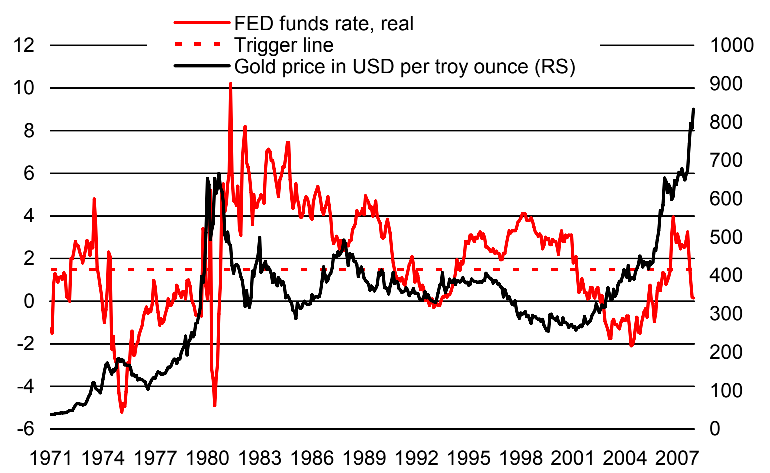
UniCredit Markets & Investment Banking

**Commodity Outlook** January 21, 2008 **Economics & Commodity Research**

# 2008 – A golden year?

- The Fed's aggressive rate cut policy produces negative real interest rates in the US. The related dangers for inflation and the USD create an extremely positive environment for gold. We are raising our target price from USD 780 to USD 870 on average for 2008.
- By 2010, we see the troy ounce trading at USD 1,400. This is equivalent to the monthly average in January 1980 on a real basis.
- Positive longer-term factors are a higher weighting in institutional portfolios and the growing demand from emerging markets.
- Despite the strong price increase, we still expect gold mine production to merely stagnate. Central bank gold sales in 2008 will also remain below the ceiling of 500 tons.
- The rising production of industrial metals, where silver is often a by-product, argues, however, for a higher supply of silver. Compared to gold, we therefore expect a neutral to slightly below-average performance.
- However, gold is strongly overbought in the short term. Via the futures markets, speculators have purchased approx. 600 tons of gold, which translates into close on 25% of annual mine production. In the next 3-6 months, demand for jewelry is also expected to decline.

**GOLD RUSH THANKS TO NEGATIVE KEY RATES IN REAL TERMS**




Source: Bloomberg, UniCredit Global Research

**Energy**

| | WTI | Brent | Natural gas |
|---|---|---|---|
| **Unit** | **$/Barrel** | **$/Barrel** | **$/MMBTU** |
| **actual** | 90.8 | 88.5 | 8.2 |
| **% 1M** | -0.85 | -3.61 | 15.94 |
| **in 3 M** | 90.0 | 89.0 | 8.4 |
| **in 6 M** | 95.0 | 95.0 | 8.0 |
| **Ø Q4/07** | 90.7 | 88.1 | 7.0 |
| **Ø Q1/08e** | 90.0 | 89.0 | 8.0 |
| **Ø 2006** | 66.1 | 67.1 | 6.7 |
| **Ø 2007** | 71.5 | 72.5 | 6.7 |
| **Ø 2008** | 95.0 | 95.0 | 9.0 |

**Industrial metals**

| | Copper | Aluminum | Hot rolled steel |
|---|---|---|---|
| **Unit** | **US$/MT** | **US$/MT** | **US$/MT** |
| **actual** | 7022 | 2423 | 590 |
| **% 1M** | 8.30 | 2.59 | 0.00 |
| **in 3 M** | 6800 | 2500 | 590 |
| **in 6 M** | 7000 | 2400 | 580 |
| **Ø Q4/07** | 7226 | 2443 | 559 |
| **Ø Q1/08e** | 7000 | 2400 | 575 |
| **Ø 2006** | 6669 | 2568 | 498 |
| **Ø 2007** | 7093 | 2639 | 554 |
| **Ø 2008** | 7000 | 2800 | 550 |

**Precious metals**

| | Gold | Silver | Platinum |
|---|---|---|---|
| **Unit** | **$/Ounce** | **cts/Ounce** | **$/Ounce** |
| **actual** | 874.6 | 1585.0 | 1561.0 |
| **% 1M** | 10.61 | 13.13 | 6.77 |
| **in 3 Mon.** | 900.0 | 1500.0 | 1550.0 |
| **in 6 Mon.** | 860.0 | 1570.0 | 1500.0 |
| **Ø Q4/07** | 788.2 | 1421.6 | 1449.5 |
| **Ø Q1/08e** | 900.0 | 1500.0 | 1550.0 |
| **Ø 2006** | 604.4 | 1156.6 | 1141.9 |
| **Ø 2007** | 696.5 | 1337.9 | 1304.2 |
| **Ø 2008** | 870.0 | 1600.0 | 1600.0 |

Quelle: Thomson Datastream, Global Research

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**KEY EVENTS**

| | | | |
|---|---|---|---|
| **US Department of Energy** | **01/24/08** | 16:30 | US oil, gasoline and distillate inventories |
| **International Energy Agency/OPEC** | **01/16-22/08** | | Monthly oil market report |

