



MONTHLY MARKET UPDATE

AUGUST 2025

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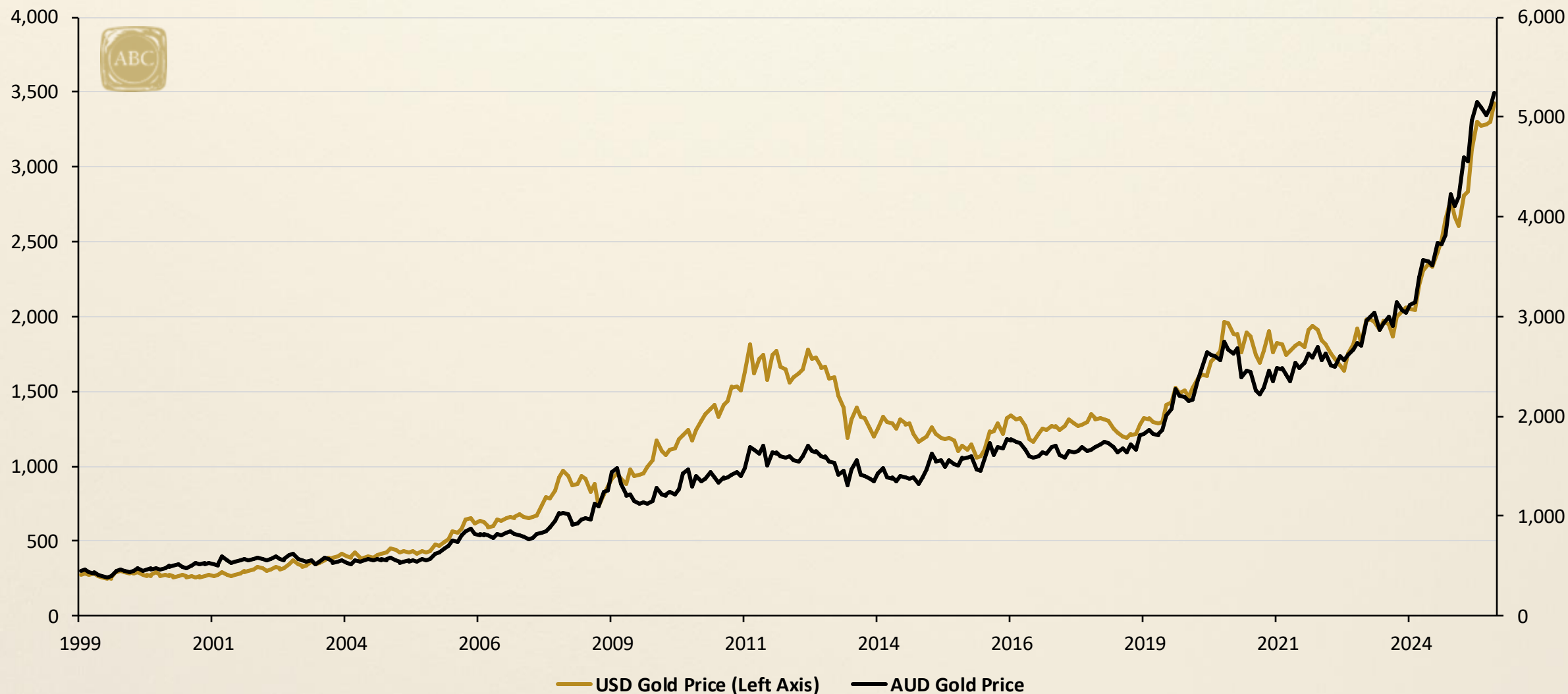
PRECIOUS METALS PERFORMANCE



Precious Metals Performance

- Gold prices rose notably in USD terms over August, with the precious metal ending the month trading at USD \$3429 per troy ounce (oz) for a return of 3.9%.
- Silver increased by 7.1% for the month, trading at USD \$38.8oz by end August.
- The outperformance of silver across the month of August saw the gold to silver ratio (GSR) fall from its April highs of 102 to 88. However, the GSR remains well above its historical median (62). This signals silver remains undervalued and is well-positioned to outperform gold in the period ahead.
- In Australian dollar terms, returns were more muted, with gold and silver advancing 2.9% and 6.0%, respectively. The increase in the value of the Australian dollar, which rose 1.1% vs. the greenback to end August at 0.6538 was responsible for the lower AUD based precious metal returns.
- 2025 has been a stellar year to date (YTD) across precious metals, with gold, silver and platinum recording exceptional price gains, with an increase of 31.3% for gold, 34.2% for silver and 48.4% for platinum (USD terms).
- In AUD terms, gold has risen by 24.9% YTD, while silver and platinum climbed 27.6% and 41.1% respectively, with a 5.2% increase in the value of the AUD YTD weighing down on local currency returns for Australian precious metal investors.
- Gold has outperformed major equity benchmarks this year, including the ASX 200 and S&P 500, while it also leads across 1-year, 5-year, and 25-year horizons.
- Platinum posted another solid gain in August, advancing 2.1% from USD \$1319 to \$1347oz. Meanwhile, the gold-to-platinum ratio edged higher from 2.50 to 2.55, although has fallen from April highs, remains well above its long-term median.
- The exceptional returns for gold and silver continue to be driven by a range of factors, including strong central bank & ETF buying, anticipated monetary easing by the US Federal Reserve, a weakening of the USD, heightened geopolitical risk and renewed volatility in equity markets driven by excessive valuations.

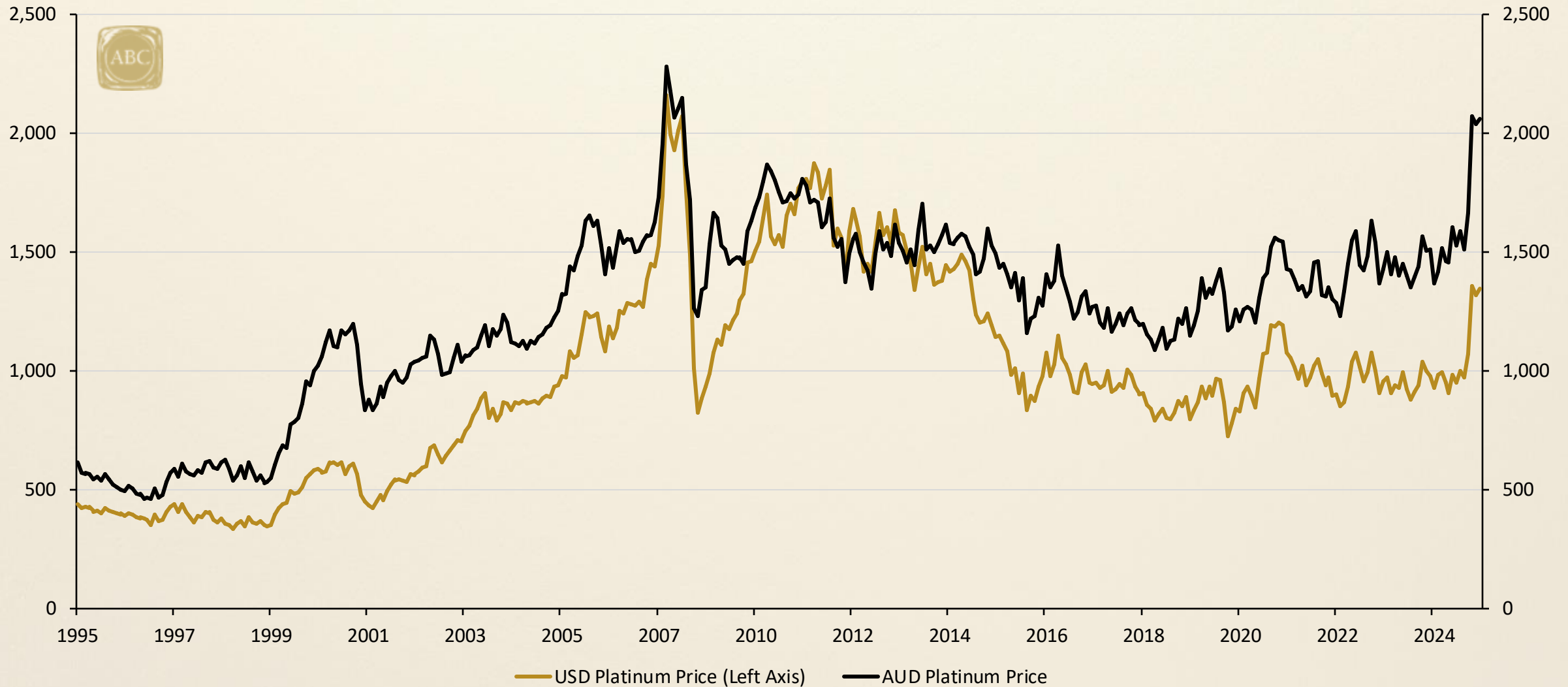
Gold in AUD and USD (Jan 1999–Aug 2025)



