



ABC<sup>®</sup>  
BULLION

# MONTHLY MARKET UPDATE

September 2024

Jordan Eliseo

*ABC Bullion General Manager*



# Table of Contents



## 1. Precious Metals Performance

- a) Gold – AUD and USD
- b) Silver – AUD and USD
- c) Gold to Silver Ratio
- d) Gold in Multiple Currencies
- e) Silver in Multiple Currencies

## 2. Precious Metals vs the Markets

- a) Gold vs S&P500
- b) Gold to Oil Ratio
- c) Gold to Bloomberg Commodities Index Ratio
- d) Gold vs 10 Year Inverted Real Bond Yield
- e) Gold vs Federal Funds Effective Rate
- f) Gold vs Inflation

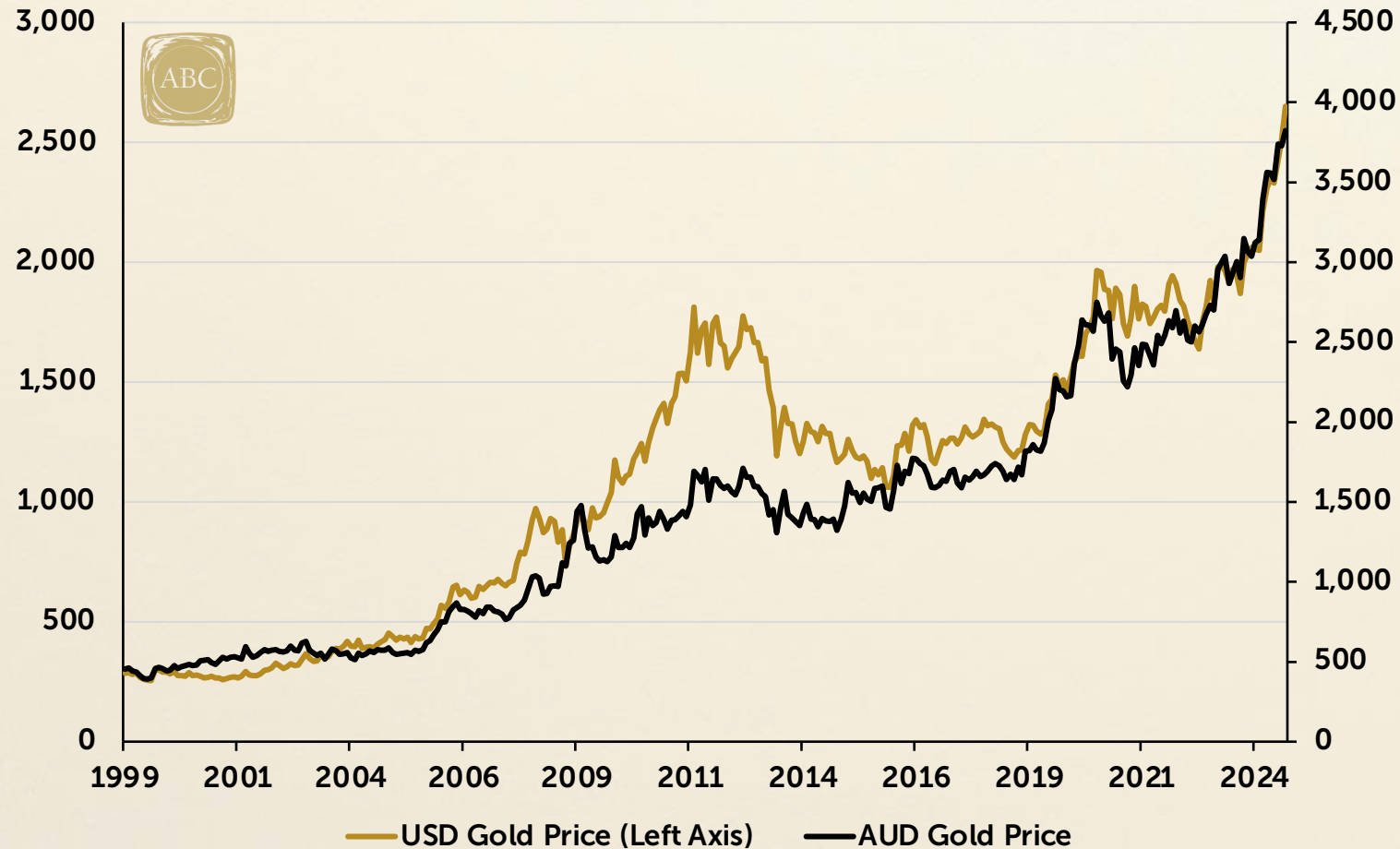
## 3. Precious Metals Positioning

- a) Gold ETF Holdings
- b) Gold Managed Money – Gross Long
- c) Gold Managed Money – Gross Short
- d) Gold Managed Money – Net Positioning
- e) ABC Bullion Insights