Sources: UniCredit Global Research

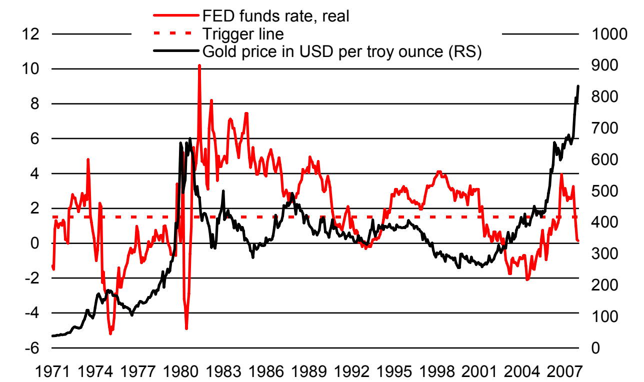
## Fed's aggressive rate cut policy triggers gold rush

On November 7 of last year, the gold price posted its high for the year of USD 845.84 and subsequently transitioned to a consolidation phase. The financial crisis in the US had already produced extremely negative headlines and a further pullback in the USD and consequently a further rise in the gold price looked a certainty. It is no wonder, therefore, that the net long positions of speculators already hit a new all-time high of 202,000 contracts at the end of October 2007. Based on the specifications of the gold future on the COMEX of 100 troy ounces per future, this translated into a volume of roughly 628 tons, or approx. 25% of global mine production. Up to the end of the year, the gold price ultimately fluctuated around USD 800 per troy ounce, without their being any indication whether the speculators would unwind their extremely high position, which would have triggered a strong pullback in the price, or whether the financial crisis would escalate once again with the turn of the year.

But the US economic data released at the turn of the year were then disappointing across the board. In December, the non-farm payrolls posted their slowest growth since 2003, and the unemployment rate surged to 5.0%. Above and beyond that, the purchasing managers' index fell to its lowest reading in almost 5 years, and durable goods orders were once again much lower than expected. In the interim, the S&P/Case-Shiller Index shows a 6% y-o-y decline in home prices. The Fed is, therefore, very concerned about the economy and has announced "substantive" rate cuts. We now fully expect a 50 bp rate cut at the next FOMC meeting on January 30. This is the consensus view. We, however, are going much farther, and by mid-year we can even imagine a key rate cut to 3.00%. It is, however, still uncertain whether the next move will already come on March 18. Much will then hinge on the USD 140bn or 1% of GDP fiscal stimulus program.

This development is decidedly positive for the gold market. The combined fiscal and monetary policy stimulus program deliberately ignores the rise in inflation: Consumer prices +4.3%, producer prices: +7.2%, import prices: +10.9%. At a key rate from January 30 of 3.75% and a T-Note yield of 3.80%, US key rates would be clearly negative at both the short and the long end. As a result, the gold market has a very positive time ahead of it.

**NEGATIVE REAL INTEREST RATE TRIGGERS FURTHER GOLD RUSH**



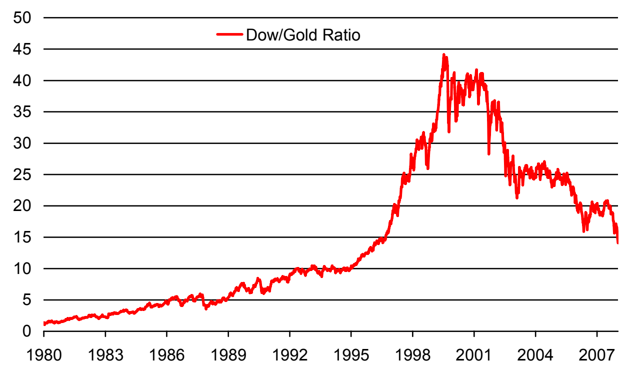

Source: Bloomberg, UniCredit Global Research

The chart above clearly shows gold experienced the strongest upward moves when key interest rates were negative in real terms. To be exact, the best results were already produced at very low real key rates – i.e. when the spread between the key interest rate and the inflation rate had narrowed to less than 1.5 percentage points. Most recently, this simple indicator suggested a slowdown in the gold boom for the period September 2006 to September 2007. Since October, it is once again "full steam ahead". Gold is, therefore, performing exactly as predicted in a study published by Summers and Barsky, two Harvard professors, who had studied the gold price from 1730 to 1985. The study claims that the willingness to hold gold hinges directly on the returns in the other asset classes. The higher these returns, the less favorable the gold price development. Given the presumably still pending rate cuts to 3.00%, the gold market is facing rosy times up to the fourth quarter of 2008, when the inflation rate will have gradually slowed to under 3%.

## DOW/Gold ratio underpins secular uptrend

The idea that gold rises primarily when alternative asset classes generate a low return has already been underpinned by the Dow/Gold ratio since the year 2000. This ratio describes how many troy ounces of gold are needed to buy one share of the Dow Jones. In 2000, at the peak of the high tech bubble, it was 40 troy ounces. Since then, this ratio has - virtually without exceptions - declined steadily and is now only 14. The last two cycles ended at roughly 2-3 troy ounces of gold for one share of the Dow. Naturally, the Dow can also fall. But given the Fed's efforts to forestall larger losses on Wall Street, this is not very likely. If one assumes a Dow Jones of 12.000 then Gold will have to rise to USD 6000. Today, most people think this is completely impossible. The surprise should, therefore, be all the greater when one considers this was "normal" in 1982!