Silver in AUD and USD (Jan 1999–Aug 2025)



Platinum in AUD and USD (Jan 1995–Aug 2025)



Gold/Silver Ratio (Jan 1970–Aug 2025)



Gold/Platinum Ratio (Jan 1995–Aug 2025)



Gold Performance in Multiple Currencies (Jan 1999–Aug 2025)

Year	USD	AUD	EUR	GBP	JPY	INR	CNY	Developed Mk Avg	Developing Mk Avg
2016	9.1%	9.3%	11.3%	28.9%	4.8%	10.9%	15.6%	12.3%	22.6%
2017	11.9%	4.2%	-1.0%	2.9%	8.8%	6.0%	4.5%	6.9%	6.0%
2018	-1.1%	9.6%	4.1%	5.2%	-3.5%	8.4%	3.3%	5.6%	4.1%
2019	18.8%	19.1%	20.6%	13.9%	17.3%	21.1%	20.5%	19.5%	15.4%
2020	24.2%	13.6%	14.3%	20.8%	18.4%	27.6%	17.2%	23.6%	27.6%
2021	-3.8%	1.3%	2.9%	-3.4%	6.7%	-2.7%	-6.3%	7.3%	-1.9%
2022	-0.4%	7.4%	6.9%	12.7%	16.0%	11.9%	10.2%	9.7%	10.8%
2023	13.8%	13.6%	10.5%	8.6%	21.6%	15.1%	15.6%	18.7%	22.7%
2024	26.6%	38.2%	33.8%	27.7%	40.7%	29.3%	31.7%	37.0%	41.5%
2025 YTD	31.3%	24.9%	17.0%	22.0%	22.1%	34.8%	28.1%	26.6%	26.2%
Average	8.8%	11.5%	10.1%	11.0%	11.9%	12.0%	10.5%	15.6%	16.5%
5 Year	11.8%	13.8%	12.1%	11.2%	19.4%	15.4%	13.6%	18.3%	17.7%
10 Year	12.1%	13.3%	11.4%	13.7%	14.0%	15.6%	13.3%	15.9%	16.1%
20 Year	11.0%	11.8%	11.2%	12.4%	12.5%	14.9%	10.2%	13.4%	14.5%
Since 1999	10.9%	10.6%	10.9%	11.8%	12.1%	14.3%	10.1%	13.0%	14.4%

Silver Performance in Multiple Currencies (Jan 1999–Aug 2025)

Year	USD	AUD	EUR	GBP	JPY	INR	CNY	Developed Mk Avg	Developing Mk Avg
2016	17.5%	18.6%	19.9%	38.9%	12.9%	19.4%	24.5%	20.7%	32.1%
2017	3.8%	-3.7%	-8.1%	-4.5%	1.0%	-1.6%	-3.0%	-0.7%	-1.5%
2018	-8.3%	1.3%	-3.5%	-2.4%	-10.5%	0.5%	-4.2%	-1.5%	-3.5%
2019	16.7%	17.5%	18.4%	11.8%	15.2%	18.9%	18.4%	17.0%	13.3%
2020	46.8%	33.5%	35.1%	42.8%	39.9%	50.8%	38.6%	46.2%	50.8%
2021	-12.8%	-7.5%	-6.8%	-12.6%	-3.4%	-11.9%	-15.1%	-2.6%	-11.1%
2022	3.7%	11.1%	11.4%	17.4%	20.9%	16.6%	14.8%	15.1%	15.5%
2023	-0.3%	-1.2%	-3.1%	-4.9%	6.6%	0.8%	1.3%	3.9%	7.5%
2024	21.0%	33.2%	27.9%	22.1%	34.5%	23.6%	25.9%	31.6%	35.3%
2025 YTD	34.2%	27.6%	19.6%	24.6%	24.8%	37.7%	30.9%	29.7%	29.0%
Average	7.5%	10.0%	8.7%	9.9%	10.3%	10.7%	9.2%	14.4%	15.4%
5 Year	10.0%	12.2%	10.3%	9.4%	17.5%	13.6%	11.8%	16.8%	15.9%
10 Year	10.3%	11.5%	9.7%	11.9%	12.2%	13.8%	11.5%	14.3%	14.3%
20 Year	8.8%	9.6%	9.0%	10.3%	10.3%	12.7%	8.1%	11.5%	12.3%
Since 1999	8.9%	8.6%	8.9%	9.9%	10.1%	12.2%	8.1%	11.4%	12.3%



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PRECIOUS METALS vs. THE MARKET



