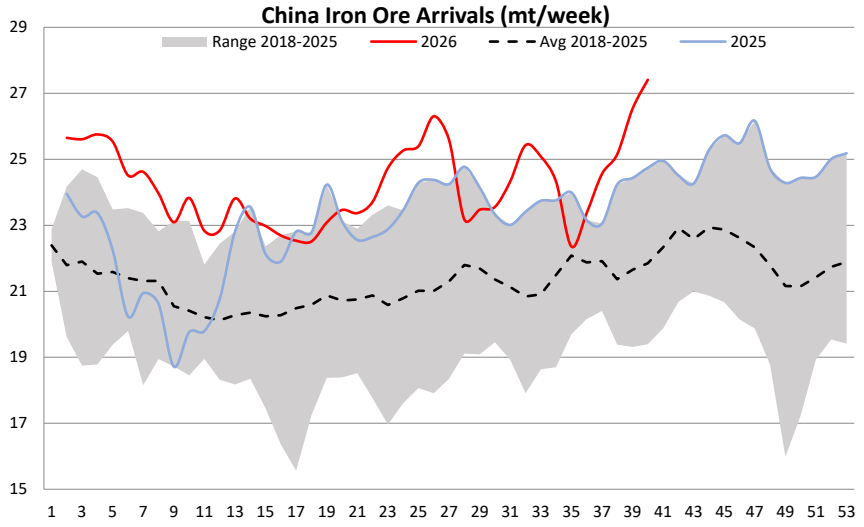
Source: Mysteel

Exhibit 118: Australia Iron Ore Shipments



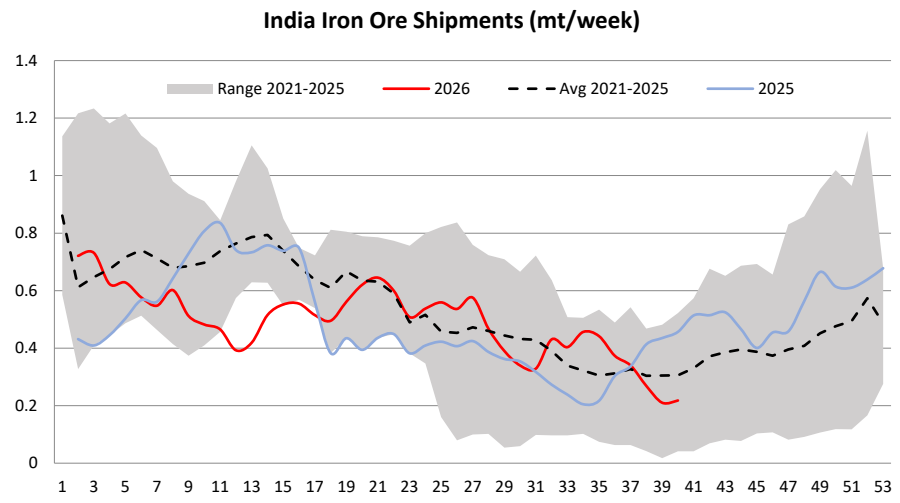
Source: Eikon

Exhibit 119: China Iron Ore Arrivals



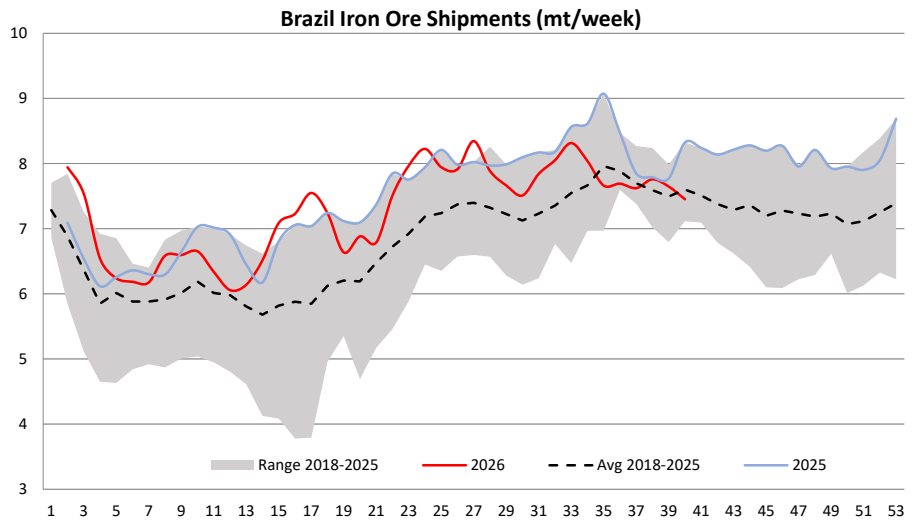
Source: Eikon

Exhibit 120: India Iron Ore Shipments



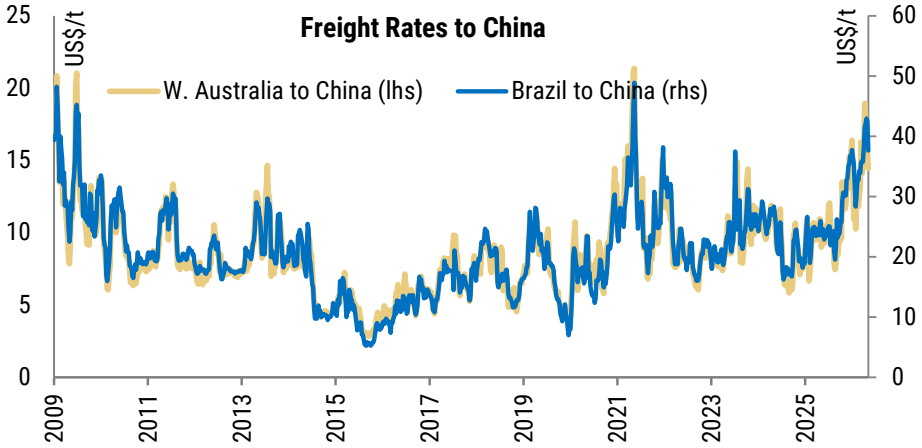
Source: Eikon

Exhibit 121: Brazil Iron Ore Shipments



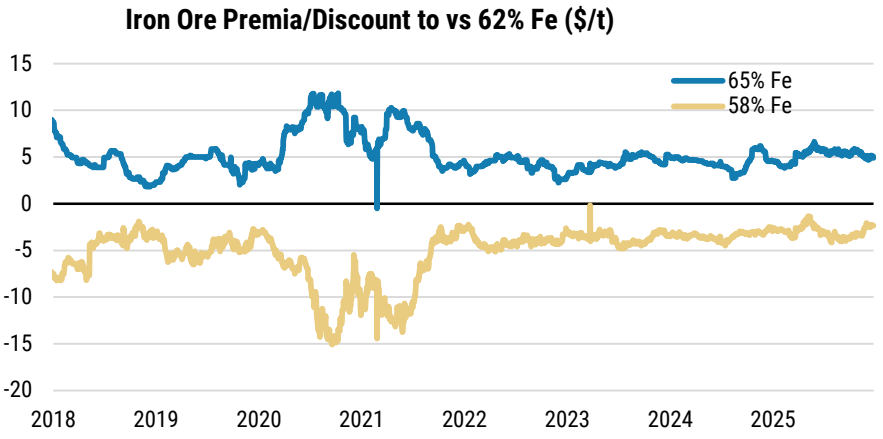
Source: Eikon

