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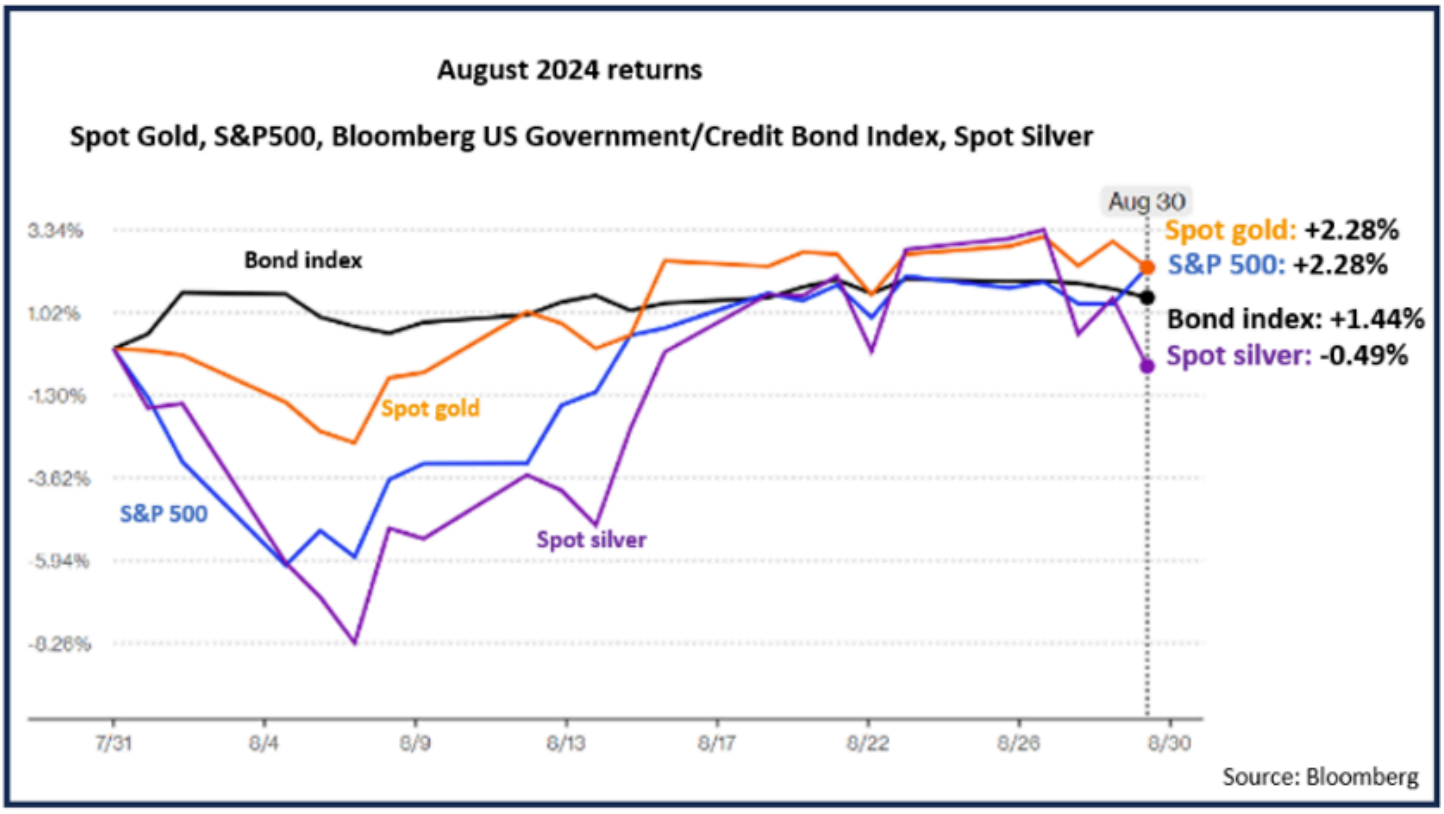
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Monthly MARKET REPORT *August 2024*



Gold prices set new highs, again; Powell confident it is time to cut.

Fanned by expectations of a Federal Reserve pivot and following an early-month 6% S&P500 swoon on soft labor data, major asset classes powered higher in August.