Precious Metals vs The Market

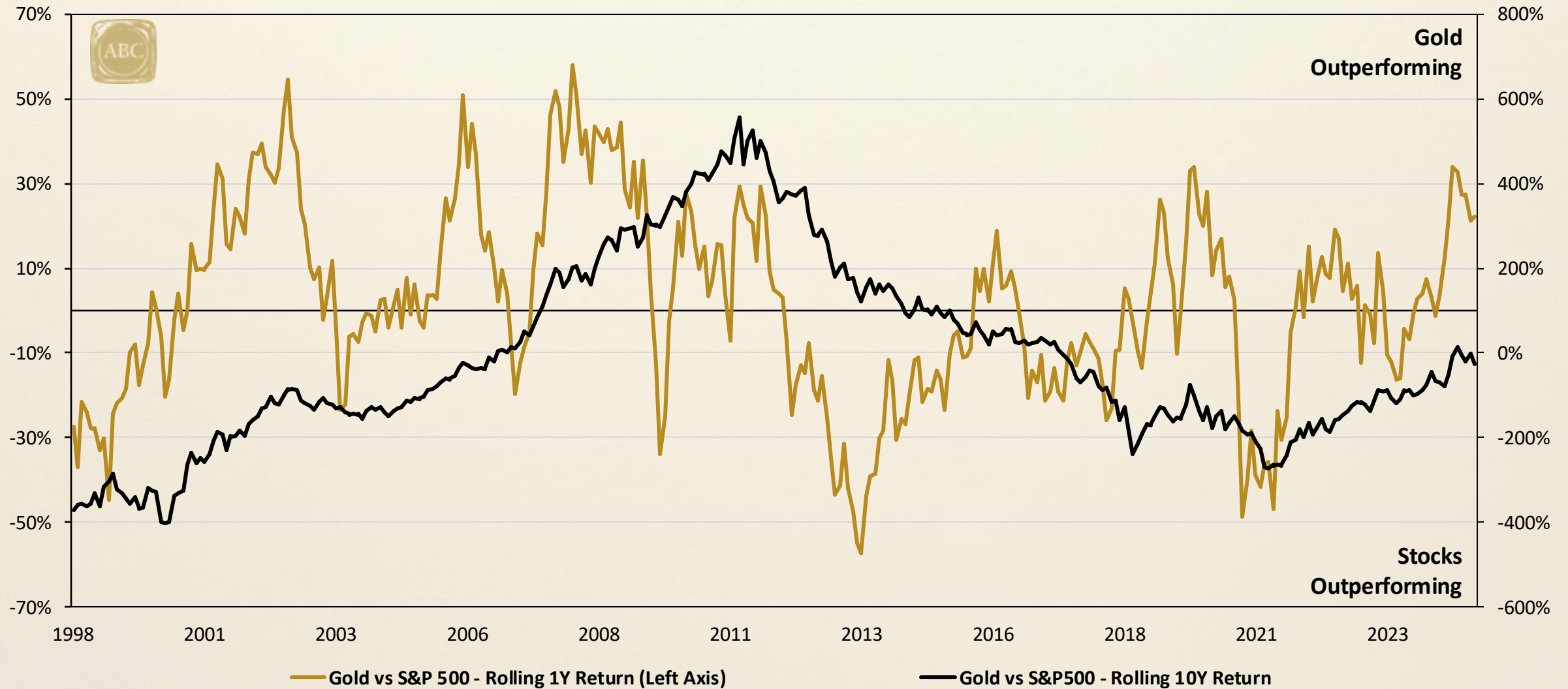
- Calendar year to date and rolling 12-month returns for gold continue to dwarf the S&P 500, with gold +26.5% YTD vs +10.1% for equities, while on a 12-month basis, gold is leading the S&P 500 by +25.6%. Similar outperformance is evident in comparison to the ASX 200, up 9.5% YTD, with gold also leading by +30.6% on a rolling 12-month basis.
- Despite the recent strength in risk assets, equity markets are likely to remain under pressure in the final months of the year. Valuations remain stretched, investor positioning is elevated, and there are signs of exhaustion in the tech-driven outperformance of US markets vs global counterparts. Concerns over a potential resurgence in inflation and global recession risks add to this cautious outlook.
- Historically, the three major declines in the Dow/Gold ratio (1930s, 1970s, and 2000s), were driven by a combination of a significant rally in the gold price and/or stagnation if not outright declines in US equity market (the 30's was largely driven by the latter, given gold prices were fixed at the time). With the ratio currently at 13.30, well above the historical median of 7.49, gold appears relatively undervalued, suggesting continued upside potential.
- The Gold/Oil ratio rose throughout August, ending the month at 53.6 The number has dropped by 6% since the April high above 56. Despite the recent decline, the current gold/oil ratio remains at almost triple the long-term average (dating back to 1983) of 19. The increase in the ratio YTD has primarily been driven by a combination of the surge in gold, with crude oil markets remaining under pressure amid rising supply and softening demand.
- The Gold/BCOM ratio reached all time highs by end August (33.36). That is more than four times the long-term average of just 7.06. Looking ahead, a projected global slowdown from US imposed tariffs, growing fiscal deficits and reduced immigration into the US could stifle growth. This has potentially bearish implications for broader commodity price trends, though recent weakness in the USD, which may continue, should act as support for hard assets. Given this backdrop, it would not surprise to see this ratio remain at elevated levels throughout 2025 and beyond.
- Markets are pricing in a 25 basis point rate cut (dropping the rate to 4.00%-4.25%) by United States Federal Reserve (The Fed) during their upcoming September meeting, which Fed chair Jerome Powell hinted at during his annual speech in Jackson Hole, Wyoming. The prospect of falling rates in the US provides a highly supportive environment for precious metals, as investors shift away from lower yielding assets like cash and bonds toward assets with higher capital growth potential. Gold has rallied substantially during rate cutting cycles this century.
- While CPI is well and truly below the 2022 peak of 9.1%, it remains above the Fed's 2% target (CPI 2.7% as of July 2025, a 0.4% increase vs May). Median, mean and core inflation in the US ended June at 3.5%, 3.1% and 3.1% respectively. With the Fed looking to ease, the USD down and the impact of tariffs yet to be fully felt across the economy, there is a chance inflation rises from here, which would likely support gold demand and gold prices.

Precious Metals Returns in AUD vs Key Equity Indices

Total Return					
Asset	YTD	1 Yr	5 Yr	10 Yr	25 Yr
Gold (AUD)	23.0%	41.8%	95.2%	226.5%	991.4%
Silver (AUD)	26.5%	37.9%	59.6%	190.3%	596.2%
ASX 200 (AUD)	9.5%	11.3%	47.8%	76.2%	168.3%
S&P 500 (USD)	10.1%	16.3%	85.3%	239.7%	327.5%
Compounded Annual Growth Rate - CAGR					
Asset	YTD	1 Yr	5 Yr	10 Yr	25 Yr
Gold (AUD)	14.6%	41.8%	14.3%	12.6%	10.0%
Silver (AUD)	16.7%	37.9%	9.8%	11.2%	8.1%
ASX 200 (AUD)	6.1%	11.3%	8.1%	5.8%	4.0%
S&P 500 (USD)	6.6%	16.3%	13.1%	13.0%	6.0%

*All price data extends to end August 2025

Gold & S&P 500 in USD – Rolling 1Y/10Y (Jan 1999–Aug 2025)



Dow/Gold Ratio in USD (Jan 1900–Aug 2025)



