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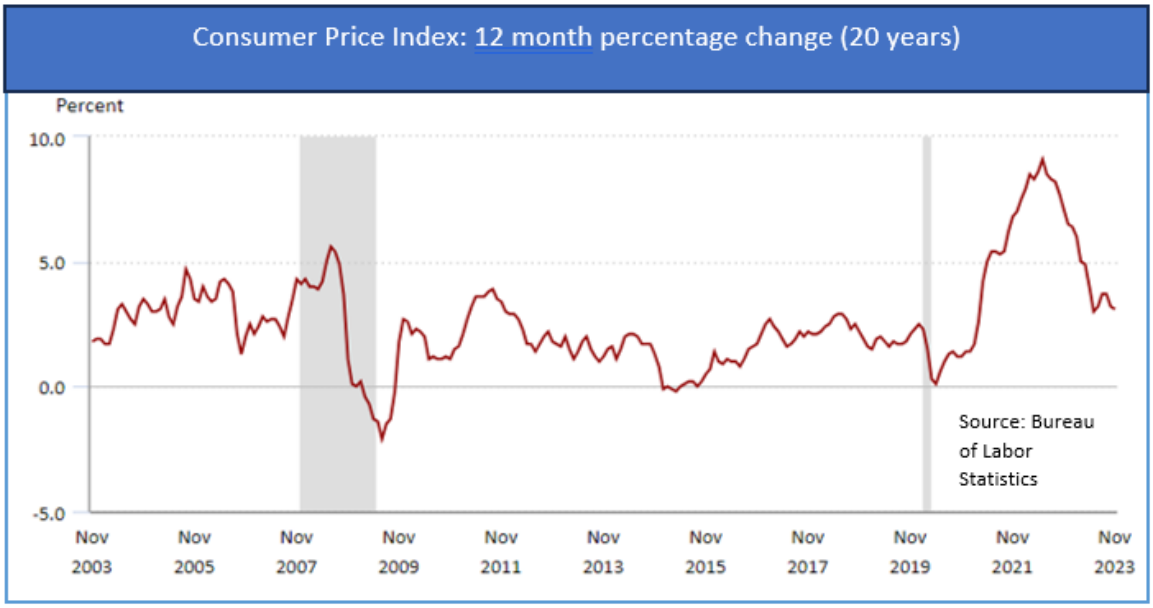
Trusted Bullion Services... Straight from the Source®

Monthly MARKET REPORT *December 2023*

December 2023

Fed lie down lifts assets, including gold

Capping another year of flexing of its store of value attribute, gold prices rocketed to a record high of $2,152.30 in early December. (Prices fell back sharply that day, the 4th, as profit takers jumped in). The sentiment driving gold's rally in December was ongoing or even heightened investor anticipation that improving economic data – such as softening consumer prices (see chart) - would cause the Federal Reserve to flip to dovish at the mid-December meeting. It did precisely that. Gold prices resumed their rally following the Fed meeting on the 13th and gained 0.71% for the month to settle at $2,071.80. Silver prices also soared and sank in a frenzy on the 4th, touching $26.34 before settling at $24.905 that day. Unlike gold prices, however, the grey metal's price fell in December, dropping 6.14% to $24.085.



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Monthly MARKET REPORT

Gold's quality of a store of value remained in the fore in 2023.
Spot gold prices added 13.10% for the year against the backdrop of the Federal Reserve's inflation fight (officials had hiked rates a total of 5.25% over 17 months before pausing in July 2023); the collapse of regional banks in the spring; wars in Ukraine and Gaza; contention ahead of the US 2024 presidential election; and, more recently, US military action in the Red Sea to protect shipping lanes. Record-setting buying by central banks – perhaps a 'de-dollarization' strategy - provided underlying support. Meanwhile, silver prices declined a modest 0.66% in 2023 despite record industrial demand (mainly in photovoltaics).



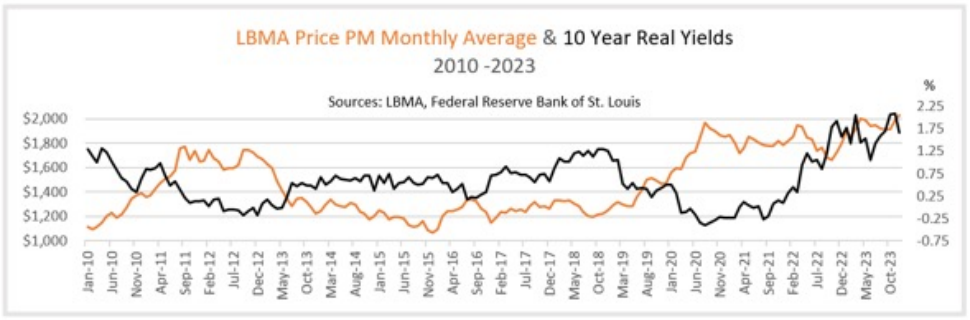
December 2023 Settlements and returns (Most active CME futures)	
Gold	$2,071.80 +0.71%
Silver	$24.085 -6.14%
Platinum	$1,009.20 +7.03%
Palladium	$1,109.50 +8.72%

Looking Ahead

US election: Will the Supreme Court hear the case of the removal of Republican front-runner and former President Donald Trump from the Colorado and Maine ballots?
FYI - Grover Cleveland is the only president to serve non-consecutive terms. Separately, 34 Senate seats and of course all House of Representatives' seats are up for grabs. What will each chamber's breakdown be post-election? Will Congress achieve anything – either before or after the election?

Global polls: There are elections in at least 64 countries in 2024, plus the European Union. Time says this amounts to 49% of the world's population casting ballots - the most ever in the same year. Among the most important is January's vote in Taiwan, where the tone will be set (or reset) for walking the tightrope that is managing the small country's relations with China. Elections in India, home to 1.4 billion people, occur in the spring. Closer to home, Mexico votes in June. Our southern neighbor has been a beneficiary of our new 'nearshoring' strategy as we move manufacturing out of China.

Historically, higher real yields portended lower gold prices, as non-interest-bearing gold would become less attractive to investors. However, over the last two years, this inverse relationship has not always held. Is this an anomaly or the beginning of a new normal, where perhaps gold is gaining importance in portfolios due to other benefits it offers?



US dollar weakness makes commodities priced in dollars cheaper for overseas buyers. Since early October, the dollar has fallen a whopping 5.05%, and many analysts consider this a supporting factor for the gold price. About half of that decline occurred after the Fed meeting. Is the dollar's slide finished or is this Q4 activity a precursor for 2024?



Jennifer Ropiak is a precious metals market specialist with over 30 years' experience, including 20 years of trading (15 at Morgan Stanley). In 2014, Jennifer launched Trusted Partner Metals, an independent consultancy whose clients span the metals industry. Services include expert witness opinions in precious metals cases. The information contained in this article is for educational and informational purposes only.

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