Exhibit 122: Freight Rates to China



Source: Bloomberg

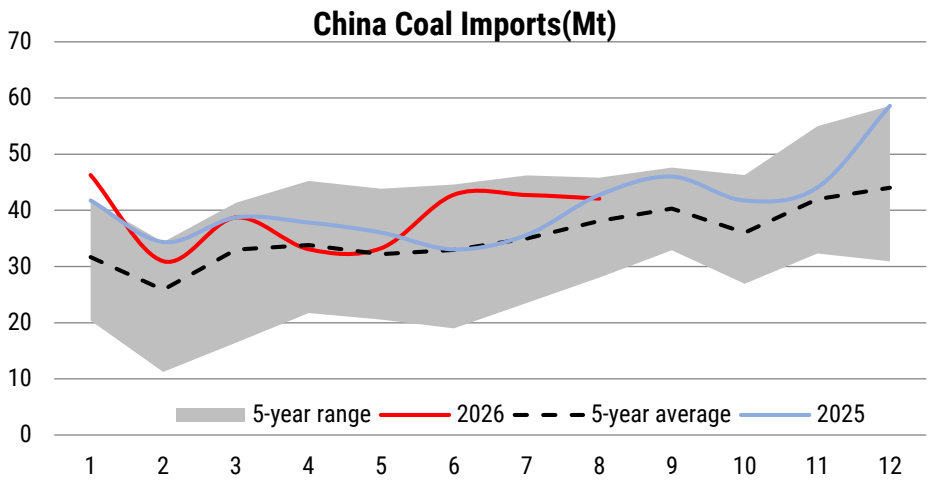
Exhibit 123: Iron Ore Premia/Discount



Source: Platts

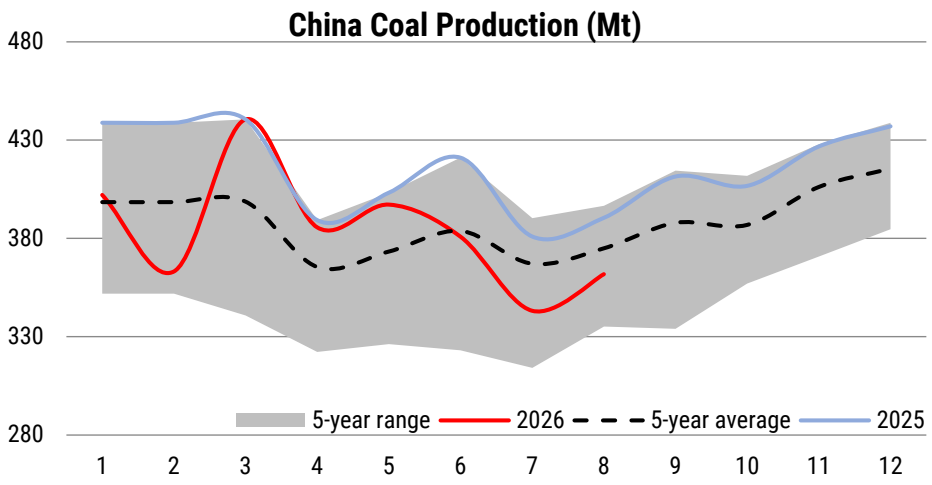
Coal

Exhibit 124: China Coal Imports



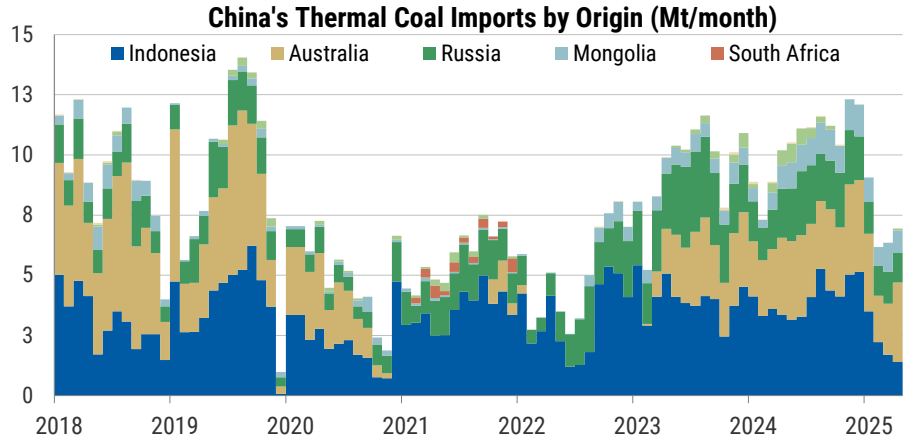
Source: Bloomberg

Exhibit 125: China Coal Production



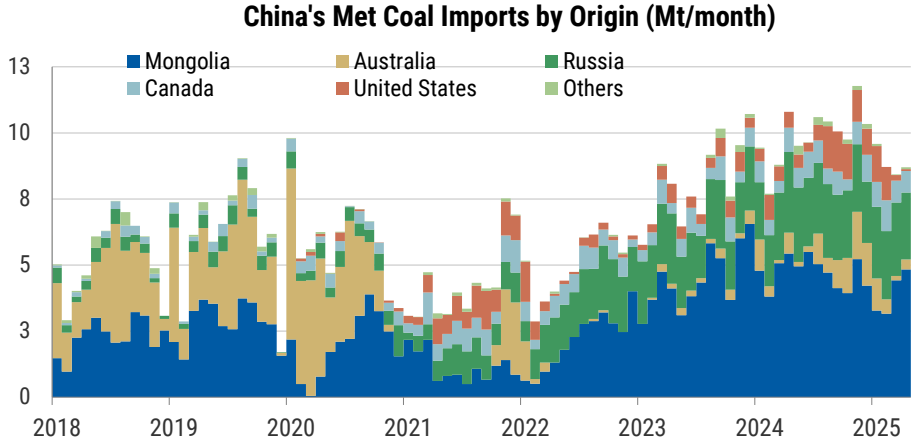
Source: Bloomberg

Exhibit 126: China Thermal Coal Imports



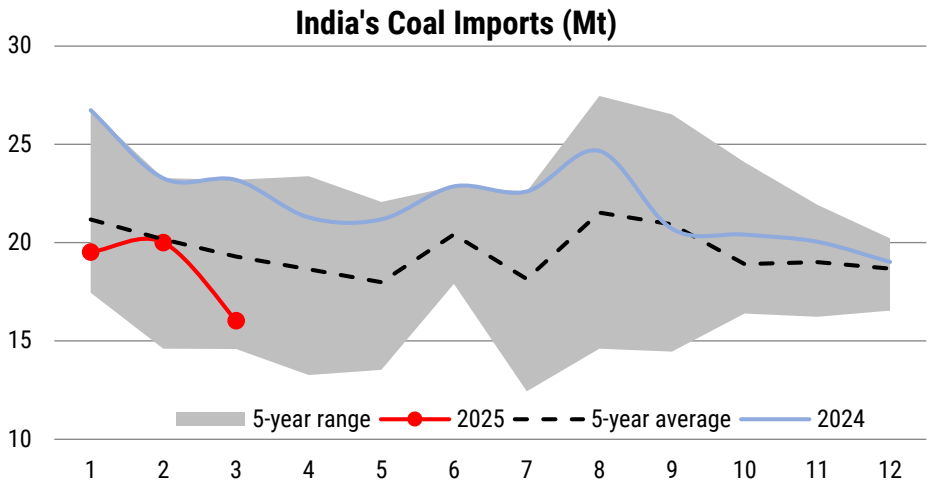