# PRECIOUS METALS PERFORMANCE

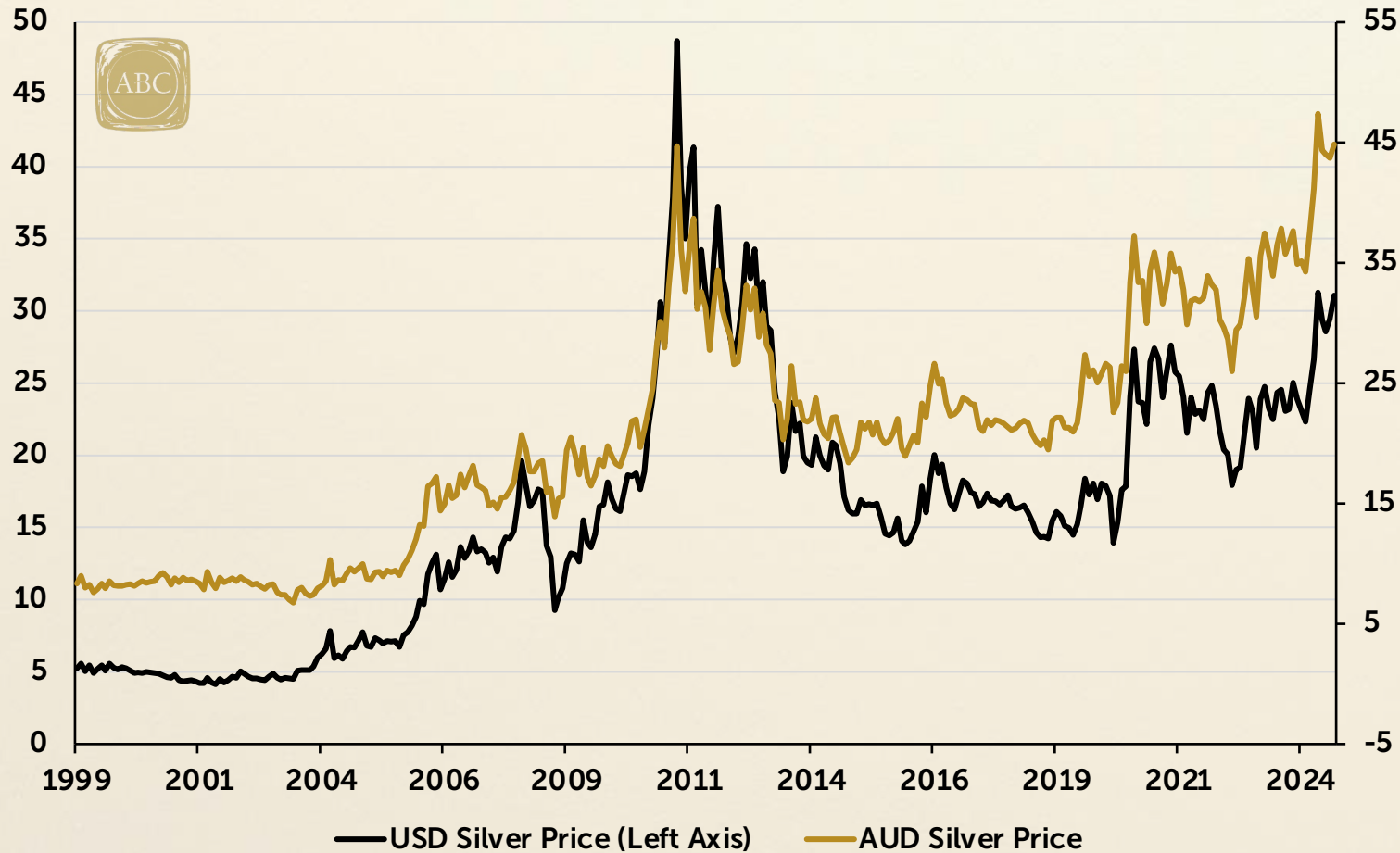


# Gold in USD & Gold in AUD (Jan 1999–Sep 2024)



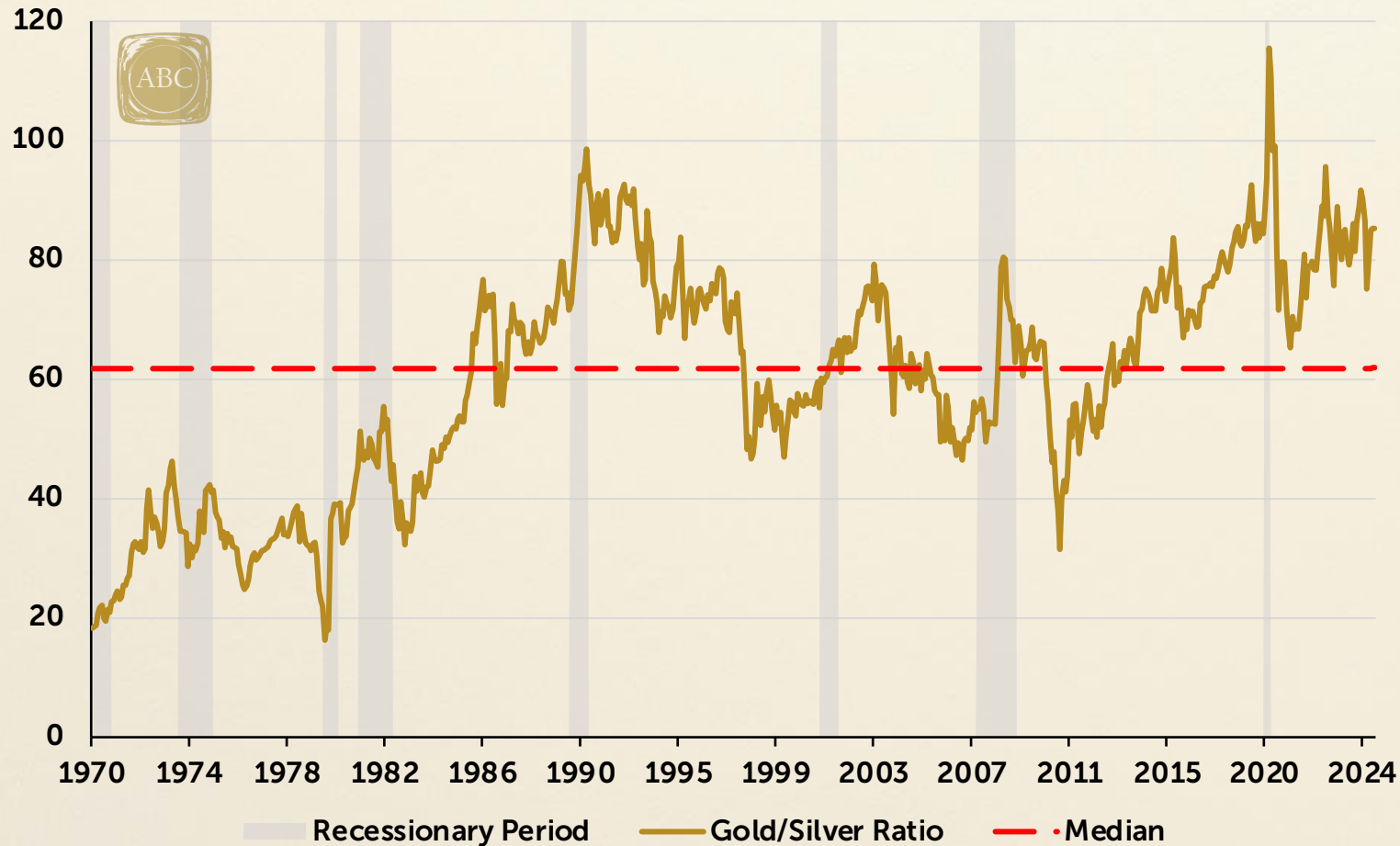
- Gold prices continued their upward trajectory during September, posting a strong 5.4% gain in USD terms, reaching an all-time high of USD \$2685 per troy ounce (oz) before retreating to USD \$2650oz by month-end.
- Australian dollar investors saw more modest gains, with gold rising 2.5%, peaking at AUD \$3898 per troy ounce (oz) before pulling back to AUD \$3823oz on 30th September.
- A stronger Australian dollar limited gains in local currency terms, as the AUD appreciated by 1.9% to USD \$0.6932 by the end of September.

# Silver in USD & Silver in AUD (Jan 1999–Sep 2024)



- Silver mirrored gold's upward momentum, climbing 5.4% month-on-month in USD terms to reach a monthly high of USD \$32.48 per troy ounce (oz) before subsiding to USD \$31.08/oz by month-end.
- Australian dollar investors saw more tempered returns, with silver prices rising 2.5% month-on-month, finishing September at AUD \$44.83/oz.
- Driven by both investment and industrial demand within global markets, silver looks poised to extend its rally into the coming quarter with the price pushing above important resistance.
- The likelihood of further upside has been bolstered by expectations of further rate cuts in the United States and China's recently announced fiscal stimulus measures.

# Gold/Silver Ratio in USD (Jan 1970–Sep 2024)



- With gold and silver testing key support levels at USD \$2700oz and USD \$32.50oz, the gold-silver ratio (GSR) currently hovers around 85:1.
- Historically, the ratio has ranged from as low as 20:1 to over 110:1, with a median of 62:1 since 1969.
- The potential for silver outperformance in the coming months, driven by a combination of supply side constraints, increasing industrial demand, its historical outperformance in high inflationary environments, and the fact it remains cheap relative to gold suggests the ratio may decline in the period ahead.
- Recent price strength in copper is also worth watching, as it may portend a further rally in silver, as both metals are critical from an industrial demand perspective. decline.

# Gold Performance in Multiple Currencies (Jan 1999–Sep 2024)

Year	USD	AUD	EUR	GBP	JPY	INR	CNY	Developed Mk Avg	Developing Mk Avg
2015	-11.4%	-1.3%	-2.1%	-7.0%	-11.8%	-7.9%	-7.4%	-4.1%	-1.6%
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 YTD	28.5%	25.8%	27.2%	21.9%	29.2%	28.9%	28.8%	30.9%	36.7%
Average	9.0%	10.3%	9.5%	10.4%	10.8%	11.9%	10.2%	10.3%	10.3%
5 Year	12.0%	12.4%	12.1%	10.4%	18.8%	16.5%	12.7%	17.4%	17.7%
10 Year	6.9%	10.4%	9.0%	9.7%	10.8%	10.5%	8.1%	11.9%	12.1%
20 Year	9.7%	10.0%	10.2%	11.6%	11.2%	13.0%	8.8%	11.8%	13.1%
Since 1999	9.5%	9.0%	9.7%	10.5%	10.6%	12.6%	8.6%	11.4%	12.9%

- Gold performance has been incredibly strong year to date, with gains of more than 20% across most currencies globally.
- Gold performance has been led by the Turkish Lira (TRY) with gains of 54% followed by notable increases in CNY, JPY, INR and USD terms accordingly.
- Year to date (YTD) gains for gold across major currencies have far surpassed yearly averages since 2015, and long-term annualized returns, which are closer to 10% per annum .
- Gold prices in developing market currencies have outperformed throughout 2024 due to a strengthening of the USD, including the EGP, RUB and SAR.

