

SPECIAL MONTHLY REPORT ON

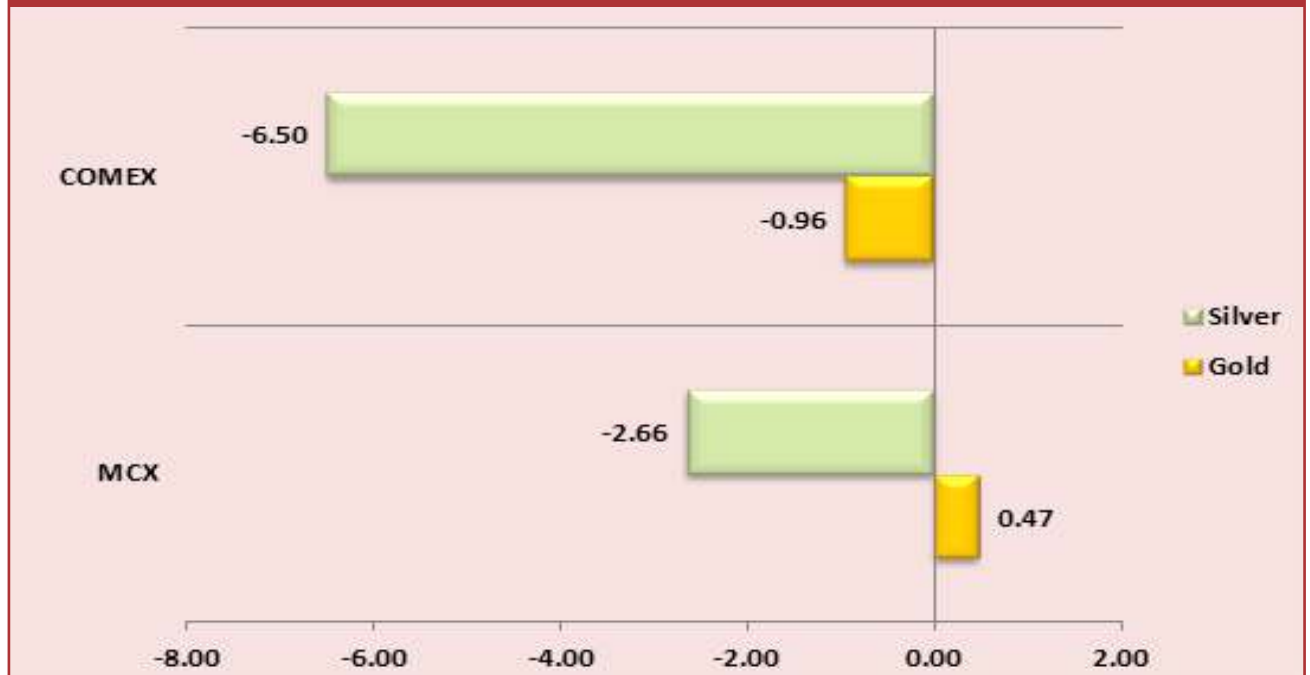
BULLIONS

JUNE 2023

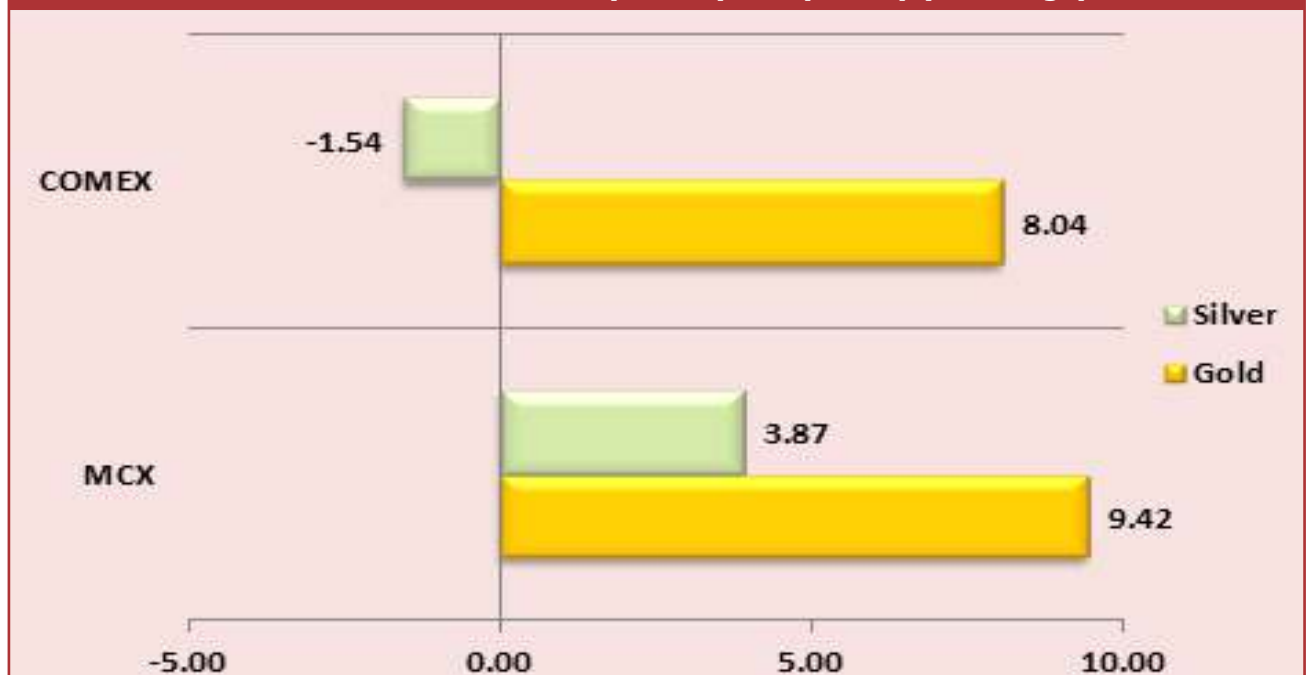


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BULLIONS PERFORMANCE (May 2023) (% change)


Source: Reuters & SMC Research

BULLIONS PERFORMANCE (January - May 2023) (% change)


Source: Reuters & SMC Research

In May, gold prices registered its first monthly dip in last three month as expectations that the Federal Reserve will likely raise interest rates further and optimism over the U.S. debt deal diminished bullion's status as a safe haven. The price of gold and silver experienced volatility in May 2023, with both precious metals reaching highs early in the month but declining later on. Factors such as rising interest rates in the United States and a stronger US dollar contributed to the decline. However, despite the May downturn, gold and silver prices remain relatively high compared to the beginning of the year, supported by on-going geopolitical tensions and expectations of higher inflation. The resolution of the U.S. debt-ceiling deal reduces a major risk for financial markets and curbs demand for safe-haven assets like gold. Top congressional Republican Kevin McCarthy urged members of his party to support a bipartisan deal to lift the \$31.4 trillion U.S. debt ceiling, and a key party hardliner said he would

likely support the measure in a critical procedural vote. Richmond Federal Reserve president Tom Barkin said that once the current inflation shock is past the U.S. economy might support interest rates at a "neutral, normal level", rather than being driven back to near zero in every slowdown.

Outlook

- Looking ahead in June, gold & silver prices will continue to trade with high volatility. Although higher interest rates work against gold as it does not provide any yield, they can work in bullion's favour because they raise the chance of another banking crisis.
- Gold may see new upside momentum as the disappointing economic data could force the Federal Reserve to end its interest rate hikes.
- In reaction to the ISM data, markets see a more than 85% chance that the Federal Reserve will leave rates unchanged at next week's monetary policy meeting. At the same time, markets see only a 50% chance of a rate hike in July.
- Leading Federal Reserve officials are sending out stronger signals that they will forego an interest rate increase at the central bank's next meeting in June, though they indicate hikes could resume later this year.
- Russia's central bank sold four tonnes of gold and 2.59 billion yuan (USD\$365 million) in May from the National Wealth Fund accounts to raise additional money to finance the budget deficit, according to the Finance Ministry.
- Iraq's central bank has been steadily buying gold as part of its strategy to diversify its foreign assets but recently added 2% to its gold reserves in a single day. With geopolitical and economic risks escalating, central banks worldwide are expanding their gold holdings. Investors interested in gold may find this as an opportunity to consider the potential long-term value of gold and its role as a traditional haven during times of economic distress.