**DOW/GOLD RATIO: LESS AND LESS GOLD NEEDED TO BUY ONE SHARE OF THE DOW**



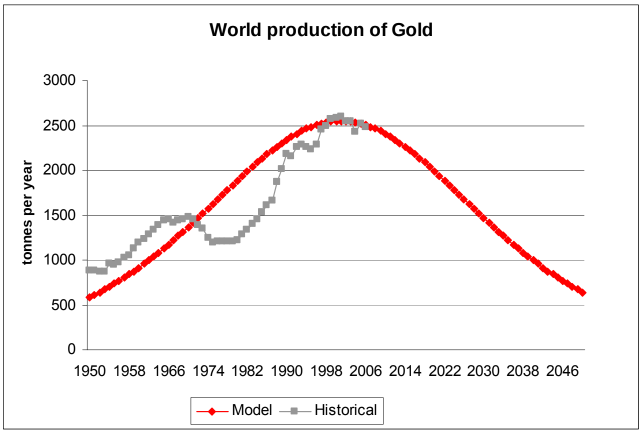

Source: Bloomberg, UniCredit Global Research

## Supply reaction – not for gold but for silver

Despite the strong price gains since 1999 from USD 256 to over USD 900, little has been reported so far on new gold finds or gold mines. This is especially precarious, since the known reserves has a reach of only roughly 17 years.

According to the US Geological Survey, the known reserves total roughly 42,000 tons, the volume of all gold deposits, i.e. also those than cannot yet be mined at today's prices or with today's technology, is roughly 92,000 tons. The volume of gold already mined is approx. 160,000 tons. That produces a grand total of 242,000 tons, of which substantially more than half has already been mined. However, the production of virtually all commodities has the shape of a bell curve, which peaks when half of the deposits are mined. If the stated numbers are plugged into a corresponding model, the curve assumes the following shape:

**HUBBERT CURVE POINT TO EXHAUSTION OF THE GOLD DEPOSITS**




Source: USGS, UniCredit Global Research

Accordingly, the curve's break point was in 2001 at annual production of 2,550 tons of gold. According to the model, gold production is, therefore, gradually leaving the upper region of the bell curve and is now beginning to fall slowly!

The situation looks quite different, however, for silver. More than two-thirds of global silver production is a byproduct of the mining of copper, lead and zinc. Following the boom in these metals in the previous years, there are signs of numerous new mine projects. The consulting firm Gold Fields Mineral Services, for example, expects an increase in mine production of silver in 2007 of 4% and in 2008 of over 4% y-o-y. After years of a supply deficit, the market will achieve equilibrium overall in 2008. Only a strong increase in investor demand could again result in a supply deficit. For 2008, we therefore expect only a neutral to below average performance for silver compared to gold.

## Central banks sell less than 500 tons

In the "Central Bank Gold Agreement" of March 8, 2004, the central banks undertook not to sell more than 500 tons of gold annually for a period of five years. The year is defined as the period September – September. So far, the main argument for sales was that gold was a bad investment in the past: No current income and no increase in value. This is now no longer the case. After the strong price increase, the central banks remained below the self-imposed limit during the entire period: 2004/05 (497.2 tons), 2005/06 (395.8 tons) and 2006/07 (475.8 tons). In the current year, a further 117 tons have already been sold. For 2007/08 as a wei

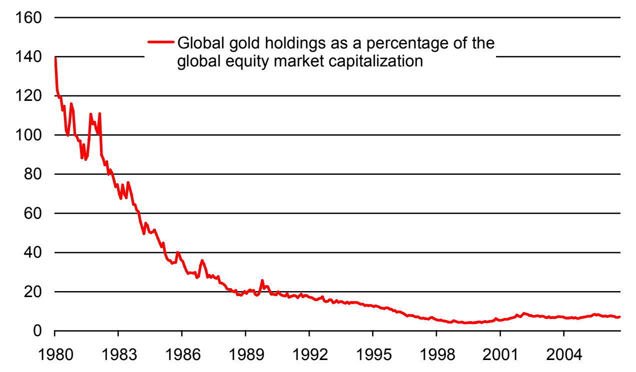
whole, we expect sales of 450 tons. This, however, also compares with purchases of other central banks, first and foremost the Russian central bank. Since August 2006, the

Russian central bank has increased its gold reserves from 12.4 to 14. million ounces – an increase of roughly 59 tons.

## ETF and China – Two positive long-term factors

Since the launch of the first "Exchange Traded Fund" in the US, this investment instrument has become extremely popular. In its first three months, the streetTracks Gold Trust succeeded in raising more money than any other ETF. These funds now hold close on 800 tons of gold. And in light of the current sales of the central banks, many market players are talking of a new trend, the "privatization of the gold reserves". So far, there is no recognizable trader mentality on the part of investors. The volume of gold held is rising steadily. One indication of how low the weighting of gold still is in international portfolios is the ratio of gold available above ground at respective market prices to the market capitalization of the global equity market.