# Silver Performance in Multiple Currencies (Jan 1999–Sep 2024)

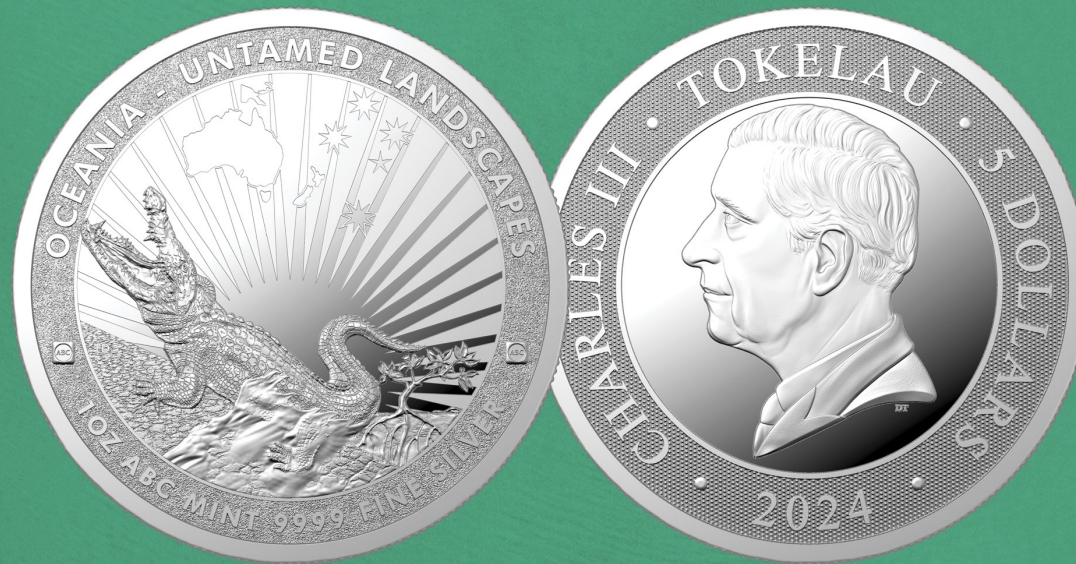
Year	USD	AUD	EUR	GBP	JPY	INR	CNY	Developed Mk Avg	Developing Mk Avg
2015	-13.5%	-2.8%	-4.3%	-9.2%	-13.8%	-10.0%	-9.6%	-5.2%	-3.9%
2016	17.5%	18.6%	19.9%	38.9%	12.9%	19.4%	24.5%	20.7%	32.1%
2017	3.8%	-3.7%	-8.1%	-4.5%	1.0%	-1.6%	-3.0%	-0.7%	-1.5%
2018	-8.3%	1.3%	-3.5%	-2.4%	-10.5%	0.5%	-4.2%	-1.5%	-3.5%
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 YTD	30.1%	28.4%	28.8%	23.5%	30.9%	30.5%	30.4%	32.3%	38.4%
Average	8.4%	9.5%	8.8%	10.1%	10.0%	11.4%	9.6%	9.7%	9.7%
5 Year	12.3%	12.8%	12.5%	10.8%	19.2%	16.9%	13.0%	18.0%	18.1%
10 Year	3.6%	7.0%	5.6%	6.2%	7.3%	7.0%	4.7%	8.7%	8.6%
20 Year	7.9%	8.1%	8.4%	9.7%	9.4%	11.2%	6.9%	10.3%	11.2%
Since 1999	7.7%	7.2%	7.9%	8.7%	8.8%	10.8%	6.8%	10.0%	11.0%

- Silver performance year to date (YTD) has been led by the Turkish Lira (TRY) with gains of 56% with significant increases in CAD, KRW, JPY and USD terms.
- YTD gains for silver across major currencies have topped yearly averages since 2015, led by a 30.9% increase in JPY terms.
- Silvers performance in developing markets has been even stronger relative to developed markets in 2024 so far, with an average gain of 38.4% to end September.



# Untamed Landscapes

Discover the new limited mintage series of 999.9 silver bullion collectable coins inspired by Oceania's unique fauna

