

19 January 2023

Economics · Finance · Precious Metals

USD per ounce of gold



USD per ounce of silver



EURUSD



Source: Refinitiv; graphs by Degussa.

Precious metals prices

	Actual (spot)	Change against (in percent):		
		2 W	3 M	12 M
I. In US-dollar				
Gold	1.904,3	4,4	14,7	6,0
Silver	23,5	-1,8	23,8	4,9
Platinum	1.037,4	-3,0	20,8	1,9
Palladium	1.709,8	-4,7	-20,8	-27,2
II. In euro				
Gold	1.764,2	3,5	4,2	10,3
Silver	21,8	-2,7	12,3	9,0
Platinum	961,0	-3,8	9,6	6,0
Palladium	1.584,0	-5,4	-28,1	-24,2
III. Gold price in other currencies				
JPY	245.307,0	2,6	2,1	18,6
CNY	12.845,3	2,1	8,8	12,4
GBP	1.543,5	2,4	3,8	15,6
INR	154.891,4	1,9	14,5	15,7
RUB	131.733,8	-0,4	34,1	-5,1

Source: Refinitiv; calculations by Degussa.

OUR TOP ISSUES

This is a short summary of our fortnightly **Degussa Marktreport**.

OUTLOOK 2023: KEEP BUYING PHYSICAL GOLD AND SILVER

Estimates for precious metal prices (per ounce) for end '23

	Gold	Silver	Platinum	Palladium
Market price 1 January 2023	1904	23,5	1041	1712
I. In US-Dollar	2200	29,0	1250	1450
Expected return (%) ⁽¹⁾	16	23	20	-15
Upper bound	2360	33	1380	1670
Lower bound	1900	23	1060	1300
II. In Euro	2100	28	1200	1390
Expected return (%) ⁽¹⁾	19	28	24	-12
Upper bound	2300	32	1300	1600
Lower bound	1820	22	1000	1200

Source: Refinitiv; calculations and estimates Degussa. Numbers are rounded.

⁽¹⁾ Estimated price against actual market price.

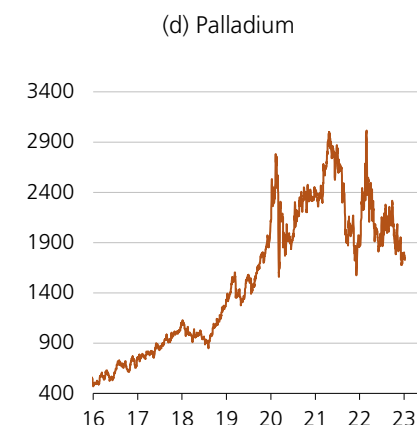
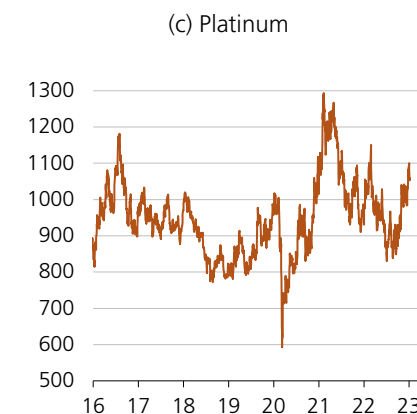
In brief:

Gold | The price of gold can be expected to be strongly supported by economic developments in 2023. Most notably, there is a good chance that major central banks will lower interest rates again as early as H2 of this year as inflation eases and growth disappoints. With real interest rates remaining well in negative territory, increasing demand from private investors and (non-Western) central banks, in particular, has a good chance of driving the gold price higher – especially so as gold is, from our point of view, currently moderately priced.

Silver | The price of silver is likely to follow the yellow metal's lead in 2023, providing investors with an opportunity to outperform. At a more fundamental level, the case for silver is greatly strengthened by new demand potential from renewable energy technologies and non-carbon-emitting vehicles, which, in turn, has a good chance of outpacing silver demand from the "old" industry. A rising silver price will likely attract additional investment funds, which will also help drive silver prices significantly higher this year.

Platinum | We expect the supply side of platinum to remain relatively constrained in 2023, with demand from the automotive, industrial, and jewellery sectors growing at a decent clip. Investment demand for platinum bars and coins is also expected to continue to rise, offsetting a continued decline in ETF investments. This supply-and-demand constellation will likely result in a deficit in the Platinum market after many years of surpluses. We expect demand for platinum to increase in the coming years even as automotive platinum demand for

Precious metal prices (USD/oz), last seven years



Source: Refinitiv; graphs Degussa.

catalytic converters may decline. The price of platinum has a good chance of climbing higher from its currently relatively modest trading level.