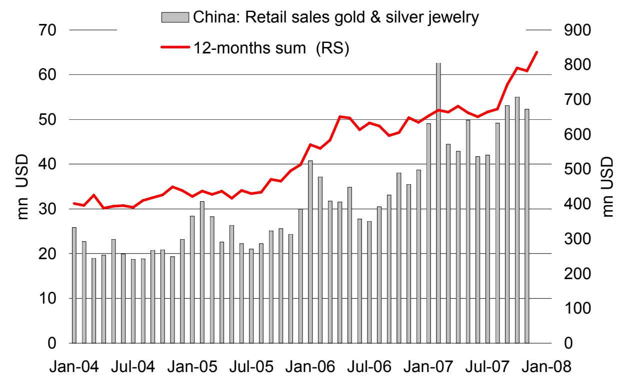
**WORLD GOLD CAPITALIZATION ONLY 9% OF THE GLOBAL EQUITY MARKET CAPITALIZATION**




Source: USGS, Bloomberg, Thomson Datastream, UniCredit Global Research

The growing prosperity in many emerging markets is also triggering growing demand for jewelry, as well as coins and ingots. China's demand, for example, has now increased to approx. 300 tons of gold per year. The catalyst here was the liberalization of the gold market in 2002. Trading and private ownership are now permitted. Our chart already shows a steady increase in retail sales of gold & silver jewelry to now USD 850 mn. Because of the still extremely low distribution of gold and silver, we assume still major growth potential over the long term.

**GROWTH DRIVER CHINA**




Source: Thomson Datastream, UniCredit Global Research

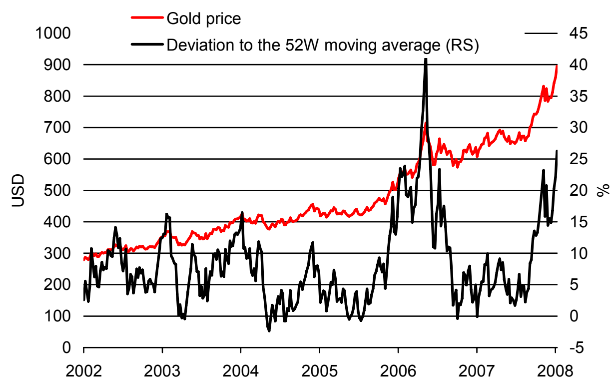
## Setback danger: Speculators are 600 tons long

At the midst of January speculators still hold a net long position of 205.000 contracts. With a contract size of 100 troy ounces per contract, the volume has, therefore, reached 20 mn troy ounces or roughly 600 tons of gold. This is by all accounts a considerable position. It is, for example, equivalent to roughly 24% of mine production in 2006 and it is almost as large as the volume of gold held by Street Tracks Gold Trust, by far the largest gold ETF. We see the risk of profit-taking in coming weeks with a considerable short-term setback potential of roughly USD 100-120. The long-term, secular uptrend is, however, not in danger.

## Slump in demand for jewelry pre-programmed

In the past, a rapid and strong rise in the price of gold triggered a slump in the demand for jewelry. The gold price level is perceived to be too expensive, and is only accepted as normal again when the gold price can maintain its higher level over several months. One example here is the first half of 2006. At the time, the gold price opened up a gap of roughly 40% to its 52W average (see chart). Upshot: Calculated in tons, demand for jewelry fell 24% y-o-y. The sale of gold ingots even plummeted 43%. This relates however to demand in tons. In USD, demand for jewelry increased by 12%, while demand for gold ingots declined by 16%. The purchases in the environment of the credit crisis in the US have how produced a gap to the 52W average of roughly 25%. For that reason, we expect demand for jewelry to decline by 10-20% y-o-y in the first quarter. If the financial crisis in the US were to ultimately drag down the economies in Asian and Eastern Europe, demand for jewelry would decline even more strongly. We do not, however, assume this for the time being. But the importance these countries have assumed is demonstrated by the current numbers from Turkey for 2007. Gold imports were up 20% y-o-y from 192.7 tons in 2006 to 230.8 tons in 2007. Turkish firms now process gold worth USD 10 bn and employ 330,000 people.

**GOLD TOO EXPENSIVE – SLUMP EXPECTED IN THE DEMAND FOR JEWELRY**

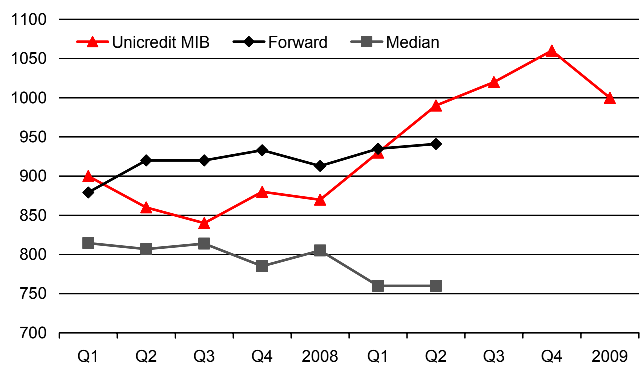



Source: Bloomberg, UniCredit Global Research

## Higher target price for 2008: Gold USD 870, silver USD 16

The escalation of the credit crisis in the US has significantly improved the environment for the precious metals. We are, therefore, raising our target price for gold in 2008 from USD 780 to USD 870 and for silver from USD 15 to USD 16. We are, therefore, still above the consensus estimates, which Bloomberg sees at USD 780 and USD 15, respectively.