Source: McCloskey

Exhibit 127: China Met Coal Imports



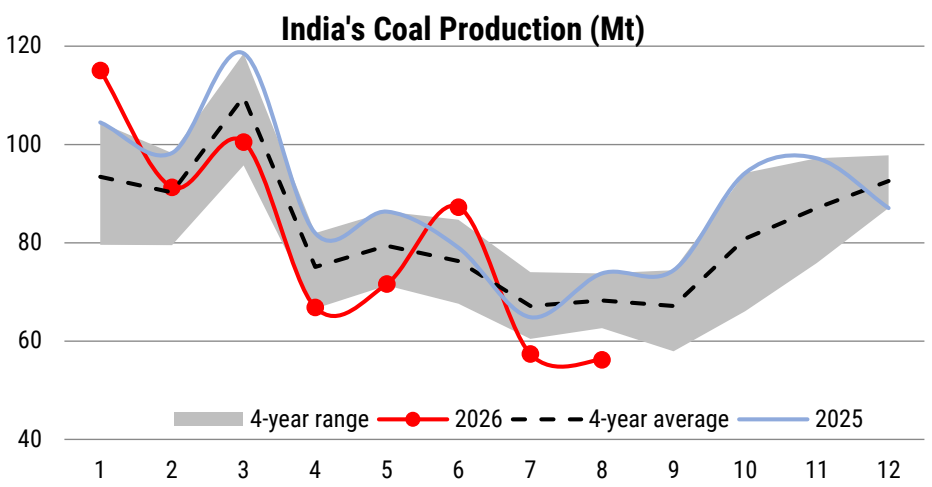
Source: McCloskey

Exhibit 128: India Coal Imports



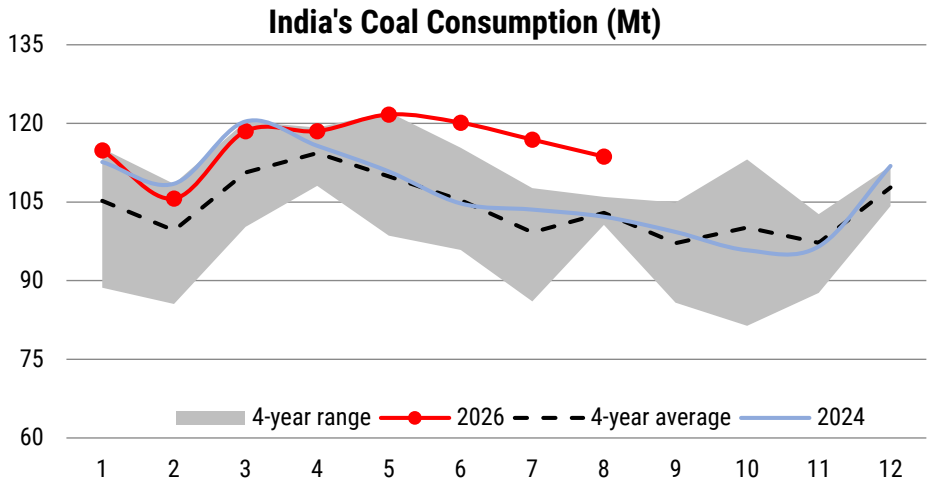
Source: McCloskey

Exhibit 129: India Coal Production



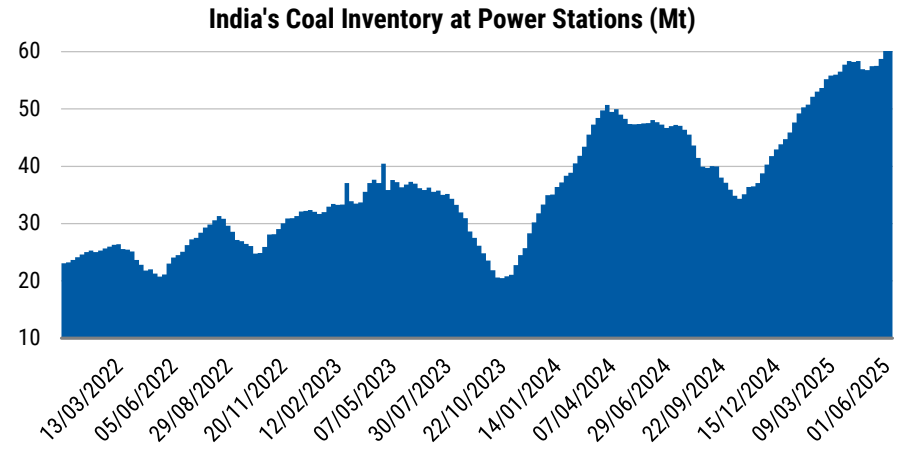
Source: Ministry of Coal, Government of India

Exhibit 130: India Coal Consumption



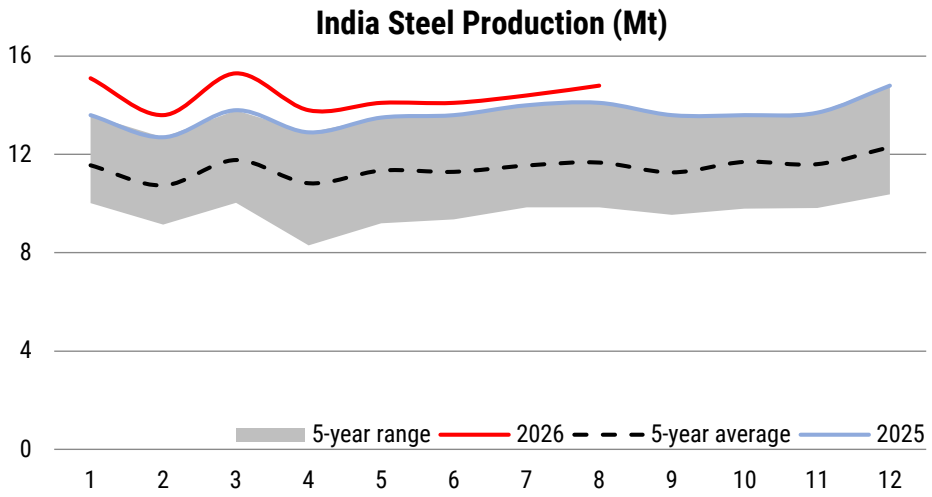
Source: Ministry of Coal, Government of India