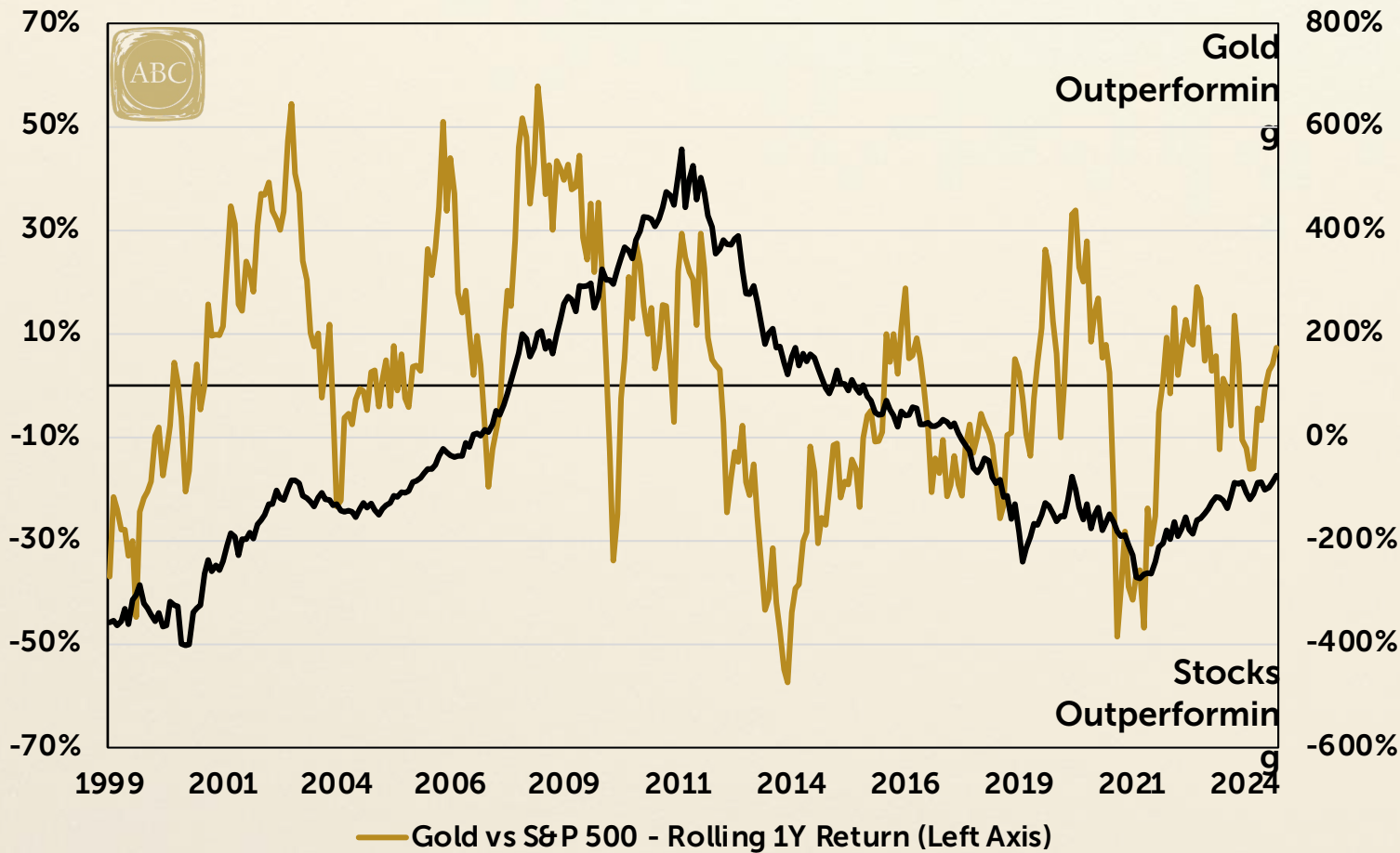


NOW AVAILABLE

# PRECIOUS METALS vs. THE MARKET

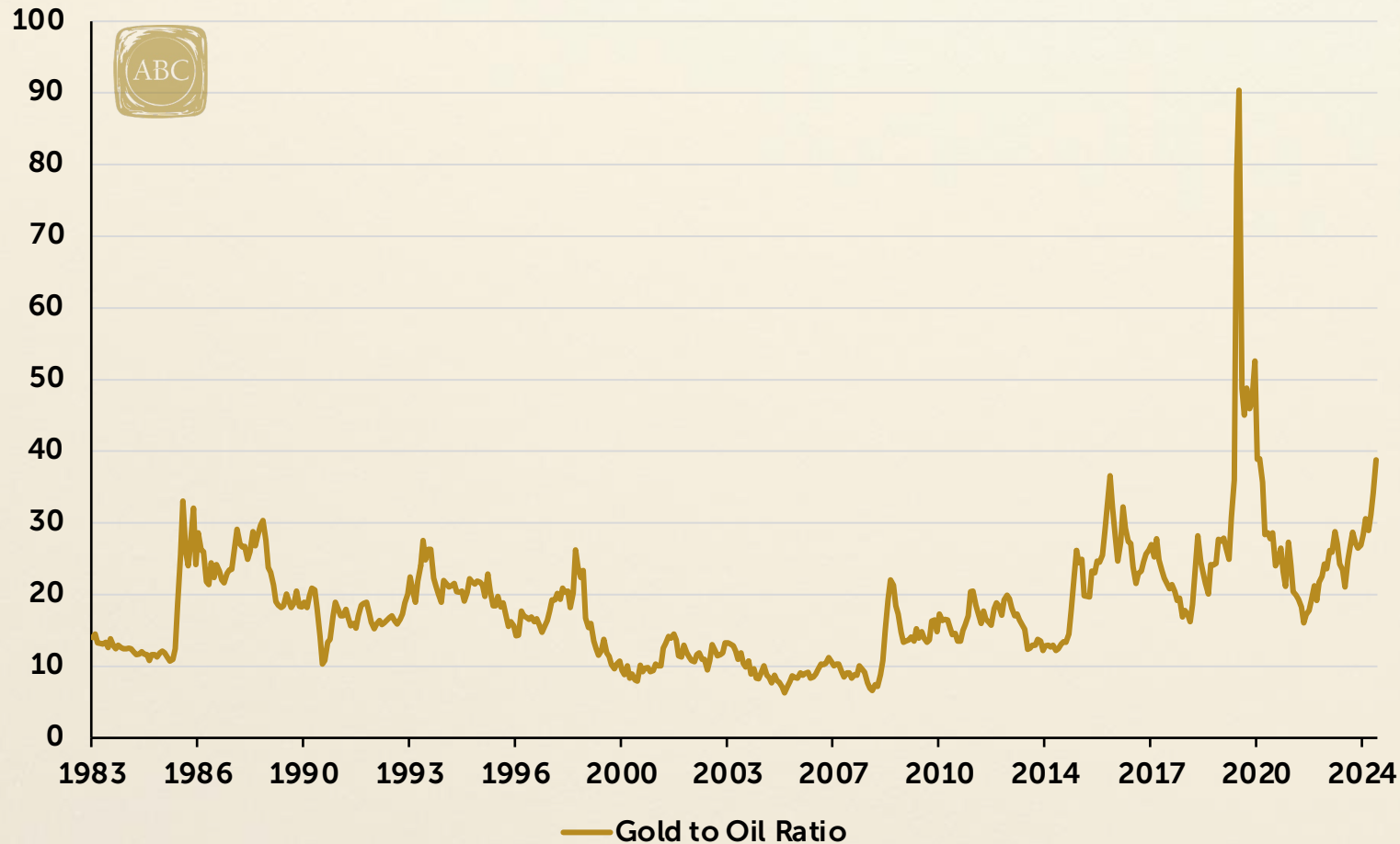


# Gold & S&P 500 in USD – Rolling 1Y/10Y (Jan 1999–Sep 2024)



- Persistent central bank purchases particularly from Turkey and India throughout Q2, coupled with ongoing geopolitical risks in the Middle East and Ukraine continue to fuel the gold market, which has begun to outpace the S&P 500. Both gold and equities have been strong YTD, with gold +28.5% in USD terms and the S&P 500 +20.8% respectively.
- Stimulus designed to stabilise China's housing industry, as well as the recent monetary pivot from the US Federal Reserve are both fueling demand for precious metals and help explain its recent outperformance relative to the S&P 500.
- Despite gold's recent price strength, it still lags the S&P 500 by a significant margin on a rolling 10-year performance basis. There is a good chance this gap will narrow in the years ahead, especially given the many tailwinds that are likely to support bullion going forward.

# Gold/Oil Ratio in USD (Jan 1999–Sep 2024)



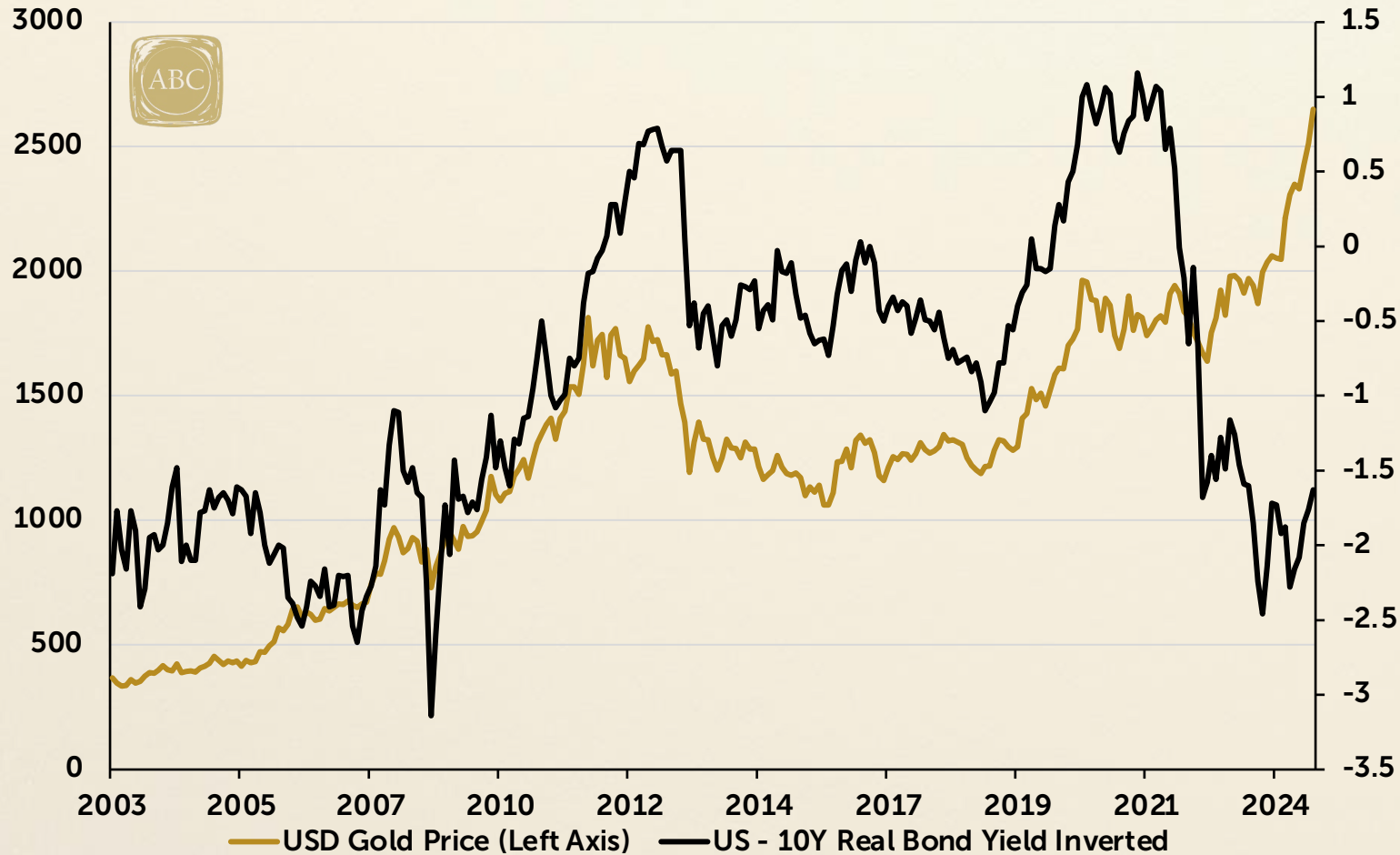
- The gold to oil ratio ended September at 39.
- The number is more than double the long-term average (dating back to 1983) of 18.5.
- The ratio peaked at almost 90 during COVID, when gold first spiked toward USD \$2,000/oz and oil tanked, before falling back toward the long-term average in 2021.
- The ratio increase this year has been driven by both the gold rally and a 24% fall in crude.
- Going forward this ratio may stabilize or even decline (even with gold expected to rally) due to the ongoing geopolitical tensions globally.
- The outlook for oil demand itself is somewhat mixed given uncertainty over China's recent dovish fiscal policy and its impact on fuel demand, given the country's continuing attempts to decarbonize and electrify its domestic transport sector.