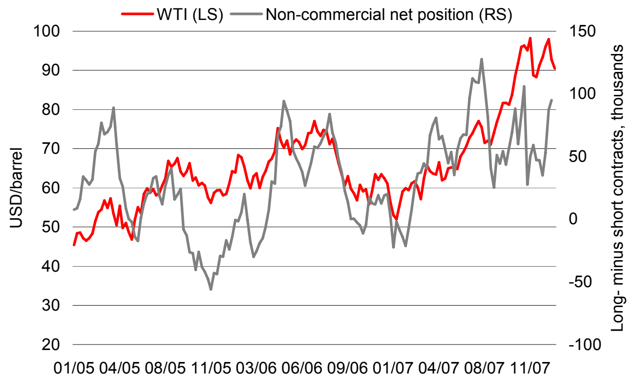
**CONSENSUS ESTIMATES TOO LOW**




Source: Bloomberg, UniCredit Global Research

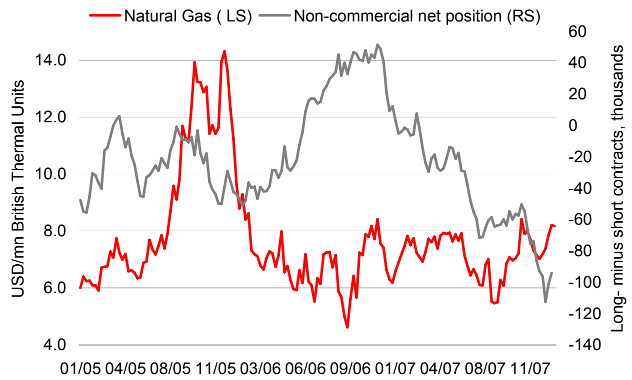
# COMMITMENT OF TRADERS REPORT – NON-COMMERCIAL TRADERS

### WTI: HIGH NET LONG POSITION



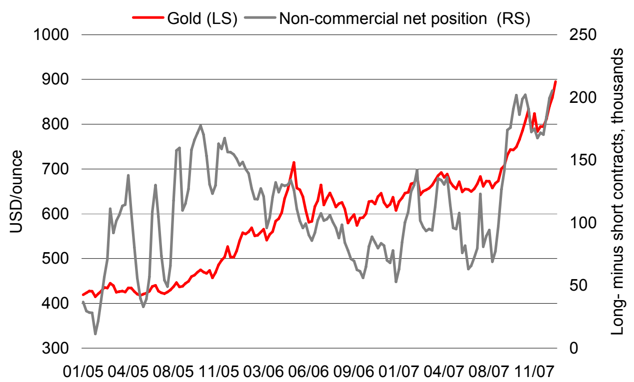

Source: Bloomberg, CFTC, UniCredit Global Research

### NATURAL GAS: SHORT POSITIONS COULD PROVIDE A BOOST



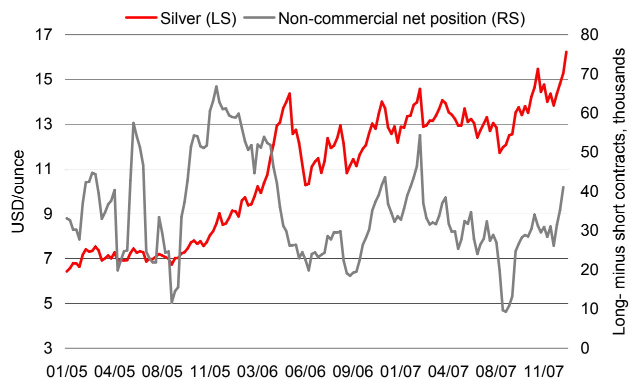

Source: Bloomberg, CFTC, UniCredit Global Research

### GOLD: NET LONG POSITION AT ALL-TIME HIGH



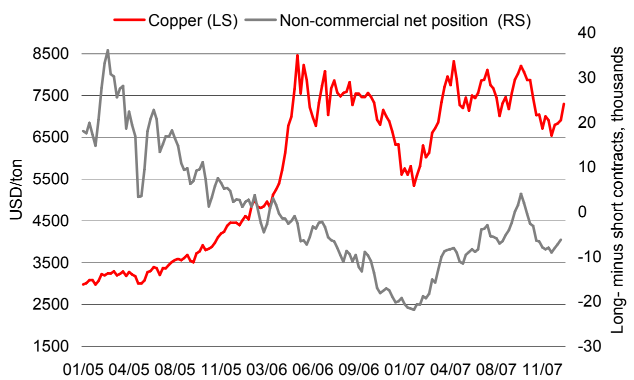

Source: Bloomberg, CFTC, UniCredit Global Research

### SILVER: HIGH NET LONG POSITION



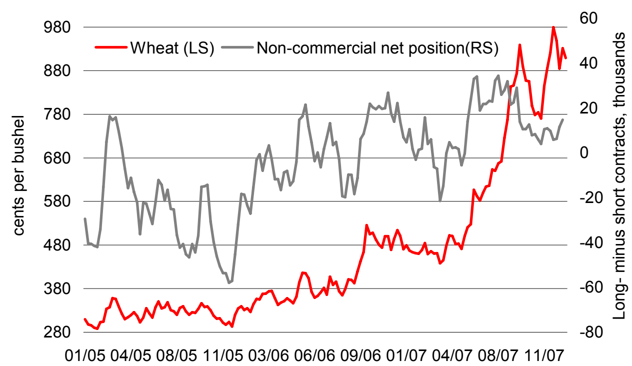

Source: Bloomberg, CFTC, UniCredit Global Research