Exhibit 131: India Coal Inventory at Power Station



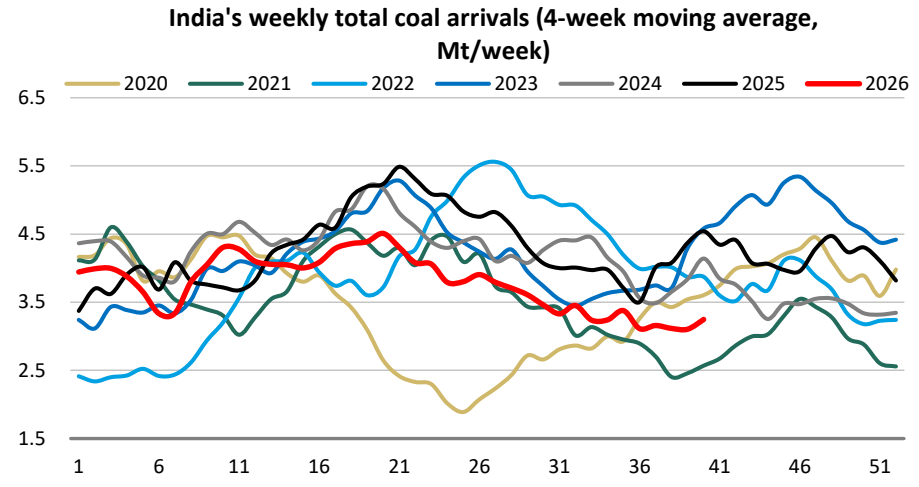
Source: McCloskey

Exhibit 132: India Steel Production



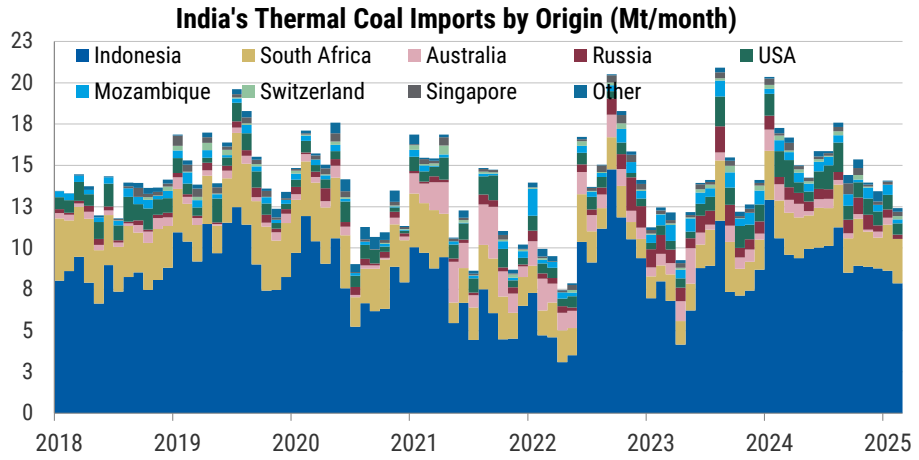
Source: Bloomberg

Exhibit 133: India Coal Arrivals



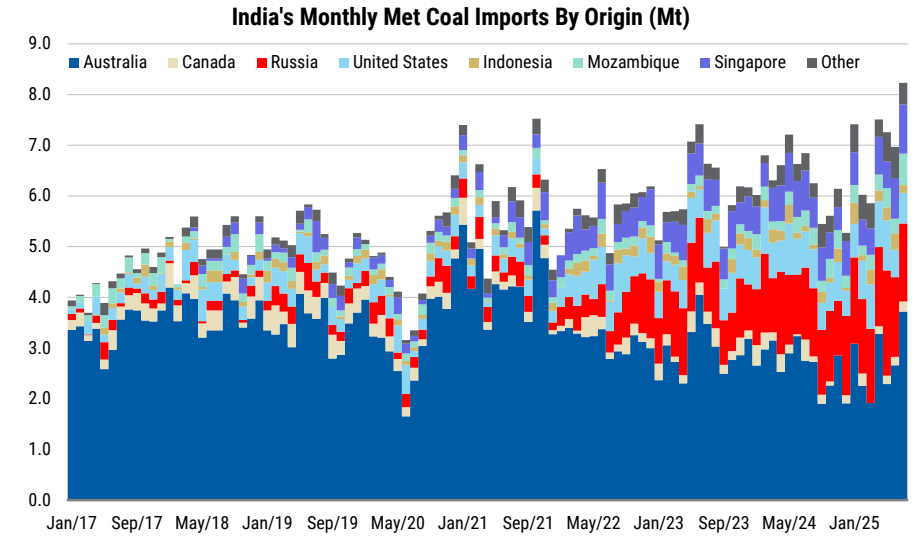
Source: Eikon

Exhibit 134: India Thermal Coal Imports



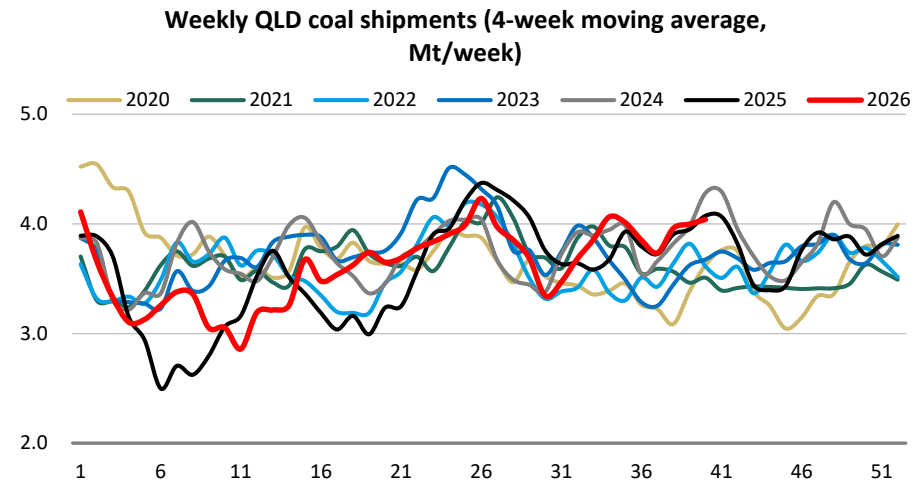
Source: McCloskey

Exhibit 135: India Met-Coal Imports



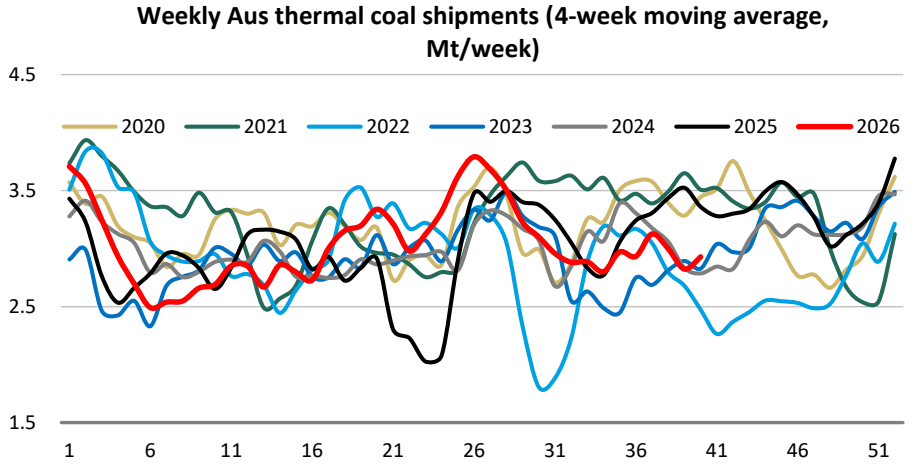
Source: McCloskey

Exhibit 136: Queensland Coal Shipments



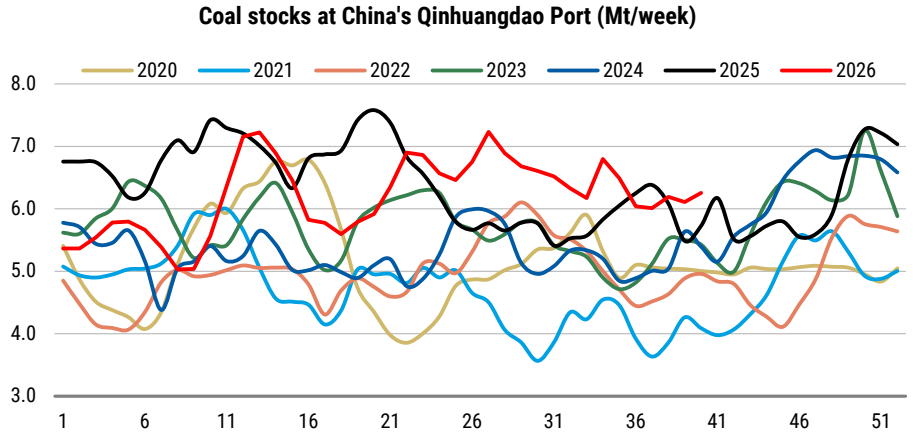
Source: Eikon

Exhibit 137: Australia Thermal Coal Shipments



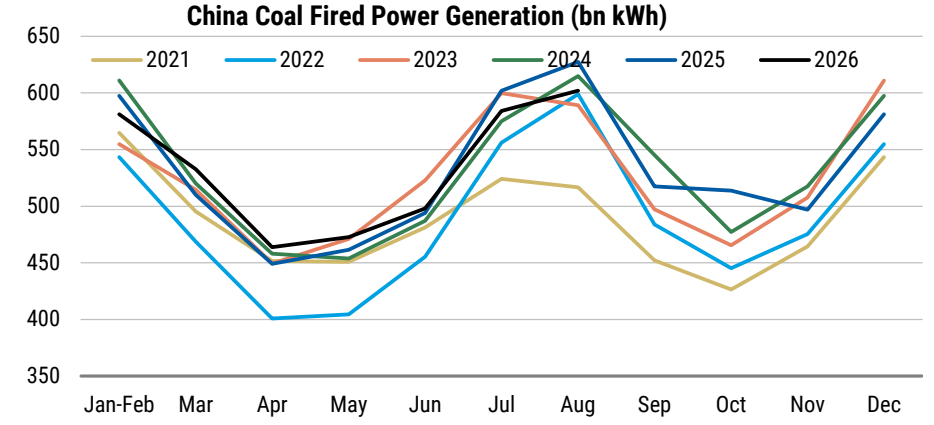
Source: Eikon

Exhibit 138: Coal Stocks at Qinhuangdao Port



Source: Bloomberg

Exhibit 139: China Coal-fired Power Generation



Source: Bloomberg

Equity vs. Commodity – Relative One-Year Performance

Exhibit 140: Aluminium (large cap)