# Gold/Bloomberg Commodities Index (BCOM) in USD (Dec 1969–Sep 2024)



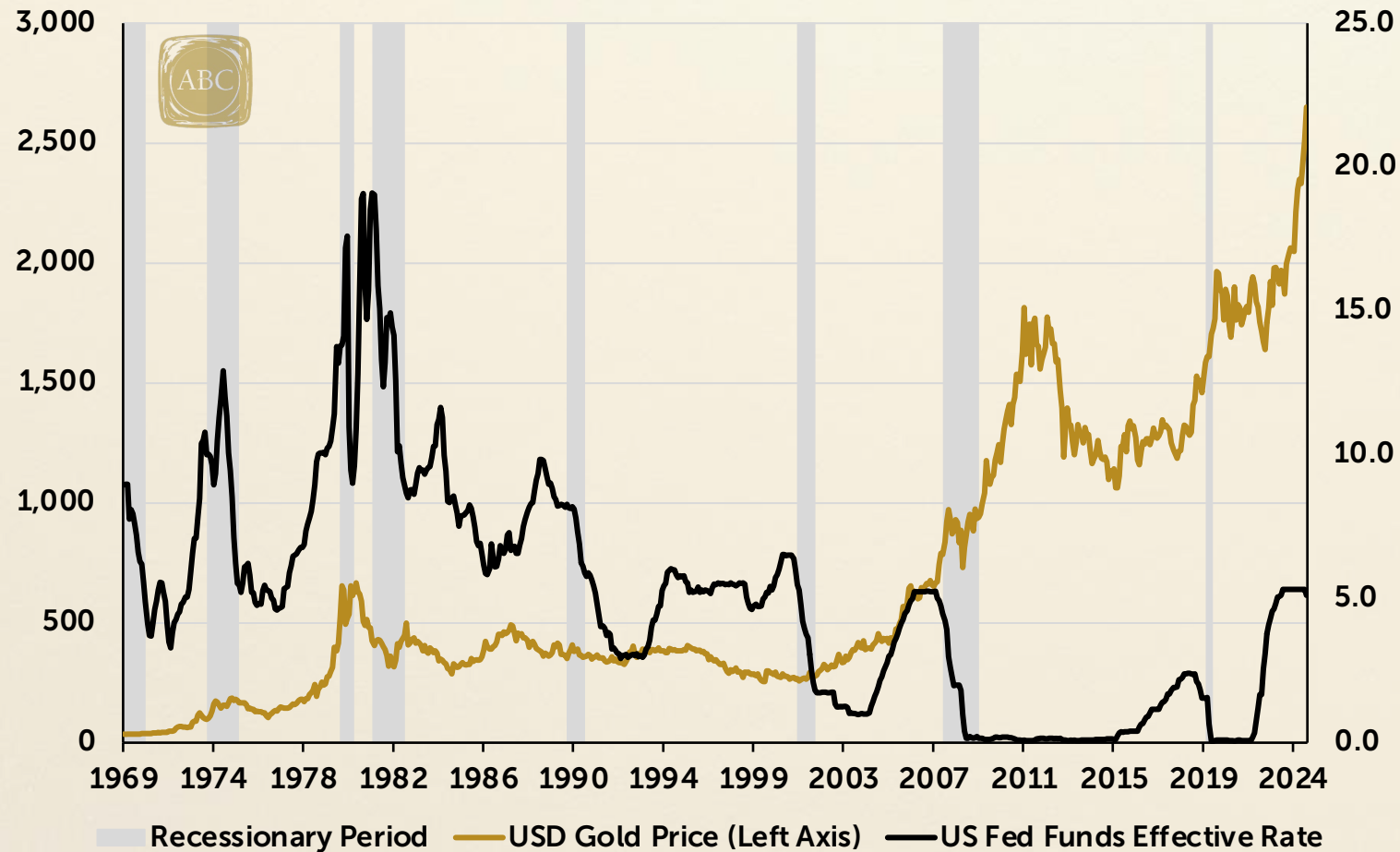
- The gold to Bloomberg commodity total return (BCOM) index ratio remained near all-time highs at end September, ending the month above 26, vs a long-term average of 7.
- This is despite a 4% rally in commodity prices during the month, with the BCOM index ending September above 100.
- Commodities as a whole have fallen since the middle of last year, with oil (-23%) a major contributor to that weakness.
- Geopolitical risks, monetary easing, and a constrained supply outlook should all support commodity prices going forward, though any further signs of an economic slowdown will weigh on the entire complex.
- Gold is likely to remain a go-to asset amongst hard asset investors given its unique monetary qualities relative to other commodities (ex silver).

# Gold in USD & US 10Y Real Bond Yield Inverted (Jan 2003–Sep 2024)



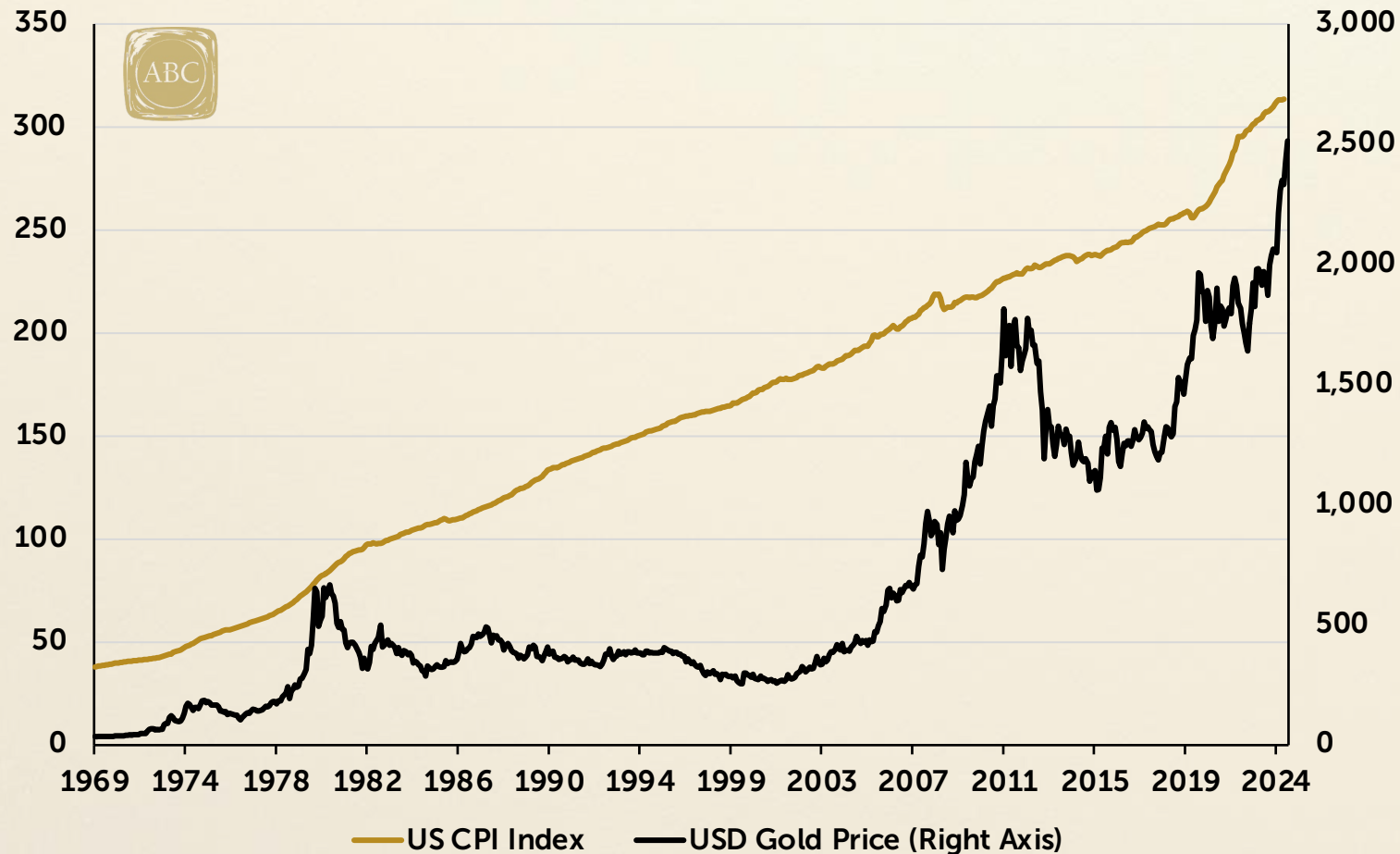
- Historically, U.S real yields and gold prices have exhibited a negative correlation. However, this relationship reversed in early 2022, with rising yields coinciding with an increase in gold prices in USD terms.
- After peaking in late 2023, U.S real yields are beginning to fall, as markets price in a sustained period of monetary easing from the US Federal Reserve and other central banks. This is likely to support gold prices, especially if it coincides with a return to inflows from ETF investors.
- Long-term real yields in the U.S continue to face upward pressure resulting from excessive deficit spending and inflationary concerns.