### COPPER: NEUTRAL




Source: Bloomberg, CFTC, UniCredit Global Research

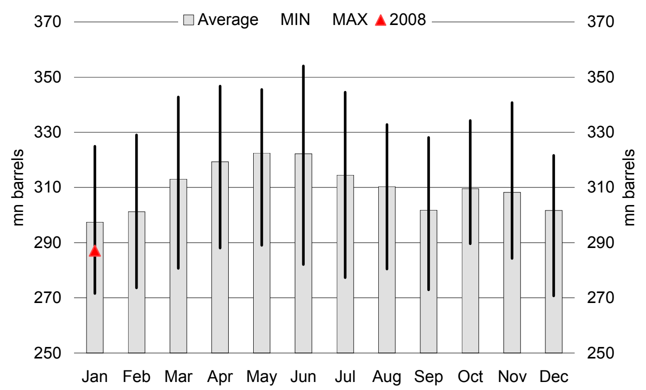
### WHEAT: BULL MARKET NOT DRIVEN BY SPECULATORS




Source: Bloomberg, CFTC, UniCredit Global Research

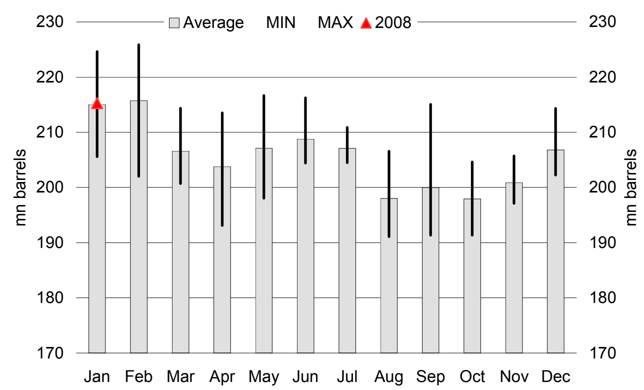
# US STOCKPILES

## CRUDE OIL



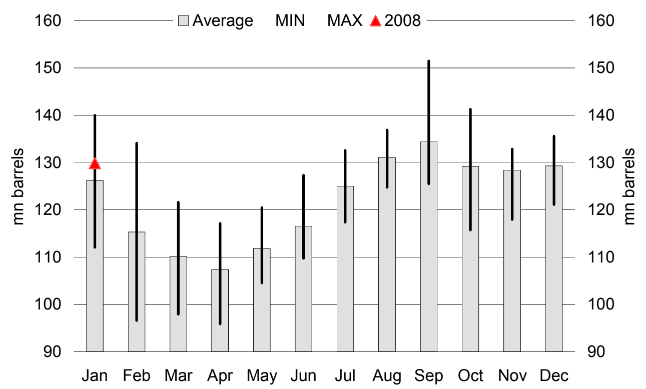

Source: Bloomberg, DOE, UniCredit Global Research

## GASOLINE



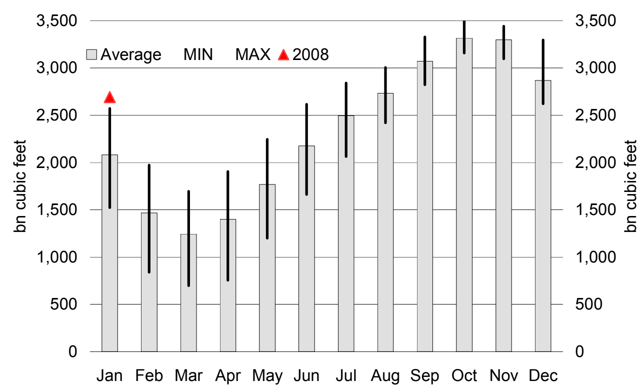

Source: Bloomberg, DOE, UniCredit Global Research

## HEATING OIL




Source: Bloomberg, DOE, UniCredit Global Research

## NATURAL GAS




Source: Bloomberg, DOE, UniCredit Global Research

**Key:**

The bars show the average of the last 5 years.

The horizontal lines show the range of the last 5 years.

The triangle shows the last value reported for this month in 2008.