Palladium | In our view, palladium is trading at an inflated price, even after a substantial mark-down since mid-2021. Palladium has benefitted greatly from the shift from diesel to gasoline engines in recent years. Electric cars that are battery-charged do not currently use Platinum or Palladium. With demand being overwhelmingly driven by the automotive industry, palladium's future is rather unclear. In any case, we do not believe palladium should be trading too far above our estimated platinum price.

There is a difference between gold and gold mining stocks ...

Gold price (USD/oz) and gold mining stock market index HUI



Source: Refinitiv; calculation Degussa. January 2003 = 100.

PRECIOUS METALS PRICES

In US-Dollar per ounce

	Gold		Silver		Platinum		Palladium	
I. Actual	1904,5		23,5		1041,8		1718,9	
II. Gliding averages								
10 days	1880,1		23,8		1074,2		1766,1	
20 days	1845,9		23,8		1043,4		1752,2	
50 days	1800,9		22,8		1020,6		1837,8	
100 days	1737,6		21,0		961,5		1953,1	
200 days	1776,9		21,1		944,9		2007,2	
III. Estimates for end 2023	2200		29		1250		1450	
⁽¹⁾	16		23		20		-16	
<i>Band width</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
⁽¹⁾	1900	2360	23,3	32,9	1060	1380	1300	1670
	0	24	-1	40	2	32	-24	-3
V. Annual averages								
2020	1753		20,2		878		2180	
2021	1804		25,5		1095		2422	
2022	1798		21,7		956		2154	

In Euro per ounce

	Gold		Silver		Platinum		Palladium	
I. Actual	1765,3		21,8		965,6		1593,2	
II. Gliding averages								
10 days	1753,6		22,2		1002,0		1647,5	
20 days	1729,2		22,3		977,4		1641,6	
50 days	1710,2		21,7		969,3		1746,9	
100 days	1702,6		20,6		941,3		1920,6	
200 days	1723,1		20,4		916,3		1950,2	
III. Estimates for autumn 2023	2100		28		1200		1392	
⁽¹⁾	19		28		24		-13	
<i>Band width</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
⁽¹⁾	1820	2300	22,4	31,6	1010	1320	1240	1600
	3	30	3	45	5	37	-22	0
V. Annual averages								
2020	1535		18		769		1911	
2021	1519		21		921		2035	
2022	1704		21		905		2041	

Source: Refinitiv; calculations and estimates Degussa. Numbers are rounded.

⁽¹⁾ On the basis of actual prices.

BITCOIN, PERFORMANCE OF VARIOUS ASSET CLASSES

Bitcoin in US dollars

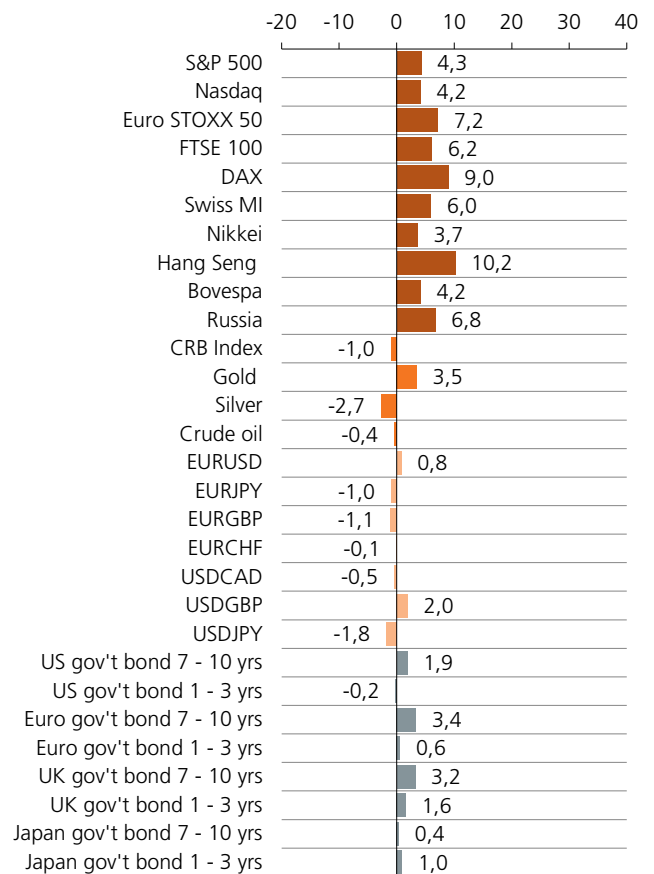
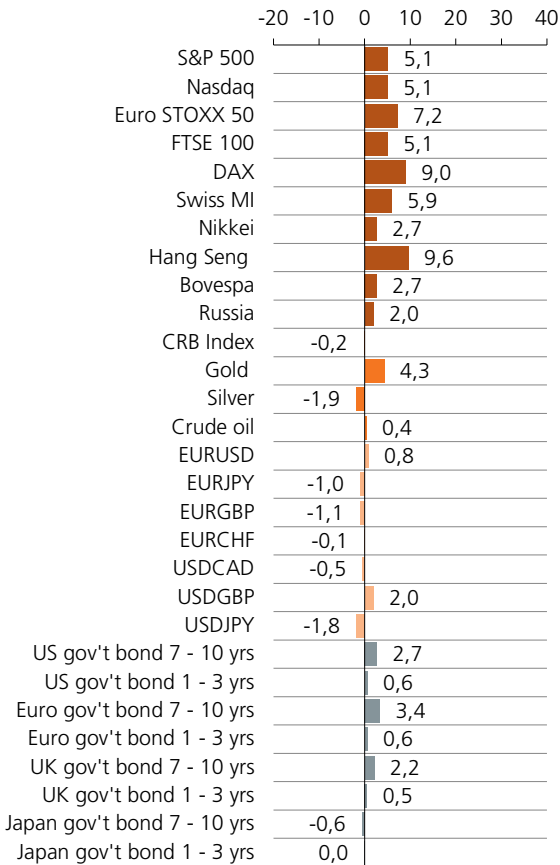