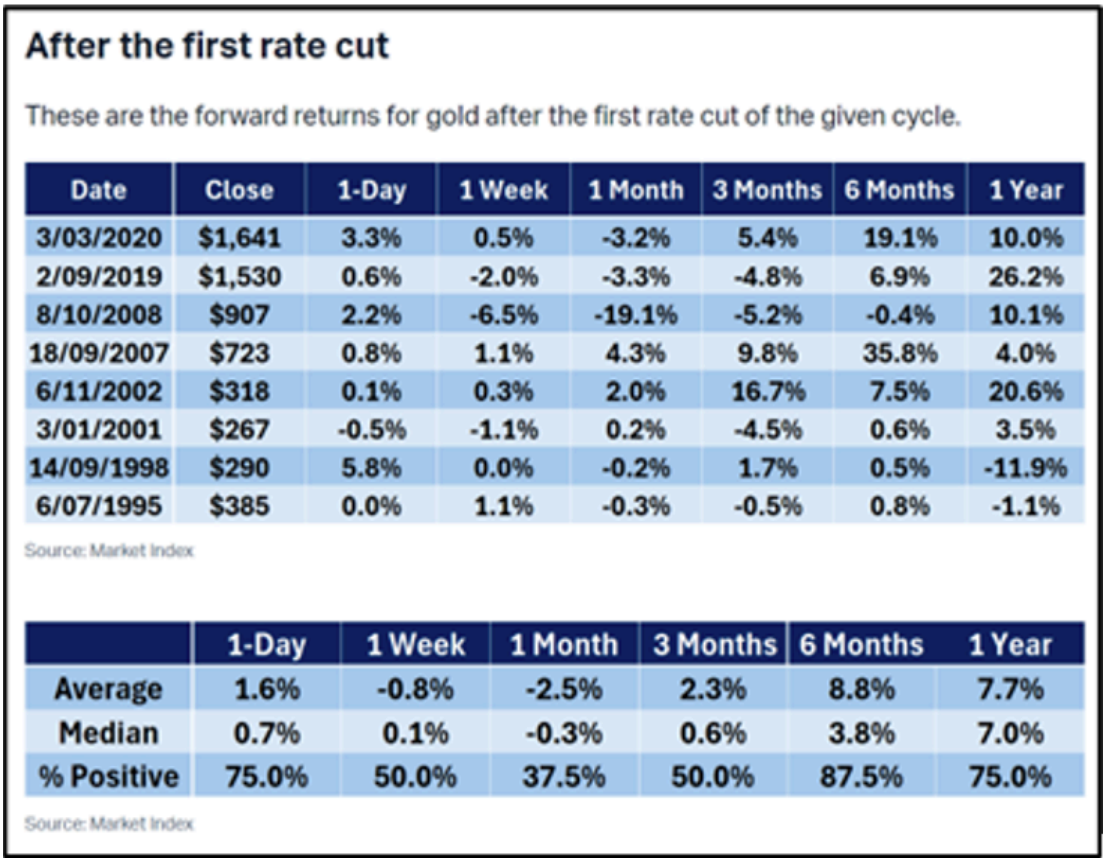


August Returns: Spot Gold, S&P 500, Bloomberg US Government/Credit Bond Index, Spot Silver, August 2024

***Source**: Bloomberg*

Spot gold prices traded all-time highs of $2,531.00 on the 20th but retraced by month end to $2,503.40. For the month, prices added $55.80, or 2.28%. Spot silver prices posted a small loss of $0.14 or 0.005%, closing August at $28.864. Spot palladium prices finally perked up as some car companies mothballed electric vehicle rollouts. Palladium added $41.00, or 4.40%, to settle at $970.00 while spot platinum prices shed $49.00, or 5%, to close at $930.00.

On the 23rd, at the Jackson Hole symposium, Fed Chair Powell confirmed the end of the pause that had been in place since July 2023. Confident about inflation's path but worried about job growth, he said, "The time has come for policy to adjust." Historically, gold prices have benefitted from lower interest rates. Consider the returns following the last eight cycles:



After the first rate cut

These are the forward returns for gold after the first rate cut of the given cycle.

Date	Close	1-Day	1 Week	1 Month	3 Months	6 Months	1 Year
3/03/2020	$1,641	3.3%	0.5%	-3.2%	5.4%	19.1%	10.0%
2/09/2019	$1,530	0.6%	-2.0%	-3.3%	-4.8%	6.9%	26.2%
8/10/2008	$907	2.2%	-6.5%	-19.1%	-5.2%	-0.4%	10.1%
18/09/2007	$723	0.8%	1.1%	4.3%	9.8%	35.8%	4.0%
6/11/2002	$318	0.1%	0.3%	2.0%	16.7%	7.5%	20.6%
3/01/2001	$267	-0.5%	-1.1%	0.2%	-4.5%	0.6%	3.5%
14/09/1998	$290	5.8%	0.0%	-0.2%	1.7%	0.5%	-11.9%
6/07/1995	$385	0.0%	1.1%	-0.3%	-0.5%	0.8%	-1.1%

Source: Market Index

	1-Day	1 Week	1 Month	3 Months	6 Months	1 Year
Average	1.6%	-0.8%	-2.5%	2.3%	8.8%	7.7%
Median	0.7%	0.1%	-0.3%	0.6%	3.8%	7.0%
% Positive	75.0%	50.0%	37.5%	50.0%	87.5%	75.0%