### GLOBAL OIL PRODUCTION, 2007-2008 FORECAST, OPEC SCENARIO, MN BPD

| | 2007 | 1Q 08 | 2Q 08 | 3Q 08 | 4Q 08 | 2008 | Change 2007/06 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Volume | % |
| North America | 14.41 | 14.66 | 14.32 | 14.39 | 14.87 | 14.56 | 0.15 | 1.04% |
| Western Europe | 5.20 | 5.20 | 4.93 | 4.60 | 4.88 | 4.90 | -0.30 | -5.77% |
| OECD Pacific | 0.64 | 0.72 | 0.77 | 0.83 | 0.91 | 0.81 | 0.17 | 26.56% |
| **Total OECD** | **20.25** | **20.58** | **20.02** | **19.82** | **20.66** | **20.27** | **0.02** | **0.10%** |
| | | | | | | | | |
| Other Asia | 2.74 | 2.75 | 2.73 | 2.82 | 2.89 | 2.80 | 0.06 | 2.19% |
| Latin America | 4.45 | 4.71 | 4.76 | 4.84 | 4.89 | 4.80 | 0.35 | 7.87% |
| Middle East | 1.67 | 1.64 | 1.62 | 1.60 | 1.59 | 1.61 | -0.06 | -3.59% |
| Africa | 2.68 | 2.75 | 2.76 | 2.75 | 2.76 | 2.76 | 0.08 | 2.99% |
| **Total DCs** | **11.54** | **11.85** | **11.87** | **12.01** | **12.13** | **11.97** | **0.43** | **3.73%** |
| | | | | | | | | |
| FSU | 12.56 | 12.91 | 13.02 | 13.09 | 13.37 | 13.10 | 0.54 | 4.30% |
| Other Europe | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.00 | 0.00% |
| China | 3.80 | 3.85 | 3.83 | 3.81 | 3.82 | 3.83 | 0.03 | 0.79% |
| **Total "Other" Regions** | **16.51** | **16.91** | **17.00** | **17.05** | **17.34** | **17.08** | **0.57** | **3.45%** |
| | | | | | | | | |
| Total non-OPEC production | 48.31 | 49.34 | 48.89 | 48.89 | 50.13 | 49.31 | 1.00 | 2.07% |
| Processing gains | 1.92 | 1.95 | 1.94 | 1.94 | 1.95 | 1.95 | 0.03 | 1.56% |
| **Total non-OPEC supply** | **50.23** | **51.29** | **50.83** | **50.83** | **52.08** | **51.26** | **1.03** | **2.05%** |
| previous estimate | 50.29 | 51.45 | 50.94 | 50.94 | 52.12 | 51.36 | | |
| | | | | | | | | |
| OPEC NGLs + Nichtkonventionelle | 4.40 | 4.70 | 4.80 | 4.90 | 5.10 | 4.90 | | |
| | | | | | | | | |
| **Total OPEC supply** | **31.07** | **31.35** | **29.95** | **30.66** | **31.41** | **30.84** | **-0.23** | **-0.74%** |
| | | | | | | | | |
| **TOTAL OIL SUPPLY** | **85.70** | **87.34** | **85.58** | **86.39** | **88.59** | **87.00** | **1.30** | **1.52%** |

Source: OPEC Monthly Oil Market Report

### GLOBAL OIL DEMAND, 2007-2008 FORECAST, OPEC SCENARIO, MN BPD

| | 2007 | 1Q 08 | 2Q 08 | 3Q 08 | 4Q 08 | 2008 | Change 2008/07 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Volume | % |
| North America | 25.56 | 26.00 | 25.62 | 25.60 | 26.07 | 25.82 | 0.26 | 1.02% |
| Western Europe | 15.37 | 15.45 | 14.91 | 15.39 | 15.92 | 15.42 | 0.05 | 0.33% |
| OECD Pacific | 8.32 | 8.89 | 7.68 | 7.69 | 8.86 | 8.28 | -0.04 | -0.48% |
| **Total OECD** | **49.25** | **50.34** | **48.21** | **48.68** | **50.85** | **49.52** | **0.27** | **0.55%** |
| | | | | | | | | |
| Other Asia | 9.00 | 9.03 | 9.24 | 9.05 | 9.27 | 9.15 | 0.15 | 1.67% |
| Latin America | 5.38 | 5.33 | 5.46 | 5.59 | 5.49 | 5.47 | 0.09 | 1.67% |
| Middle East | 6.48 | 6.71 | 6.72 | 6.88 | 6.70 | 6.75 | 0.27 | 4.17% |
| Africa | 3.09 | 3.19 | 3.12 | 3.09 | 3.19 | 3.15 | 0.06 | 1.94% |
| **Total DCs** | **23.95** | **24.26** | **24.54** | **24.61** | **24.65** | **24.52** | **0.57** | **2.38%** |
| | | | | | | | | |
| FSU | 3.97 | 3.91 | 3.76 | 4.06 | 4.37 | 4.03 | 0.06 | 1.51% |
| Other Europe | 0.94 | 1.04 | 0.96 | 0.93 | 0.94 | 0.96 | 0.02 | 2.13% |
| China | 7.58 | 7.80 | 8.13 | 8.18 | 7.82 | 7.98 | 0.40 | 5.28% |
| **Total "Other" Regions** | **12.49** | **12.75** | **12.85** | **13.17** | **13.13** | **12.97** | **0.48** | **3.84%** |
| | | | | | | | | |
| **Total World** | **85.69** | **87.35** | **85.60** | **86.46** | **88.63** | **87.01** | **1.32** | **1.54%** |
| previous estimate | 85.75 | 87.33 | 85.60 | 86.68 | 88.73 | 87.09 | | |
| revision | -0.06 | 0.02 | 0.00 | -0.22 | -0.10 | -0.08 | | |