# Gold in USD & US Fed Funds Effective Rate (Dec 1969–Sep 2024)



- An interest rate cutting cycle has begun across most developed markets, as central banks' attempt to ensure a soft landing.
- Moderating levels of inflation have encouraged the policy shift with the U.S. Fed cutting rates for the first time in 4.5 years by 50 basis points.
- U.S. markets are pricing in an additional 50 basis point rate cut by the end of 2024. This is expected to provide a strong tailwind for the precious metals sector, with gold rallying substantially in the rate cutting cycles this century.
- In Australia, domestic inflationary pressures remain stubborn. Expectations are that the RBA will not cut rates until Feb 2025 with NAB expecting rate cuts of 0.25% to 4.1%, followed by gradual cuts down to 3.1% by early 2026.

# Gold in USD & US CPI Index (Dec 1969–Sep 2024)



- The U.S. economy achieved a 3% annualized GDP growth rate as of the end of Q2, primarily driven by strong consumer activity.
- Despite this, a slowdown in the economy is becoming evident, with the labour market showing signs of cooling, including slowing job growth. Projections indicate GDP growth will taper to 2.4% in 2024 and 1.7% by 2025.
- While inflation has declined from its 2022 peak of 9.1%, it remains above the Federal Reserve's 2% target, with median, mean and core inflation all above 3%.
- Any challenges on the inflation front may complicate the Fed's desire to implement rate cuts, or the speed in which they can deliver them.



HAPPY  
*Diwali*

ABC Bullion is pleased to present  
this year's Diwali series.

This premium series includes a 10g gold  
coin and 1oz silver coin celebrating the  
prominent Hindu festival of lights.

Diwali holds great significance as it symbolises  
the spiritual victory of light over darkness, good  
over evil and knowledge over ignorance.

[ORDER NOW](#)

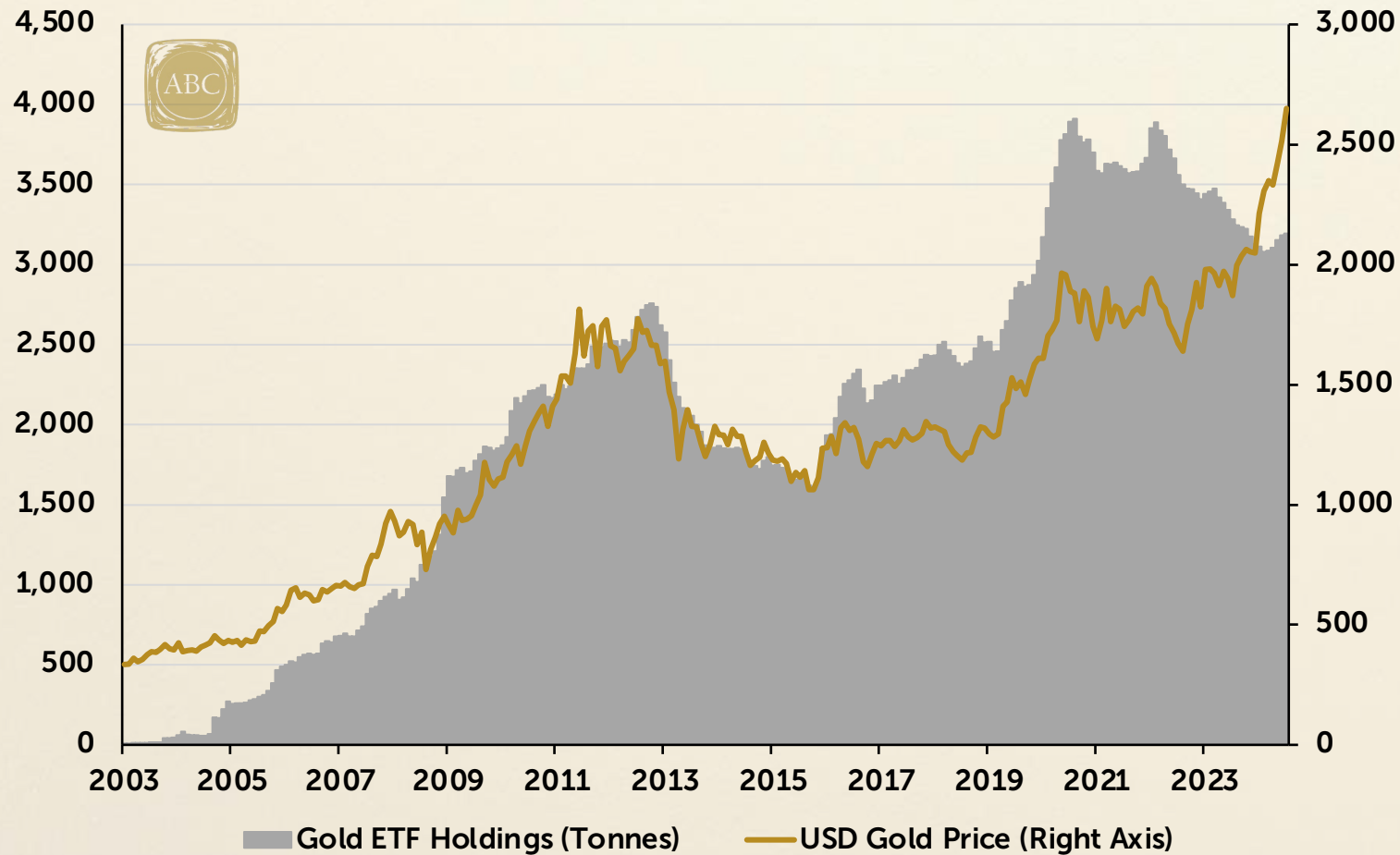
Limited release.