Source: LBMA, S&P Global

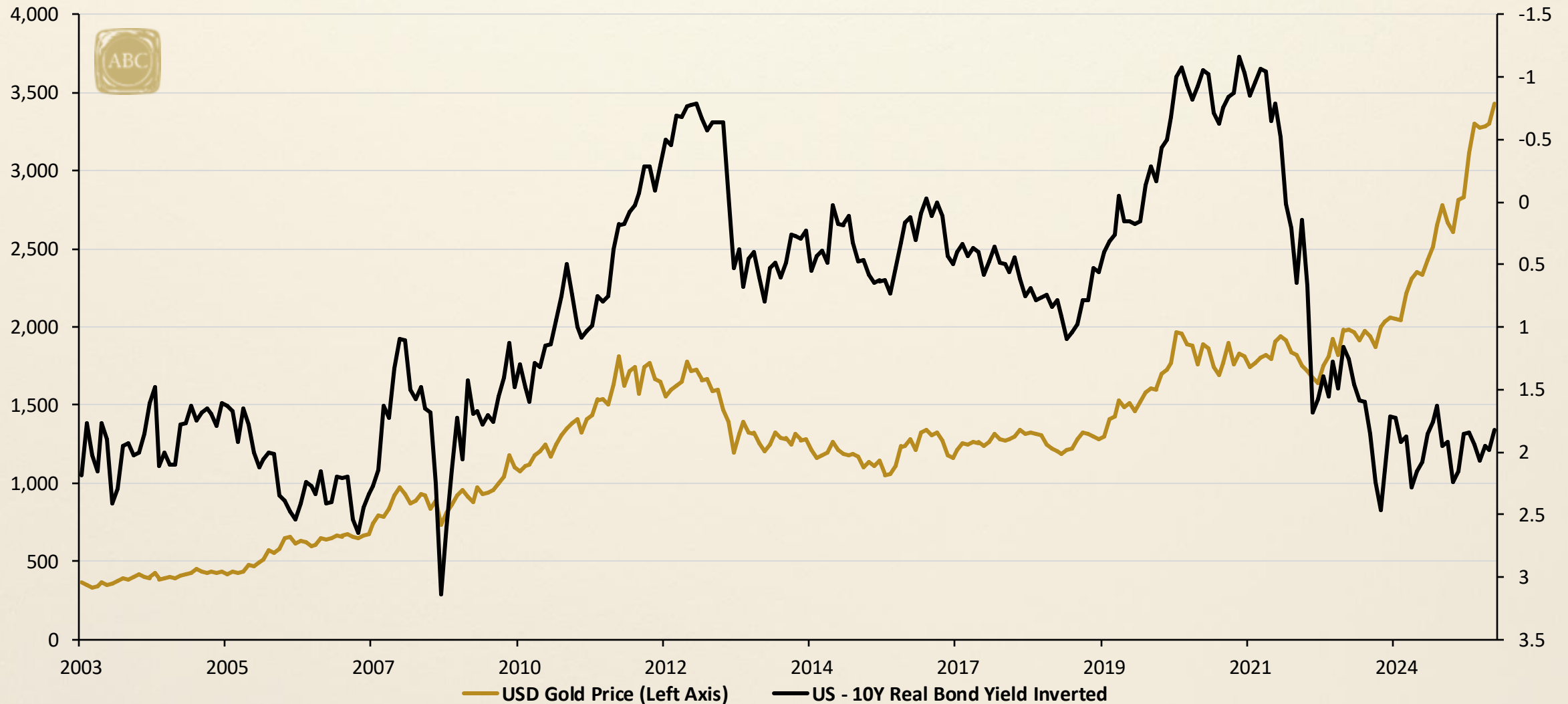
Gold/Oil Ratio in USD (Jan 1999–Aug 2025)



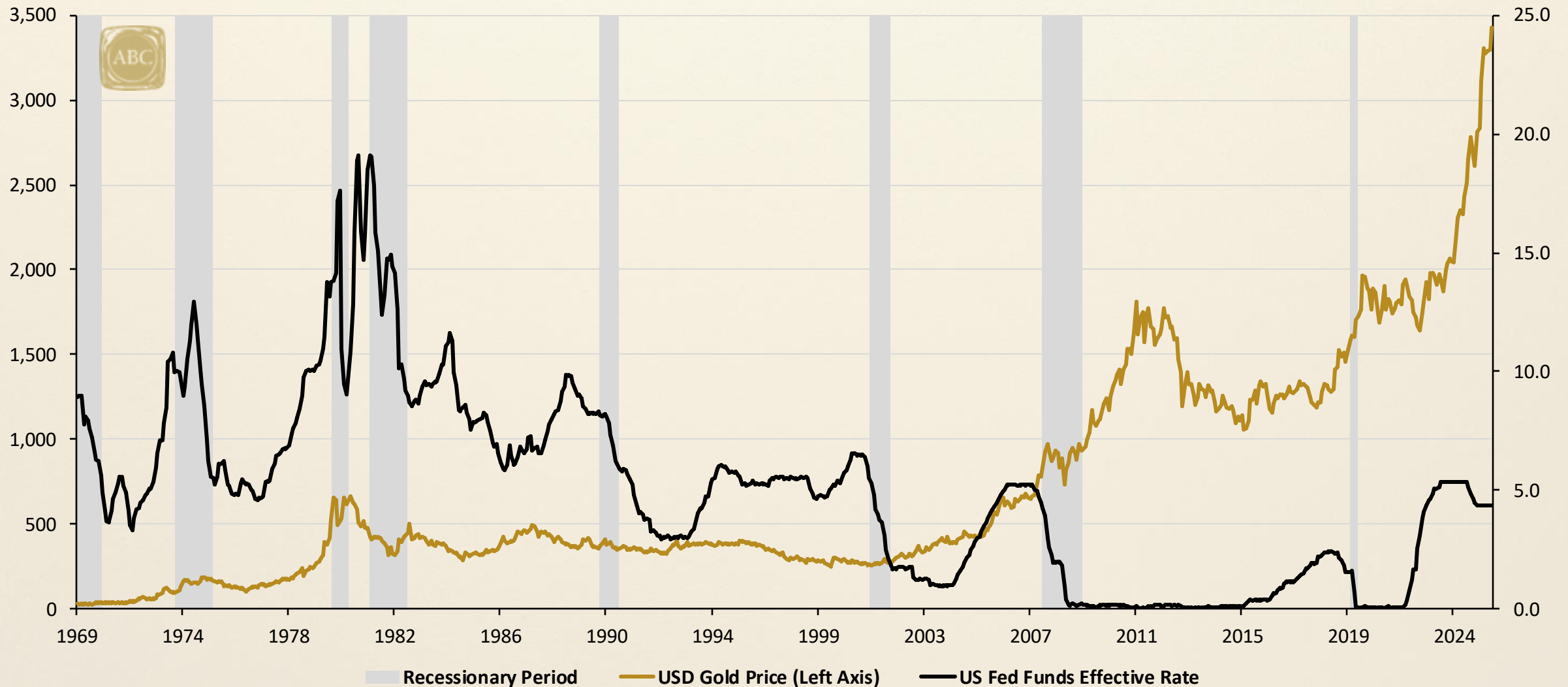
Gold/Bloomberg Commodities Index (BCOM) in USD (Dec 1969–Aug 2025)



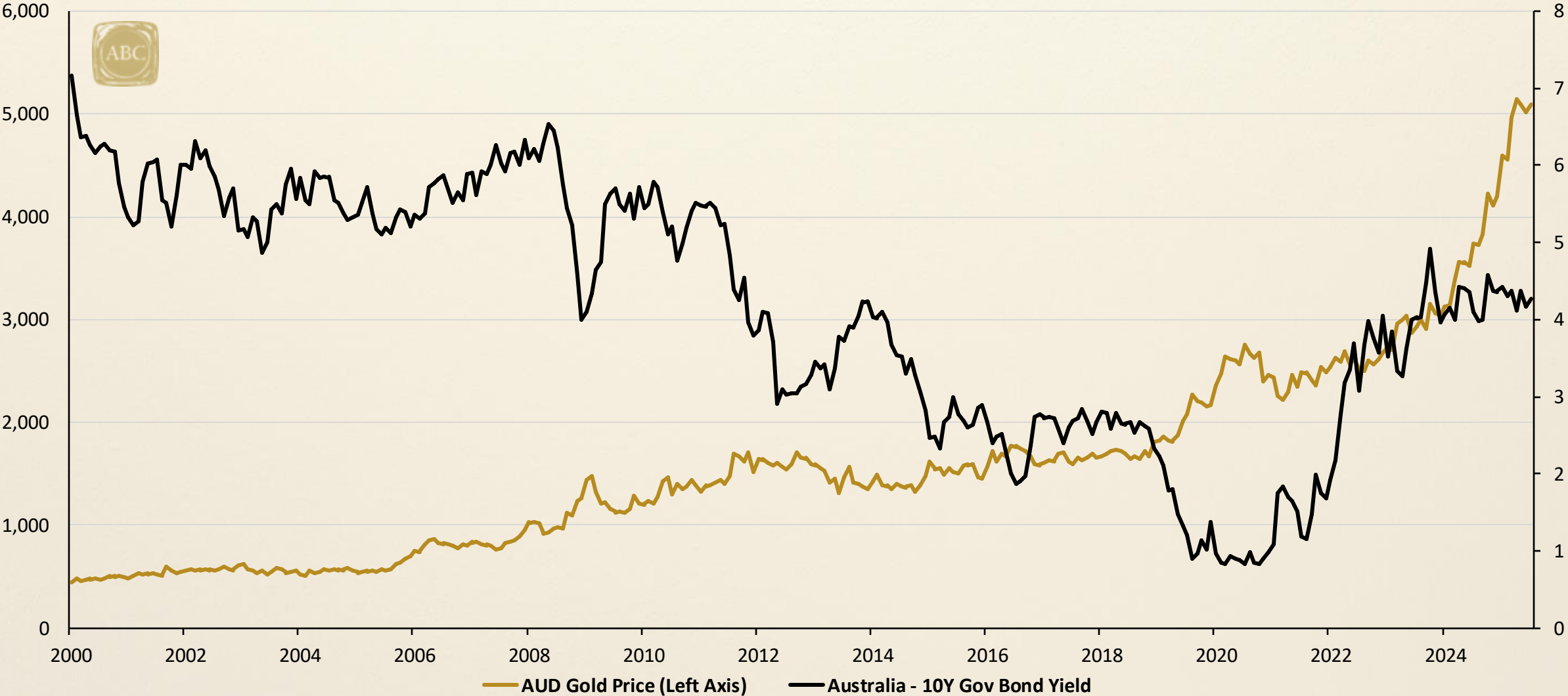
Gold in USD & US 10Y Real Bond Yield Inverted (Jan 2003–Aug 2025)