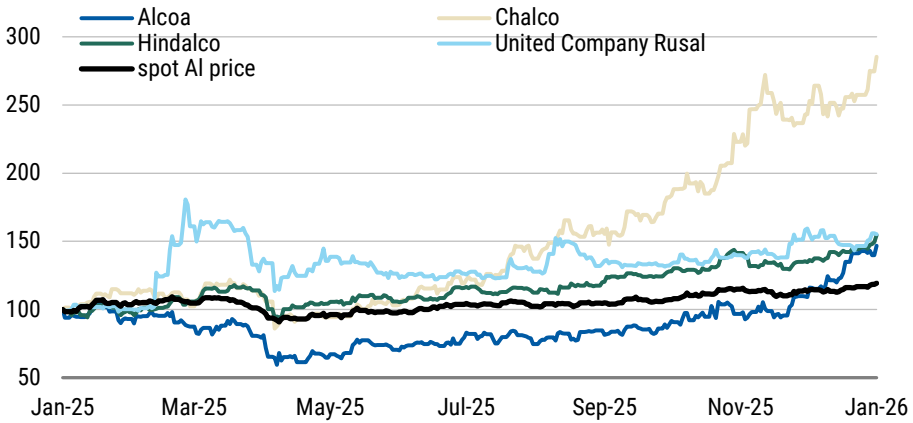


Exhibit141: Aluminium (small-medium cap)

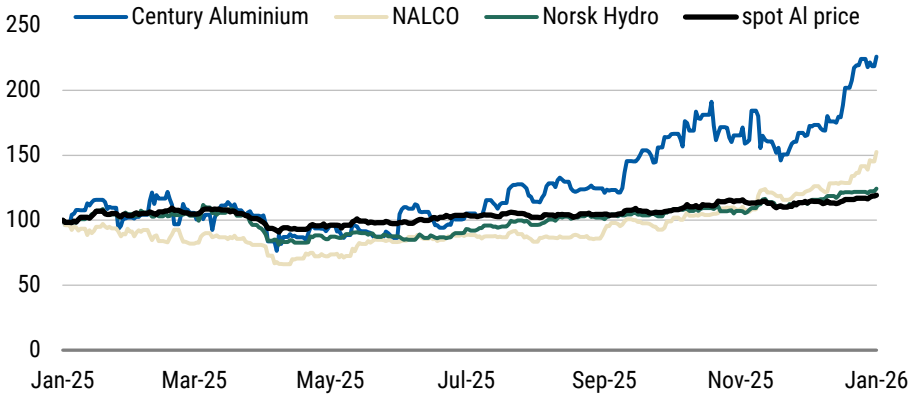


Exhibit142: Alumina

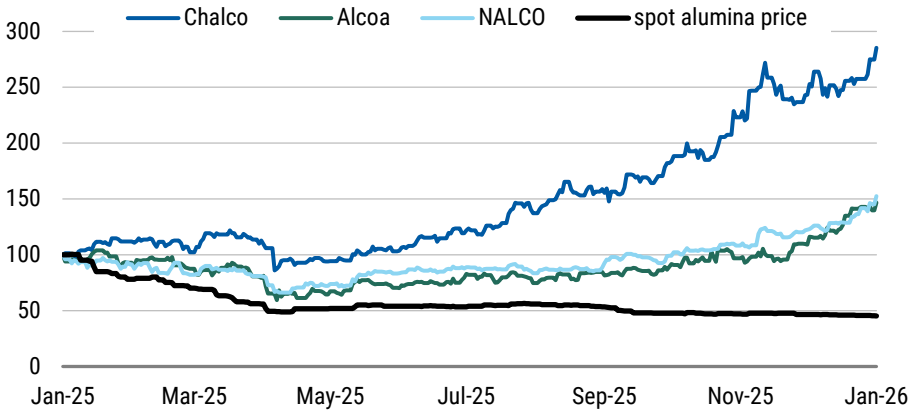


Exhibit 143: Copper

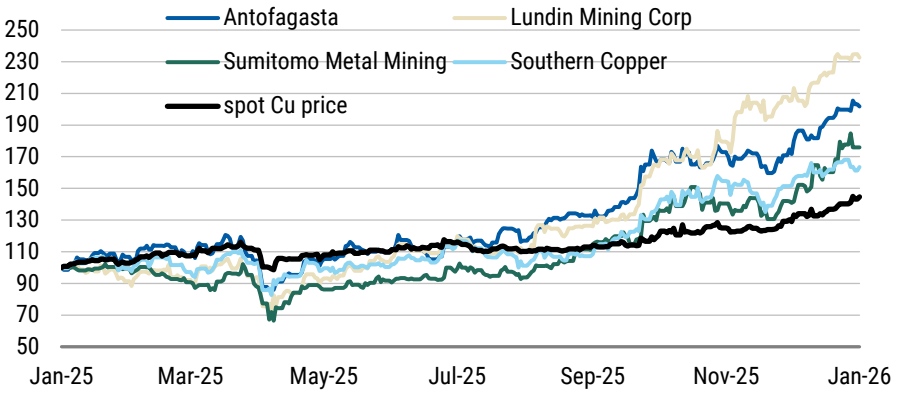


Exhibit144: Nickel (large cap)

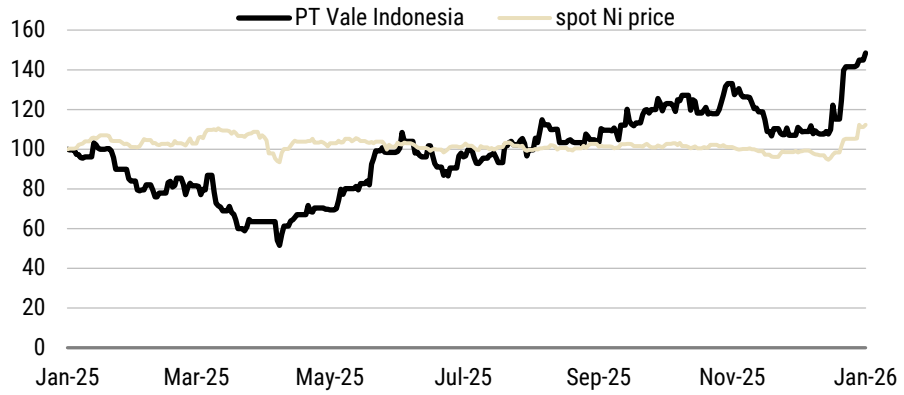


Exhibit 145: Nickel (small-medium cap)