# PRECIOUS METALS POSITIONING

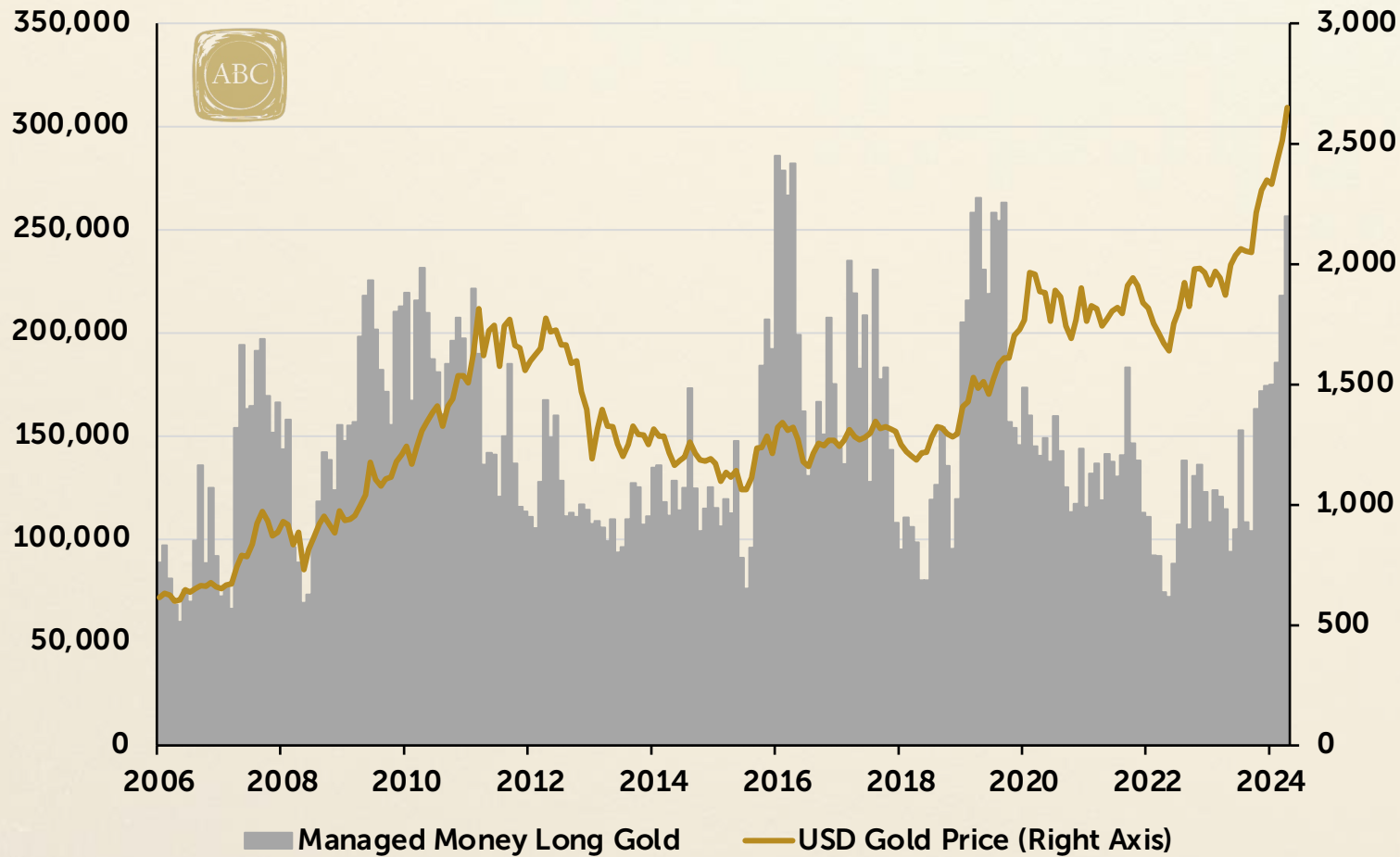


# Gold in USD & Gold ETF Holdings (Mar 2003–Sep 2024)



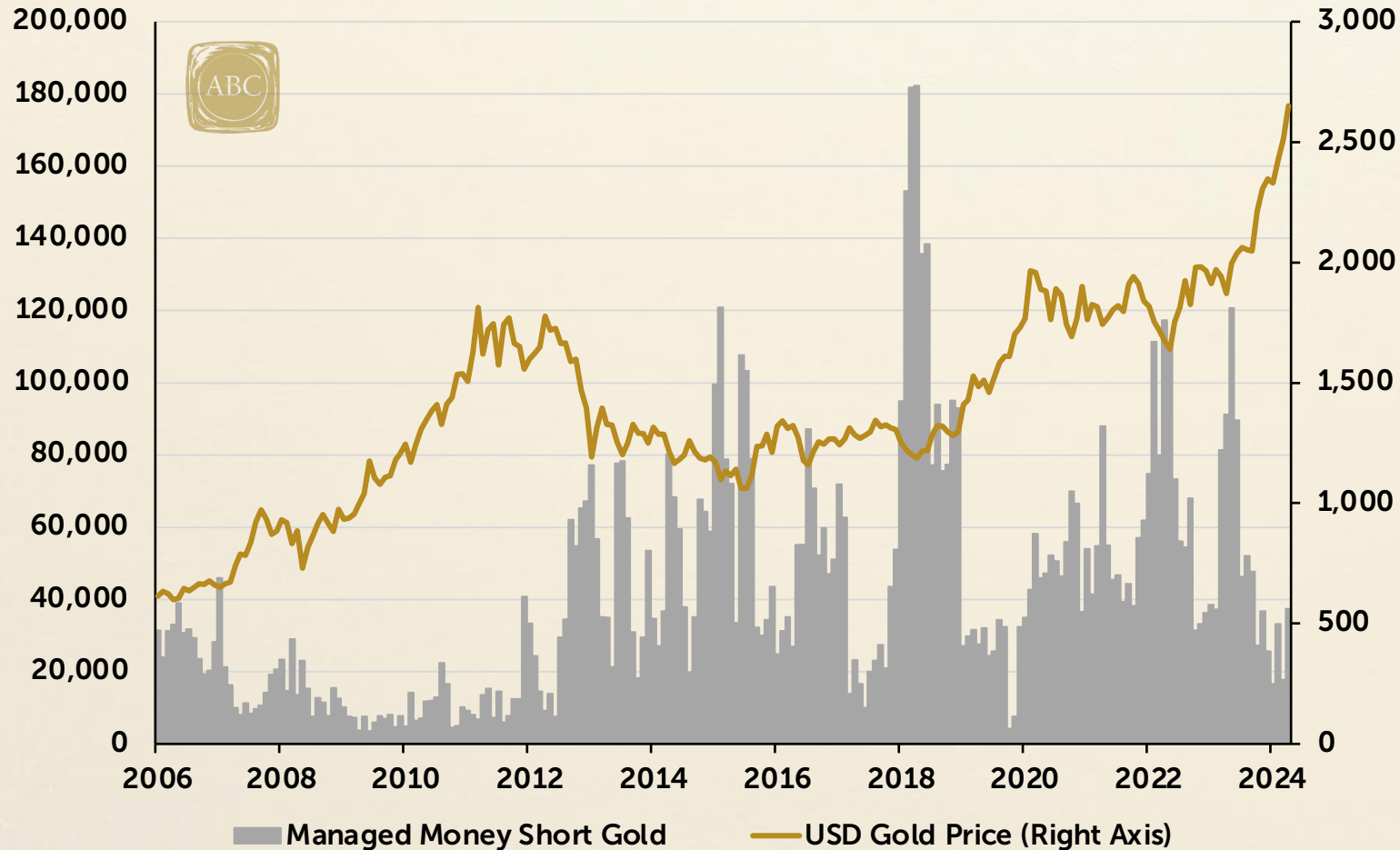
- Gold ETF holdings rose modestly in September, with total tonnage held across all products globally increasing by 15 tonnes (USD \$1.2bn)
- The modest inflows continue a period of stabilization for gold ETF holdings, which have hovered around the 3,000-3,200 tonne mark for most of 2024.
- This follows a near four-year period in which gold ETF investors substantially reduced their exposure, with total tonnes held in these products falling by almost 900 tonnes (24%) from their prior peak in 2020.

# Gold in USD & Managed Money Long Gold (Jun 2006–Sep 2024)



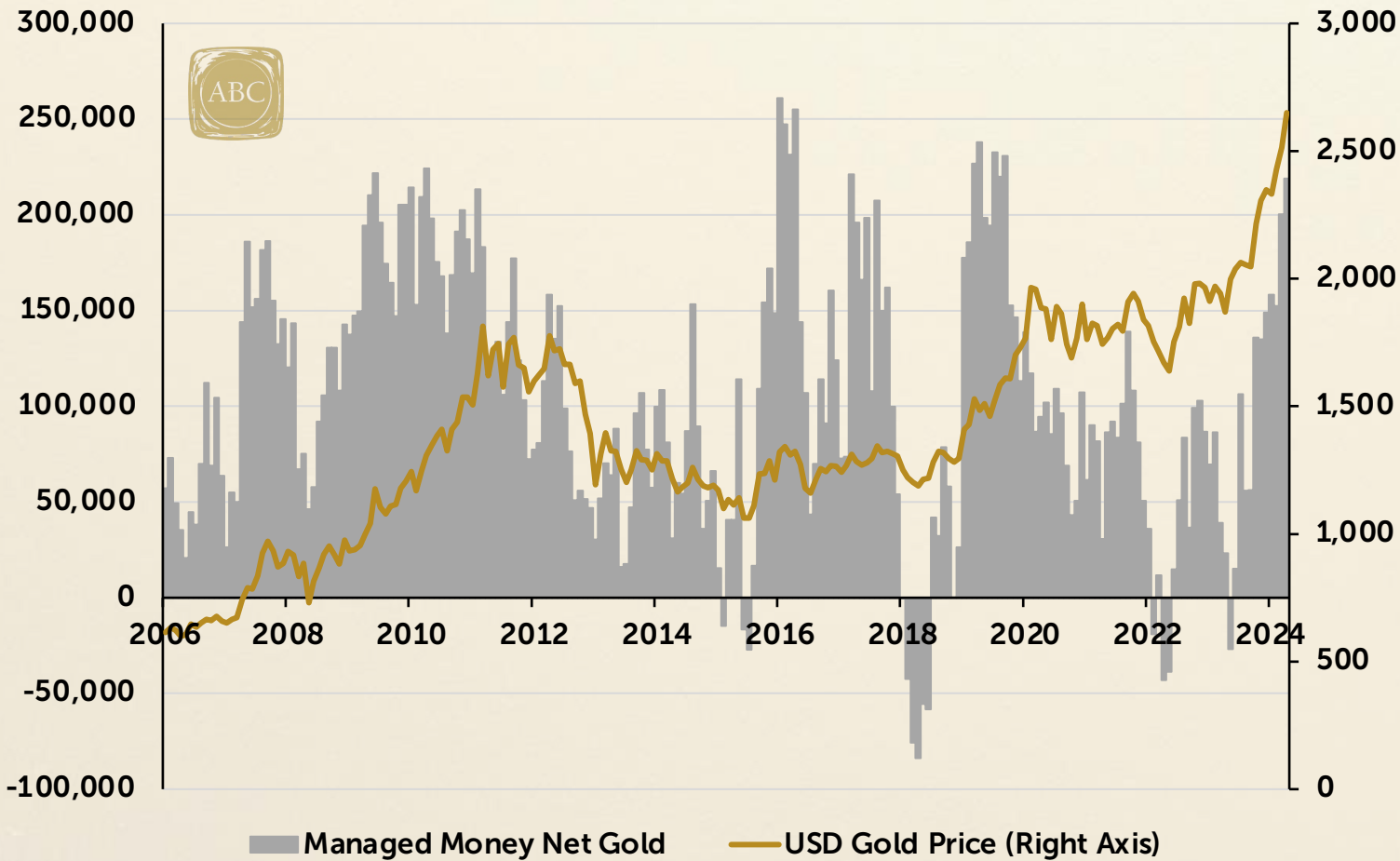
- Gross long positioning has surged in recent months, with the market ending September with a +256,000 contract position.
- Speculative flows have been driven by recent developments both in monetary policy and geopolitical risk, while momentum is also playing a part.
- The current position represents a 18% increase vs the prior month, a 47% increase vs end June and a 68% increase relative to the end of 2023.
- Gross long positioning is now back to levels seen in 2011, 2016 and 2020, all periods that coincided with a peak in the gold price.