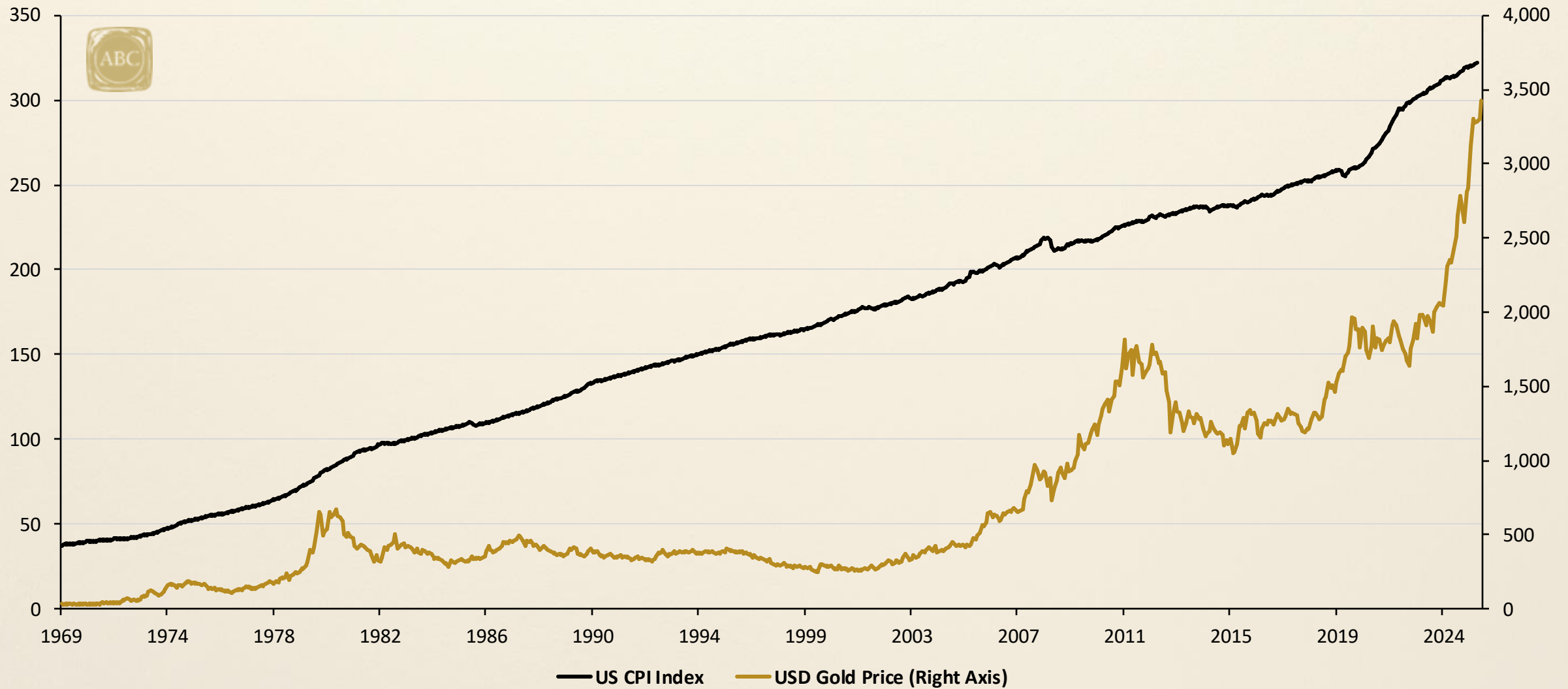
Gold in USD & US Fed Funds Effective Rate (Dec 1969–Aug 2025)



Gold in AUD & Aus 10Y Gov Bond Yield (Jan 2000–Aug 2025)



Gold in USD & US CPI Index (Dec 1969–Jul 2025)