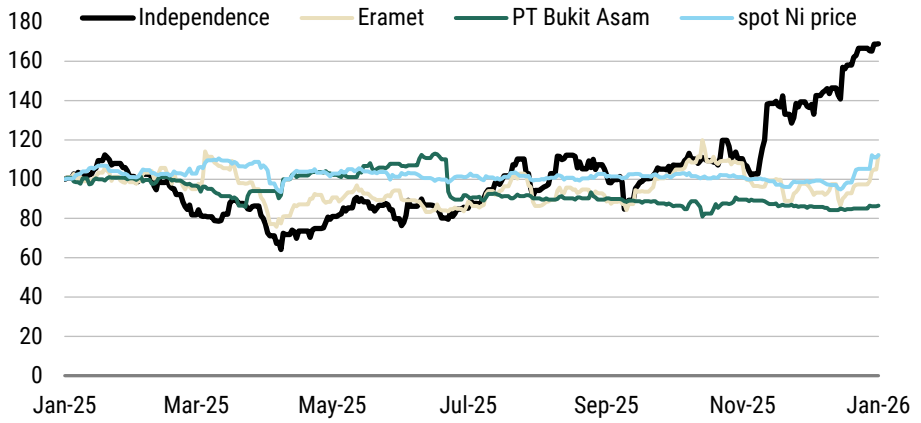


Exhibit146: Diversifieds

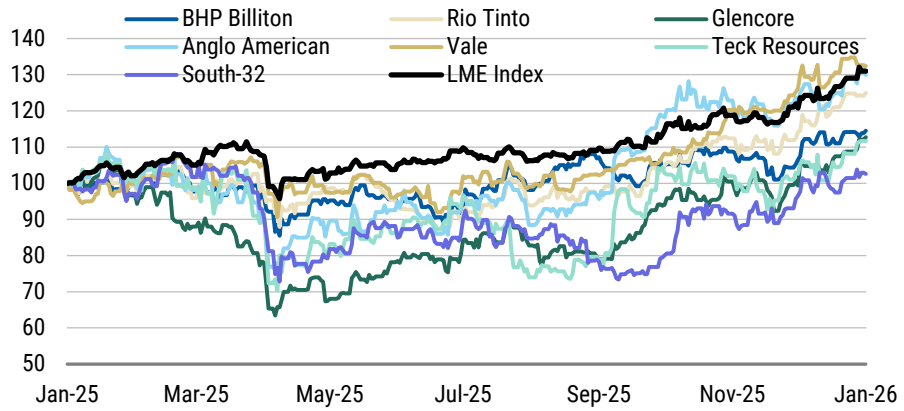


Exhibit 147: Zinc

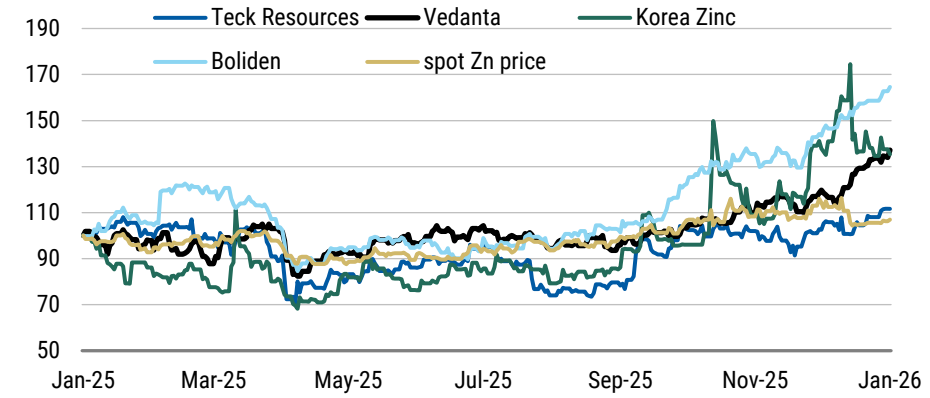


Exhibit148: Gold (large cap)

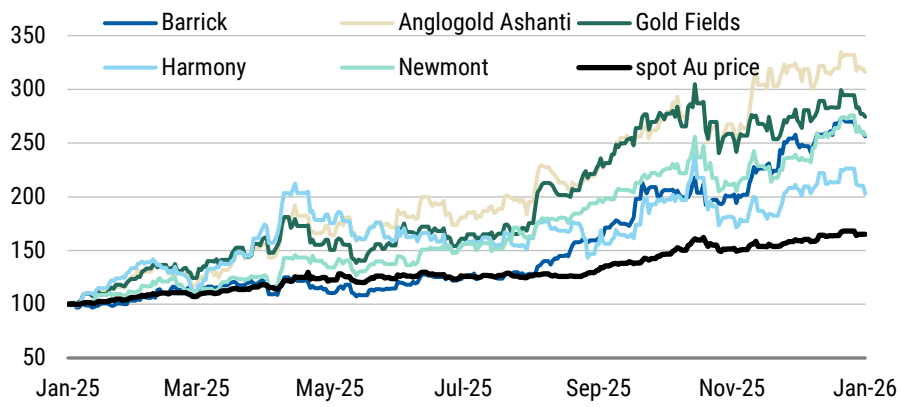


Exhibit149: Gold (small/medium cap)

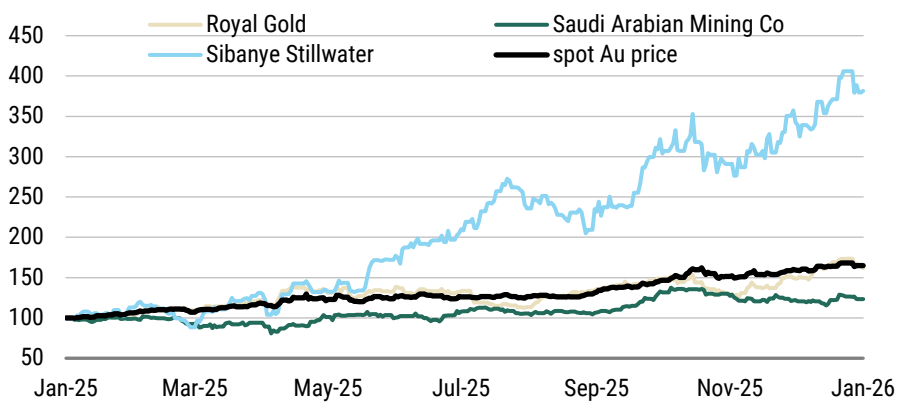


Exhibit150: Gold (small / medium cap)