Source: Refinitiv; graph by Degussa.

Performance of stocks, commodities, FX and bonds

(a) In national currencies

(b) In euro



Source: Refinitiv; calculations by Degussa.

Articles in earlier issues of the *Degussa Market Report*

Issue	Content
19 January 2023	Outlook 2023: Keepy Buying Physical Gold And Silver
22 December 2022	Central banks' propensity for inflation is a very good reason to hold at least some gold
8 December 2022	Some Thoughts About Central Banks' Renewed Interest In Gold
24 November 2022	Some Thoughts About Central Banks' Renewed Interest In Gold
10 November 2022	Investing In An Inflationary Regime: Keep At Least Some Gold
27 October 2022	Fasten Your Seatbelt: The Fed Replaces Monetary Inflation With Monetary Deflation
13 October 2022	Proposal in the US Congress: Reintroduction of Gold Backing For the US Dollar
29 September 2022	Capital Markets Have Become A Dangerous Place
15 September 2022	Inflation, High Inflation, Hyperinflation
1 September 2022	Everything you always wanted to know about ... MONEY (but were afraid to ask)
18 August 2022	Sky-High Inflation Is Just One Reason To Hold Physical Gold
4 August 2022	Excessive Money Growth Leads To Super-High Inflation
21 July 2022	Dollar Dominance Brings Yen And Euro To Their Knees
7 July 2022	I'm Sorry To Say, But It Doesn't Look Good. Hold At Least Some Gold
23 June 2022	On The Future Of Markets And Money
9 June 2022	Interest Rates Rise. Financial Repression Continues
26 May 2022	Crisis Risk On The Rise. Gold As Insurance
12 May 2022	The Fed Makes Boom & Bust, And What It Means For Gold
28 April 2022	The Fed's Boom And Bust Cycle – And What It Means For Your Money
14 April 2022	Do You Know What Inflation Really Is? Then Hold Gold And Silver
31 March 2022	How Not To Get Battered
17 March 2022	There is no Return to Normality. The Case for Gold and Silver
3 March 2022	Gold: Too Low For Too Long
17 February 2022	The Inflation beast is bigger than you think it is
3 February 2022	The Bigger Gold Picture
20 January 2022	Outlook for Gold and Silber brighter than you think it is
16 December 2021	Welcome to a new chapter in the boom-and-bust-drama
2 December 2021	Inflation Is Not Temporary But Here To Stay
18 November 2021	The Case Against Gold And Silver. Revisited
4 November 2021	Stagflation Is Rearing Its Ugly Head
21 October 2021	At A Crossroads. It Is Time For Gold And Silver
7 October 2021	Here Comes The Inflation Beast
23 September 2021	Evergrande: China's Potential 'Lehman moment'?
8 September 2021	It All Depends On The Fed's 'Safety Net'
26 August 2021	Our Money Gets Thrown Under The Bus
12 August 2021	The Crime of 1971
29 July 2021	Gold And The Market Fear That Is Not
15 July 2021	Gold and the Monetary Policy Empire of Deception
1 July 2021	Investors believing the impossible, making the price of gold falter

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www.degussa-goldhandel.de/marktreport

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