Source: LBMA, Federal Reserve Bank of Cleveland, EY – CPI data 1 month lag

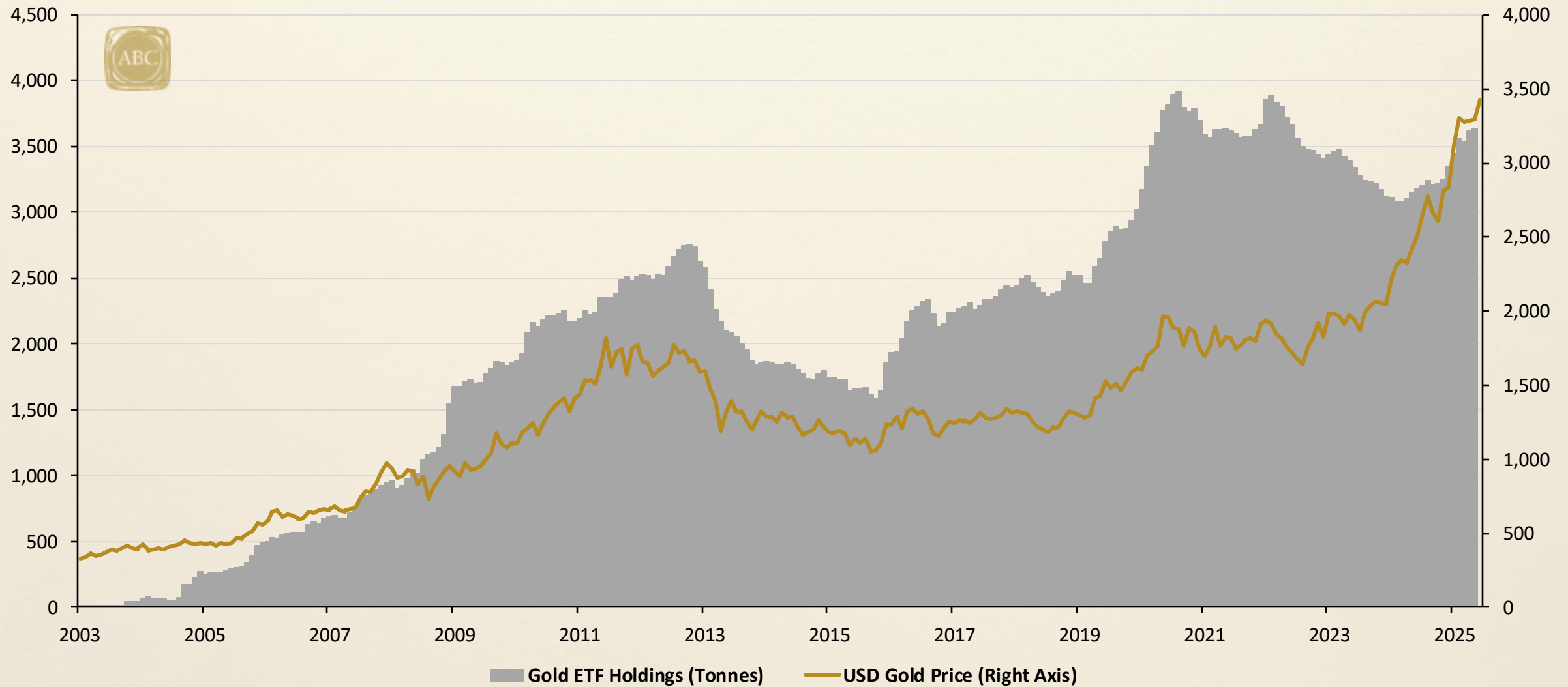
PRECIOUS METAL FLOWS & POSITIONING



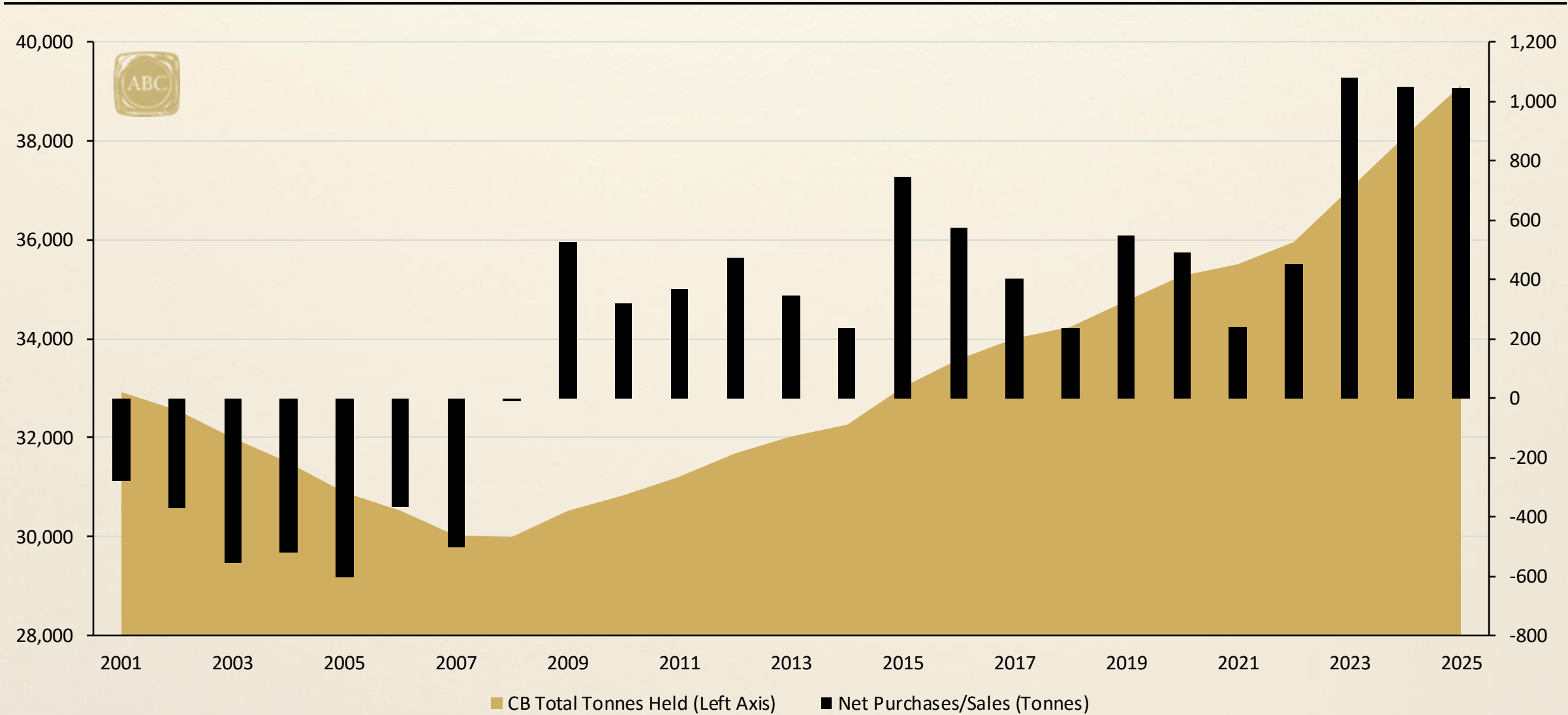
Precious Metals Positioning

- Data for July suggests just over 22 tonnes of gold was bought by ETF investors across the course of the month, with North American and European investors leading allocations into these products. The value of all gold holdings in ETFs ended the month at USD \$386bn, the highest level on record, even though holdings remain 274 tonnes below peak levels seen in late 2020. Preliminary data for August suggests flows moderated across the month.
- YTD, 420 tonnes of gold has been purchased by ETF investors, valued at approximately USD \$41bn, representing the strongest period of inflows since the height of the COVID pandemic in 2020.
- Investment into US listed ETFs was a highlight across July, attracting US \$1.4B, taking YTD inflows to a total of US\$22B, on track to set its second-strongest annual performance. European ETFs saw a monthly inflow of US \$1.8B, while Asia just a marginal increase of US\$93M.
- Central bank demand remained strong in July, with central banks particularly from the Middle east and Asia accelerating their purchases for the fourth year straight, serving as a significant tailwind to prices. With approximately 1000 tonnes of gold expected to be purchased by governments for their gold reserves over 2025, in line with elevated purchases seen since the COVID pandemic. Purchases are continuing in August, though their pace has moderated somewhat.
- A survey conducted by the World Gold Council (WGC) in June suggested elevated inflows are to be expected, with 43% of respondents to the WGC Central Bank Survey stating that they plan to increase their gold holdings in the coming year, while an overwhelming 95% of survey participants believe overall holdings held by central banks in totality will rise.
- Speculative positioning in the gold futures market remained modest by the end of August, with gross long positioning ending the month at just over 175,000 contracts. This represents a 2.7% increase month on month, though long positioning remains 5.7% lower than it was at the end of 2024.
- Gross short positioning contracted notably across August, falling by 8.4% to just over 33,500 contracts, with speculators understandably unwilling to aggressively short gold. That said, short positions are 63% higher relative to the end of 2024, and 90% higher than a year ago, though that is off an incredibly low base.
- Net positioning in the market ended August at just below 142,000 contracts. That is 14% lower than it was at end 2024, and 29% lower than it was 12 months ago. Speculative money is long gold – but this data suggests there is no excess speculative froth in the gold market today.

