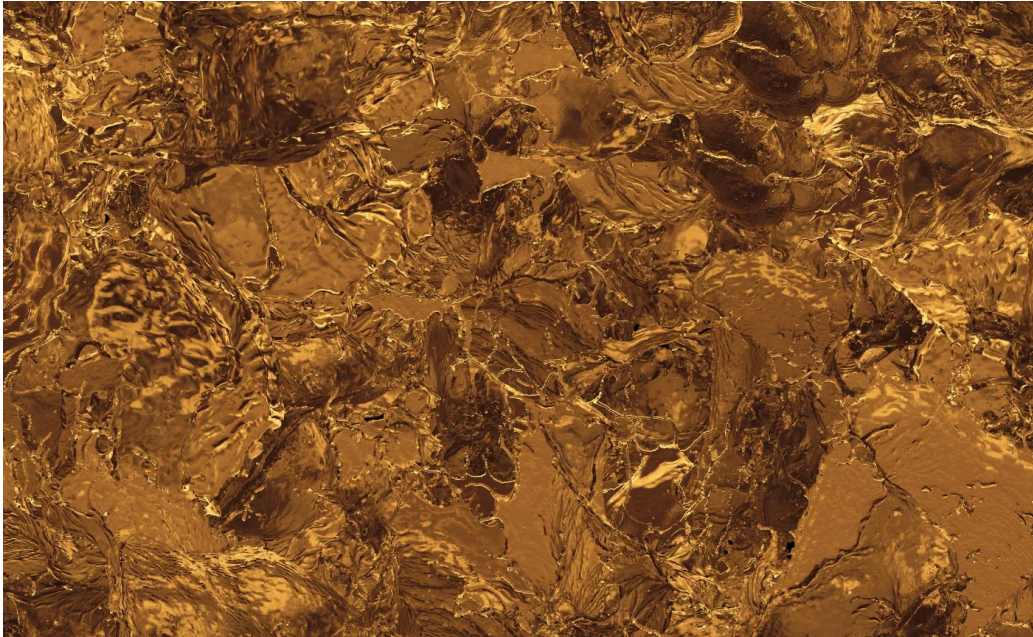


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The Gold Rush



In recent months, gold has experienced remarkable momentum, solidifying its position as a preferred safe haven asset.

Contrary to what the collective imagination suggests, the first large-scale gold rushes date back to the late 17th century in Brazil, in the Minas Gerais region, at the heart of the Portuguese colonial system. This exploitation developed in a context marked by mass slavery and intensive resource extraction. It was only a century later that thousands of prospectors abandoned everything to set out in search of California's veins. Two centuries later, picks and sieves have become rare, but the allure of the ingot remains strong. Like the iconic gold seekers of 1849, investors have rushed to the precious metal in recent months, seeking safety and stability for their portfolios.

2024, a historic year

In 2024, the price of gold soared by nearly 27%, the largest increase since 2010, reaching a

historic peak of \$2,790 per ounce by the end of October. Several factors can explain this rise, notably declining interest rates driven by the US Federal Reserve, which reduced its benchmark rates three times last year, making gold – an inherently non-yielding asset – more competitive against bonds. Similarly, the uncertainty fueled by conflicts in Ukraine and the Middle East strengthened the appeal of the yellow metal and its famous status as a safe haven. Finally, the appetite of central banks, which amassed a total of about 1,045 tons in 2024. They massively strengthened their reserves for the third consecutive year, thus strongly supporting prices. Gold is no longer just a simple monetary legacy. It has become a strategic asset, an insurance against systemic crises, and a tool for stabilising portfolios.

While 2024 was a historic year, interest in the yellow metal was not limited to a few players. Still concerning central banks, Poland, Turkey, India, and China were the most active. However, these were not the only market players supporting demand, as evidenced by the record level of assets under management recorded at the end of the year by exchange-traded funds that replicate the evolution of gold prices. The year 2024 also concluded with a positive net inflow of about \$3.4 billion for these funds, proof of a significant interest from private investors. While Asia was the most active region in this regard, European and American demand was also notable, influenced by local circumstances (political instability in France and Germany, presidential elections in the United States).

A momentum that continues into 2025?

The first four months of the current year confirm the upward trajectory of gold, as evidenced by the multiple historic highs observed in recent weeks against the backdrop of the White House's reassessment of alliances and the international free trade system in place since the end of World War II. Central banks seem to continue their purchasing policy, as exemplified by the People's Bank of China, which increased its gold reserves in January and February, likely to diversify its reserve assets and reduce its exposure to the US dollar in an increasingly divisive context with the United States. As for private investors, their interest accelerated dramatically during the first quarter. The first two particularly chaotic weeks of April – marked by a recalibration of the dollar and especially US Treasury bonds – likely did not dampen this appeal. In a more uncertain world, gold shines again, no longer as a promise of wealth from the days of California pioneers, but as a bulwark against volatility. However, caution is warranted regarding the magnitude of the recent rally, which could temper demand prospects for the remainder of the year. Similarly, the urgent need for liquidity from certain market players during times of crisis can prove detrimental to prices, as seen in the correction observed on April 4 and 7 amid the post "Liberation Day" turmoil.

As a long-term store of value and a diversification tool, gold has several arguments supporting its strategic role in investment portfolios. In a context of increasingly significant sovereign debt

and great geopolitical and economic uncertainty, it remains a preferred asset for investors.

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