Source: OPEC Monthly Oil Market Report

### COPPER SUPPLY AND DEMAND, ICSG FORECAST 2007-2008, IN 1,000 TONS

| Regions | | | | Mine Production | | | | Refined Production | | | | Copper Usage |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ('000T) | 2005 | 2006 | 2007 | 2008 | 2005 | 2006 | 2007 | 2008 | 2005 | 2006 | 2007 | 2008 |
| Africa | 670 | 740 | 845 | 1,133 | 509 | 529 | 618 | 801 | 229 | 236 | 252 | 304 |
| North America | 2,182 | 2,166 | 2,224 | 2,433 | 2,186 | 2,096 | 2,152 | 2,338 | 2,984 | 2,761 | 2,696 | 2,808 |
| Latin America | 6,650 | 6,735 | 7,310 | 7,598 | 3,559 | 3,565 | 3,778 | 4,141 | 530 | 548 | 556 | 583 |
| Asean-10 | 1,147 | 919 | 894 | 954 | 514 | 504 | 542 | 585 | 761 | 794 | 821 | 851 |
| Asia ex Asean/CIS | 1,127 | 1,300 | 1,344 | 1,418 | 5,251 | 5,979 | 6,533 | 6,978 | 7,171 | 7,204 | 8,169 | 8,521 |
| Asia-CIS | 510 | 544 | 569 | 622 | 534 | 543 | 548 | 565 | 60 | 116 | 121 | 124 |
| EU-27 | 821 | 809 | 758 | 792 | 2,446 | 2,505 | 2,474 | 2,629 | 3,835 | 4,223 | 4,112 | 4,180 |
| Europe Others | 707 | 748 | 766 | 798 | 1,120 | 1,204 | 1,232 | 1,217 | 1,006 | 1,098 | 1,141 | 1,185 |
| Oceania | 1,109 | 1,053 | 1,074 | 1,243 | 469 | 429 | 510 | 593 | 155 | 143 | 140 | 145 |
| **Total** | **14,923** | **15,014** | **15,784** | **16,991** | **16,588** | **17,354** | **18,387** | **19,847** | **16,731** | **17,123** | **18,008** | **18,701** |
| Adjustment for Primary Feed Shortage | | | | | | | 0 | -472 | | | | |
| Allowance for Disruptions | | | | | | | -268 | -423 | | | | |
| **World** | **14,923** | **15,014** | **15,784** | **16,991** | **16,588** | **17,354** | **18,119** | **18,952** | **16,731** | **17,123** | **18,008** | **18,701** |
| % change | | 0.7% | 6.3% | 7.3% | | 4.7% | 4.3% | 4.9% | | 2.0% | 4.7% | 3.6% |
| **Refined Production -Usage Balance** | | | | | | | | | **-143** | **231** | **111** | **251** |

Source: International Copper Study Group

### GOLD SUPPLY AND DEMAND, WORLD GOLD COUNCIL, TONS

| | 2004 | 2005 | 2006 | % change 2006 vs 2005 | Q3'06 | Q4'06 | Q1'07 | Q2'07 | Q3'07 | % change Q3'07 vs Q3'06 |
|---|---|---|---|---|---|---|---|---|---|---|
| Supply | | | | | | | | | | |
| Mine production | 2492 | 2550 | 2473 | -3.0 | 644 | 662 | 587 | 609 | 646 | 0.3 |
| Net producer hedging | -422 | -86 | -373 | | -59 | -32 | -137 | -164 | -27 | |
| Total Mine supply | 2070 | 2464 | 2100 | -14.8 | 585 | 630 | 450 | 445 | 619 | 5.8 |
| Official sector sales2 | 469 | 674 | 352 | -47.8 | 79 | 56 | 86 | 141 | 164 | 107.6 |
| Old gold scrap | 849 | 886 | 1104 | 24.6 | 235 | 242 | 245 | 217 | 262 | 11.5 |
| **Total Supply** | **3388** | **4025** | **3556** | **-11.6** | **899** | **928** | **781** | **803** | **1045** | **16.2** |
| | | | | | | | | | | |
| Identifiable demand | | | | | | | | | | |
| Jewellery fabrication | 2614 | 2707 | 2284 | -15.6 | 606 | 624 | 581 | 703 | 623 | 2.8 |
| Industrial and dental | 412 | 431 | 458 | 6.3 | 115 | 116 | 114 | 118 | 116 | 0.9 |
| Bar & coin retail investment | 398 | 412 | 413 | 0.2 | 109 | 117 | 119 | 143 | 109 | 0.0 |
| Other retail investment | -60 | -26 | -28 | 6.0 | -6 | -10 | -12 | -15 | -7 | |
| **Exchange traded funds & similar4** | **133** | **208** | **260** | **25.0** | **19** | **79** | **36** | **-3** | **138** | **618.8** |
| Total identifiable demand | 3497 | 3732 | 3387 | -9.2 | 843 | 926 | 838 | 946 | 979 | 16.2 |
| | | | | | | | | | | |
| Balancing figure5 | -109 | 293 | 169 | … | 56 | 2 | -57 | -143 | 66 | … |

Source: World Gold Council

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