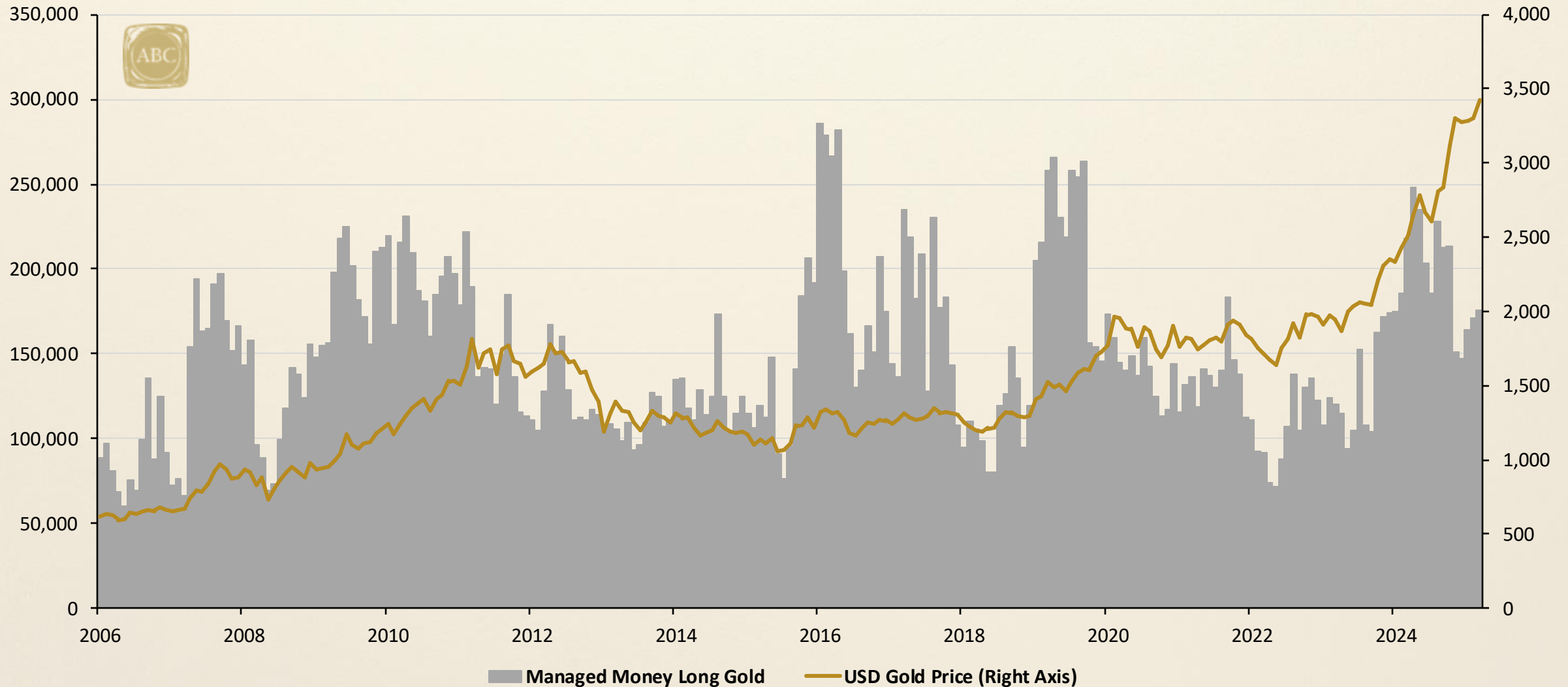
Gold in USD & Gold ETF Holdings (Mar 2003–Jul 2025)



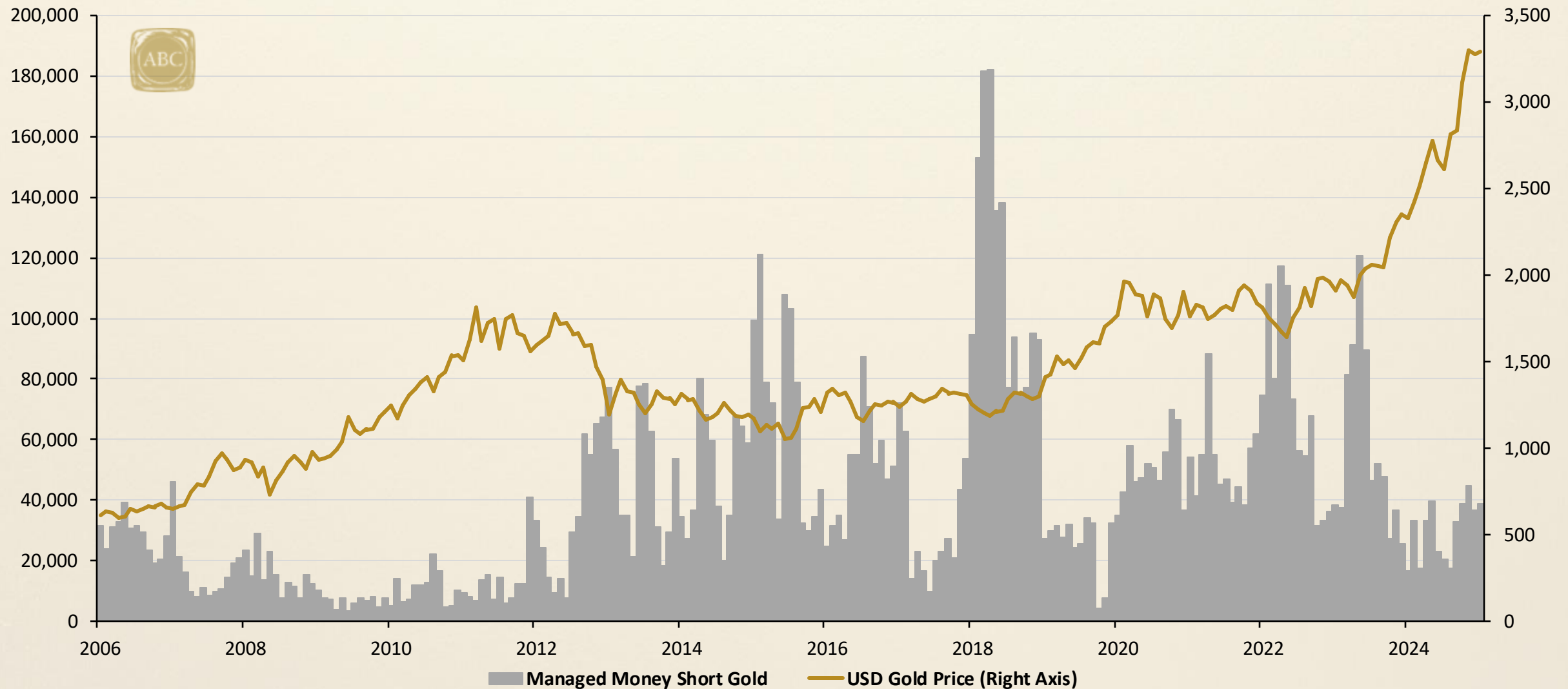
Central Bank Gold Holdings & Net Purchases/Sales (2001–2024)