# Gold in USD & Managed Money Short Gold (Jun 2006–Sep 2024)



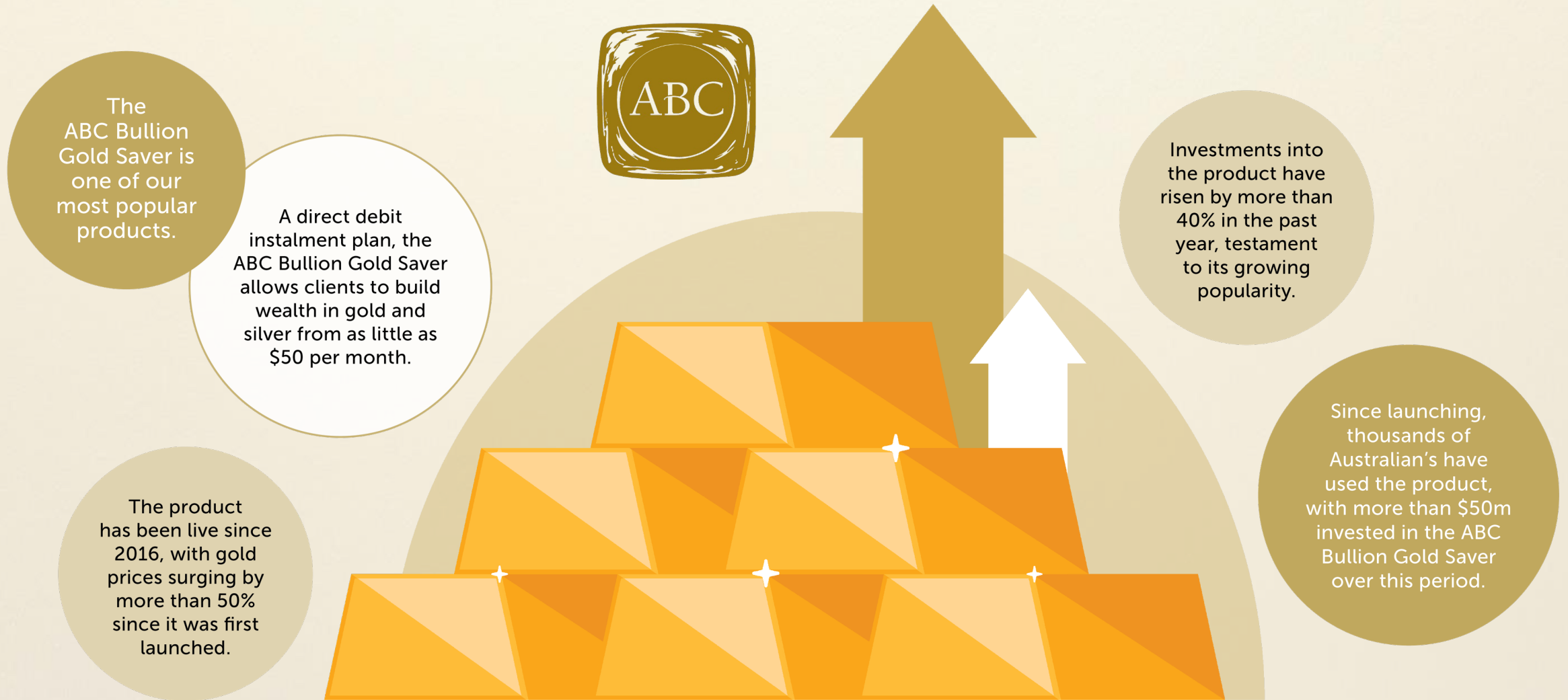
- Managed money short positioning has stabilized in recent months, as speculators grow wary of being short gold.
- Relative to the start of the year, the current gross short position has fallen by almost 20%, and currently sits at +37,406 contracts.
- This decline in short positioning is understandable given recent price momentum, with gold surging to all-time highs this month.

# Gold in USD & Managed Money Net Gold (Jun 2006–Sep 2024)



- The Managed Money Net Position ended September at +219,029 contracts, a 9% increase relative to the prior month.
- Positioning is now 38% higher than it was at end June, and 106% higher than it was at the start of 2024.
- Current positioning, while of some concern (for those that are long) is not yet at extreme levels, with net positioning at or above current readings for sustained periods in prior gold price surges.

# ABC Bullion Insight of the Month: Gold Saver



The ABC Bullion Gold Saver is one of our most popular products.

A direct debit instalment plan, the ABC Bullion Gold Saver allows clients to build wealth in gold and silver from as little as \$50 per month.

The product has been live since 2016, with gold prices surging by more than 50% since it was first launched.

Investments into the product have risen by more than 40% in the past year, testament to its growing popularity.

Since launching, thousands of Australian's have used the product, with more than \$50m invested in the ABC Bullion Gold Saver over this period.

ABC BULLION GOLD SAVER

---

# A SAVINGS ACCOUNT FOR REAL GOLD

With a minimum investment of just \$50 per month, it has never been easier to build wealth in gold and silver.

[LEARN MORE](#)



# Disclaimer

This document has been prepared by Australian Bullion Company (NSW) Pty Limited (ABN 82 002 858 602) (**ABC**). The information contained in this document or internet related link (collectively, **Document**) is of a general nature and is provided for information purposes only. It is not intended to constitute advice, nor to influence any person in making a decision in relation to any precious metal or related product. To the extent that any advice is provided in this Document, it is general advice only and has been prepared without taking into account your objectives, financial situation or needs (your **Personal Circumstances**). Before acting on any such general advice, we recommend that you obtain professional advice and consider the appropriateness of the advice having regard to your Personal Circumstances. If the advice relates to the acquisition, or possible acquisition of any precious metal or related product, you should obtain independent professional advice before making any decision about whether to acquire it.

Although the information and opinions contained in this document are based on sources we believe to be reliable, to the extent permitted by law, ABC and its associated entities do not warrant, represent or guarantee, expressly or impliedly, that the information contained in this document is accurate, complete, reliable or current. The information is subject to change without notice and we are under no obligation to update it. Past performance is not a reliable indicator of future performance. If you intend to rely on the information, you should independently verify and assess the accuracy and completeness and obtain professional advice regarding its suitability for your Personal Circumstances.

To the extent possible, ABC, its associated entities, and any of its or their officers, employees and agents accepts no liability for any loss or damage relating to any use or reliance on the information in this document.

This document has been authorised for distribution in Australia only. It is intended for the use of ABC clients and may not be distributed or reproduced without consent. © Australian Bullion Company (NSW) Pty Limited 2020.