Source: Market Index

After the First Rate Cut

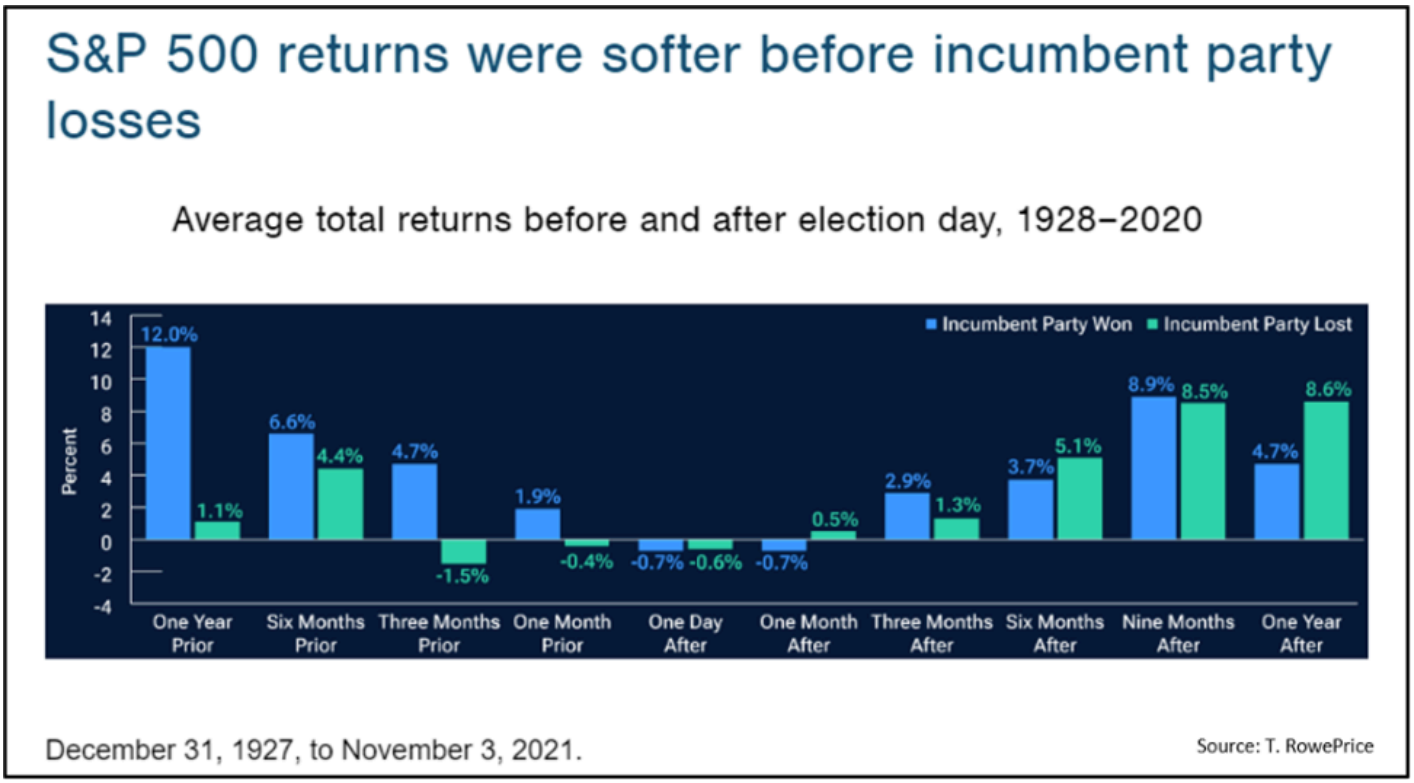
***Source**: Market Index*

Gold buyers are varied, but they share common themes like interest in a store of value and diversification against the backdrop of ongoing geopolitical and economic uncertainty. Central banks such as India and Poland (which shares a border with Ukraine) are adding to their reserves.

In China, individuals suffering weak stock and property prices are turning to gold. Research firm Metals Focus says interest in gold from family offices is on the rise. Mix in buying from momentum traders in the futures market, and August's record high comes into focus. That said, in the US, coin premiums remain cool, reflecting modest demand and selling back by some individuals happy to take profit at previously unseen prices.

Looking Ahead

- **Unemployment data released on September 6 could influence whether the Federal Reserve eases 25 or 50 basis points on September 18**, when its two-day meeting ends.
- **At the September 10 presidential debate, will moderators press Trump and Harris for plans to manage the federal debt?** Recall Fitch just downgraded the US August 1. Many analysts think both candidates' policies spur inflation. Who will win? T. RowePrice says historically, stock prices are an indicator: incumbent parties lose in soft markets.



Average Total Returns Before and After Election Day

Source: T. RowePrice

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

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