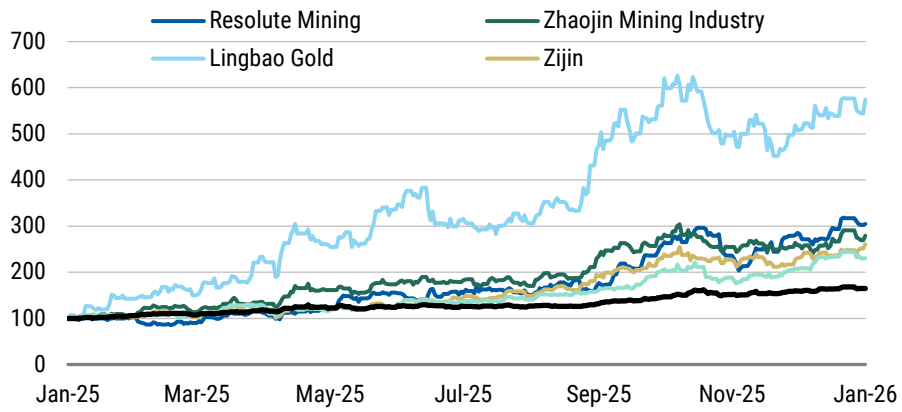


Exhibit151: Silver

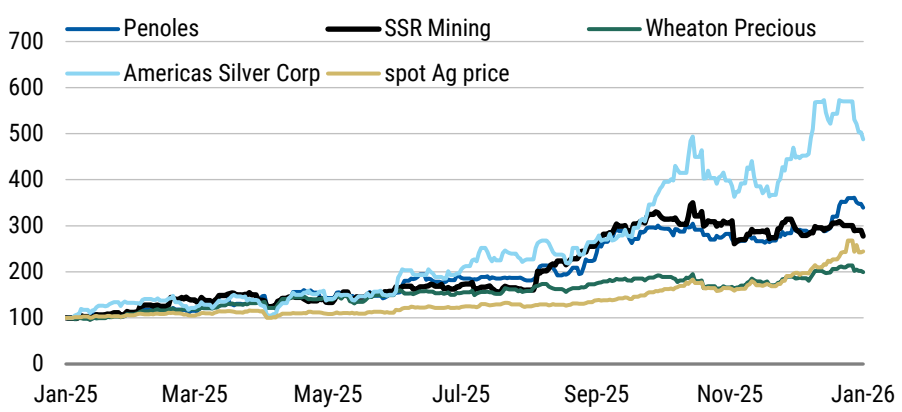


Exhibit152: Iron ore

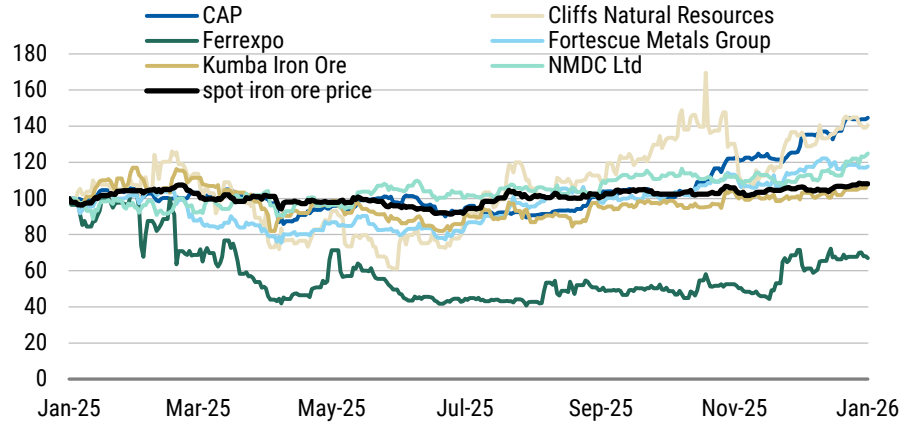


Exhibit153: Metallurgical coal

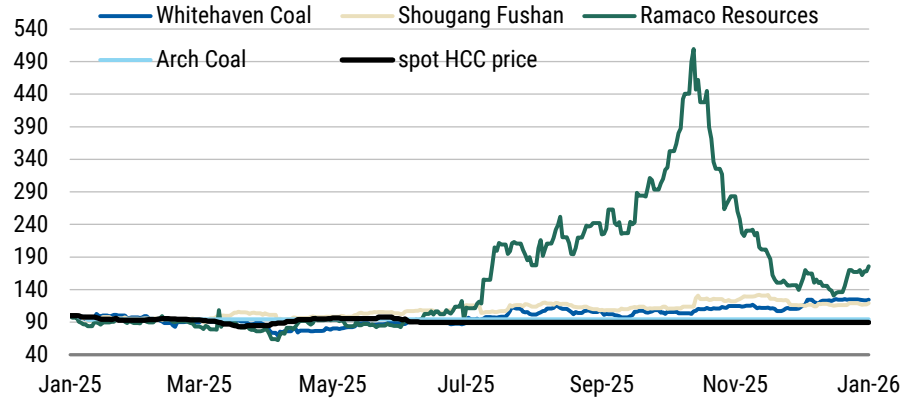


Exhibit154: Thermal coal – Asia

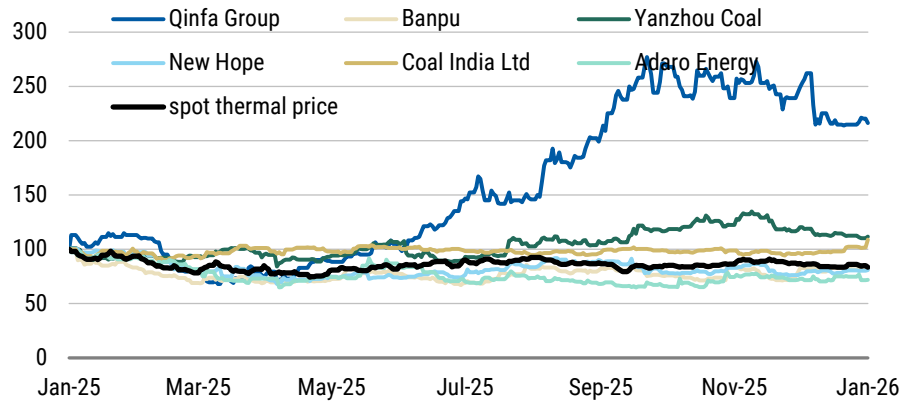


Exhibit 155: Thermal coal – North America

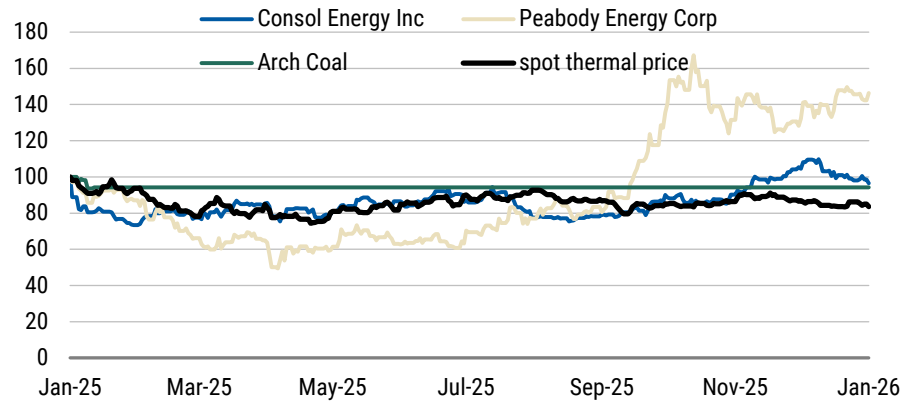


Exhibit156: Uranium

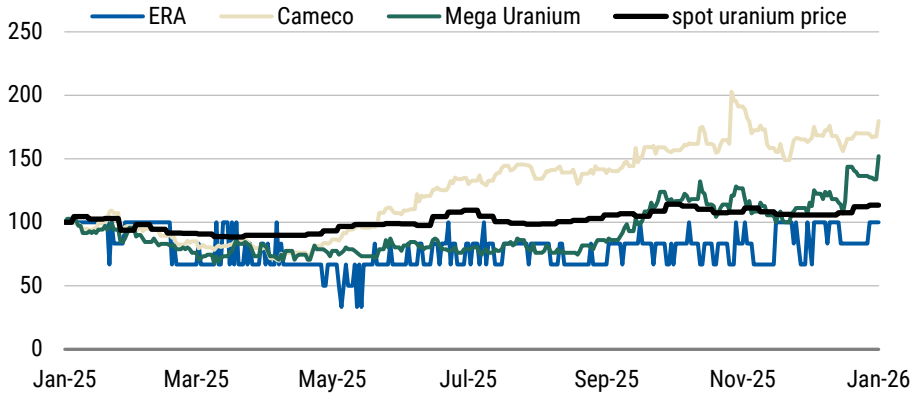


Exhibit157: Oil

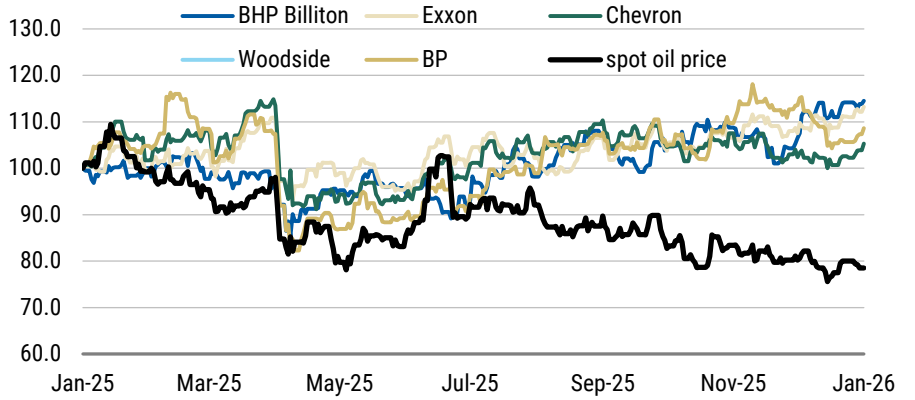


Exhibit158: Diversifieds

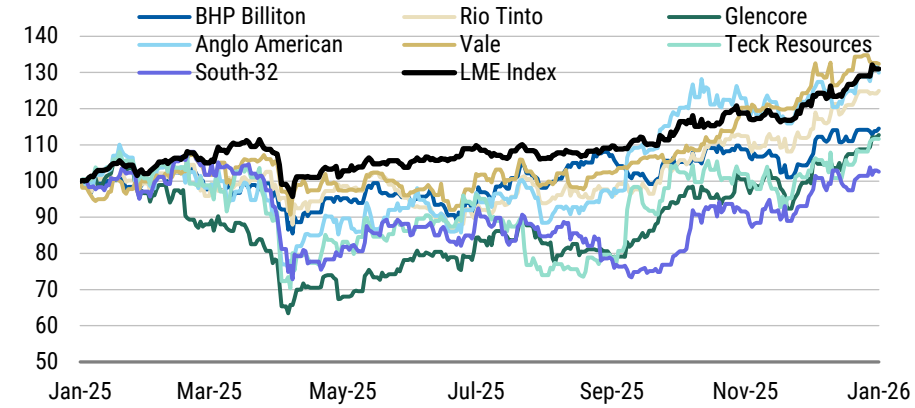
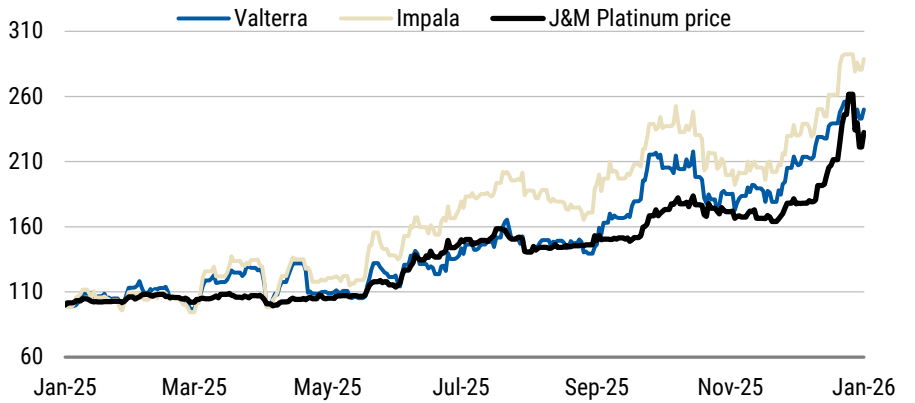


Exhibit 159: PGM



Source: Bloomberg

Exhibit 160: Base metals price forecasts

Period	Aluminium			Copper			Nickel			Zinc			Lead			Tin		
	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear
		US$/lb			US$/lb			US$/lb			US$/lb			US$/lb			US$/lb	
2026e	1.54	**1.48**	1.43	6.48	**6.24**	6.00	8.11	**7.82**	7.53	1.74	**1.67**	1.61	0.90	**0.87**	0.84	24.13	**23.25**	22.36
2027e	1.63	**1.30**	1.04	7.75	**6.20**	5.27	9.83	**7.86**	6.29	2.18	**1.82**	1.55	0.97	**0.86**	0.78	25.45	**21.21**	16.96
2028e	1.52	**1.27**	1.04	7.55	**5.81**	4.94	10.02	**7.71**	5.78	1.98	**1.52**	1.29	1.06	**0.88**	0.80	19.05	**15.88**	12.70
2029e	1.64	**1.32**	1.12	7.96	**5.90**	5.31	10.02	**7.71**	5.40	1.70	**1.36**	1.22	1.09	**0.91**	0.82	16.33	**13.61**	10.89
2030e	1.59	**1.27**	1.08	7.96	**5.90**	5.31	10.61	**8.16**	5.72	1.70	**1.36**	1.22	1.09	**0.91**	0.82	16.33	**13.61**	10.89
2031e	1.59	**1.27**	1.08	7.65	**5.67**	5.10	10.61	**8.16**	5.72	1.63	**1.36**	1.16	1.09	**0.91**	0.82	16.33	**13.61**	10.89
LT nom.	1.54	**1.34**	1.20	8.02	**5.73**	4.87	11.42	**8.78**	6.15	1.74	**1.58**	1.26	0.96	**0.87**	0.70	16.72	**13.93**	11.15

Exhibit 161: Precious metals price forecasts

Period	Gold			Silver			Platinum			Palladium			Rhodium		
	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear
		US$/oz			US$/oz			US$/oz			US$/oz			US$/oz	
2026e	4,854	**4,524**	4,193	82.23	**72.01**	61.79	2,149	**1,883**	1,617	1,643	**1,441**	1,239	10,504	**9,203**	7,902
2027e	6,818	**5,050**	3,788	108.98	**72.65**	58.12	2,130	**1,775**	1,420	1,690	**1,300**	910	13,500	**7,500**	5,250
2028e	6,328	**4,688**	3,984	100.45	**66.96**	53.57	2,568	**1,975**	1,778	1,560	**1,300**	910	21,000	**7,000**	4,900