Source: Reuters



Source: Reuters



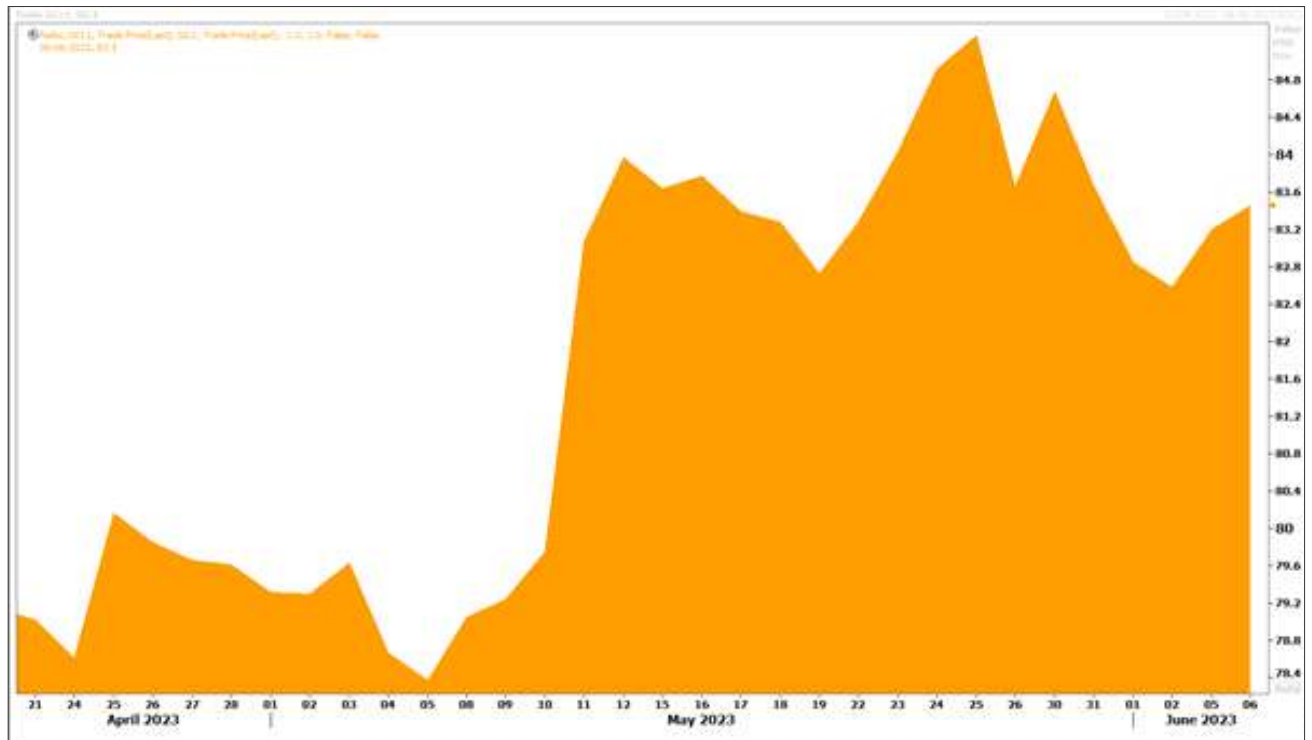
Source: Reuters



Source: Reuters

In June, gold prices may continue to witness both side movement and possible range would be 59000-62000. On the other hand, Silver may trade in the range of 70000-77500. On COMEX, gold may trade in range of \$1900-\$2040 and Silver may trade in range of \$22.00-\$24.00. Buy on dip should be best strategy.

Gold-Silver Ratio on COMEX



Source: Reuters

Analysis: In May, Gold-silver ratio climbed from 79 to high of 85.3 before closed near 82.8. Now the ratio may move in the range of 79-87 in June.

SPDR Gold Trust Holding



Source: goldprice.org

Analysis: SPDR gold share prices climbed to high of 191 in May and now may trade in the range of 180-190 in near term.

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