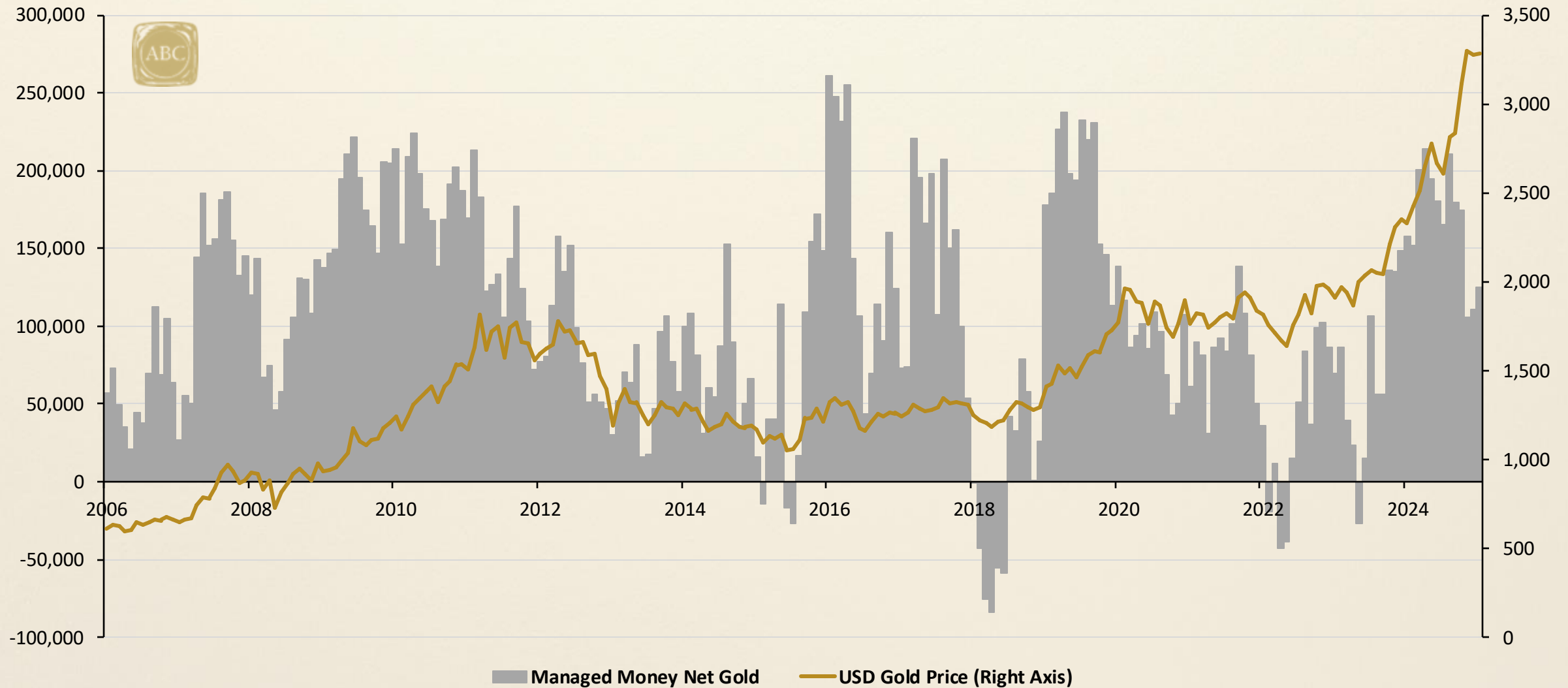
Gold in USD & Managed Money Long Gold (Jun 2006–Aug 2025)



Gold in USD & Managed Money Short Gold (Jun 2006–Aug 2025)



Gold in USD & Managed Money Net Gold (Jun 2006–Aug 2025)





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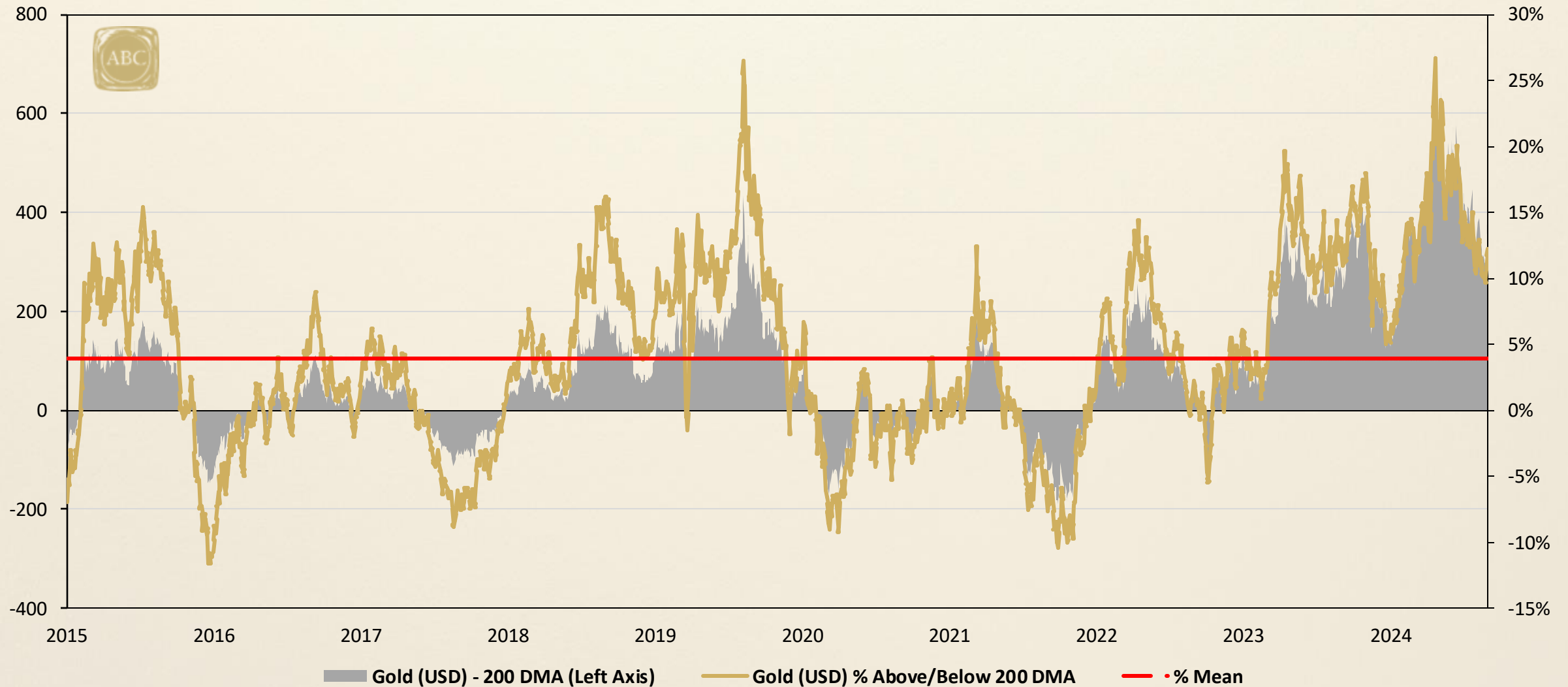
PRECIOUS METALS TECHNICAL ANALYSIS



Precious Metals Technical Analysis

- Gold remains significantly above its 200-day moving average (200DMA), with the 200DMA ending August just above USD \$3,050oz.
- The “price gap” between the end August USD spot price for gold and the 200DMA was close to USD \$375, or 12%.
- Across the duration of the gold bull market, dating back to the year 2000, the average price gap has been closer to 4%.
- Historically, when gold trades significantly above or below the 200DMA, the price tends to mean-revert, washing out excess froth, or excess fear from the market.
- The current elevated divergence suggests strong bullish momentum and a potentially stretched gold price relative to historical norms.
- Given this relationship and golds current price levels above the 200DMA, a pullback in price over the short to medium term back towards the historical mean would not surprise from a technical viewpoint.
- Such a correction would likely be a healthy development for the market and create a buying opportunity for medium to long-term investors.
- It should also be noted that while gold remains well above its 200DMA, some excess froth has already come out of the market, with the market trading closer to 25% above the 200DMA in late April, vs just 12% by end August.

Gold in USD & 200 Daily Moving Average (DMA) (Jan 2016–Aug 2025)



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