2029e	6,075	**4,500**	3,825	96.43	**64.29**	51.43	2,828	**2,175**	1,958	1,580	**1,316**	921	21,264	**7,088**	4,962
2030e	6,075	**4,500**	3,825	96.43	**64.29**	54.64	3,088	**2,375**	2,138	1,611	**1,343**	940	21,692	**7,231**	5,062
2031e	6,075	**4,500**	3,825	96.43	**64.29**	54.64	3,225	**2,481**	2,233	1,644	**1,370**	1,096	22,129	**7,376**	5,164
LT nom.	7,792	**3,896**	3,312	139.15	**55.66**	44.53	3,847	**2,653**	2,255	1,758	**1,465**	1,172	23,668	**7,889**	5,522

Exhibit 162: Bulks price forecasts

Period	Iron Ore (spot)			Hard Coking Coal (spot)			Thermal Coal			Manganese ore (44%)			Lithium (fob LatAm)			Uranium (spot)		
	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear
		US$/t			US$/t			US$/t			US$/lb			US$/lb			US$/lb	
2026e	111	**100**	93	269	**250**	231	168	**137**	105	5.6	**5.1**	4.7	20,499	**18,370**	16,242	93	**89**	86
2027e	122	**90**	72	316	**234**	187	184	**141**	113	6.5	**5.4**	4.3	27,740	**17,338**	11,269	145	**104**	73
2028e	122	**90**	68	289	**214**	160	169	**130**	104	6.7	**5.6**	4.5	30,400	**15,200**	9,880	131	**88**	66
2029e	122	**90**	68	290	**215**	161	169	**130**	98	6.9	**5.7**	4.6	28,000	**14,000**	9,800	105	**70**	56
2030e	128	**95**	71	290	**215**	161	176	**135**	101	7.0	**5.8**	4.7	30,619	**15,310**	10,717	105	**70**	56
2031e	128	**95**	71	290	**215**	161	176	**135**	101	7.0	**5.8**	4.7	32,000	**16,000**	11,200	105	**70**	56
LT nom.	151	**104**	78	319	**236**	177	192	**148**	111	6.8	**5.7**	4.5	33,058	**16,529**	9,917	108	**72**	58

This report references jurisdiction(s) or person(s) which may be the subject of economic sanctions. Readers are solely responsible for ensuring that their investment activities are carried out in compliance with applicable laws.

Anglo American PLC ("Anglo American") in relation to the sale of its Steelmaking Coal Portfolio business to Dhilmar Limited as announced on 18 May 2026. Anglo American has

the end of the report.

Anglo American PLC ("Anglo American") in relation to strategic reviews of certain assets as

Plc ("Anglo American") to combine with Teck Resources Limited ("Teck"), in an at market merger of equals (the "Merger") to form Anglo Teck group ("Anglo Teck") as announced on

financial services. Please refer to the notes at the end of the report.