

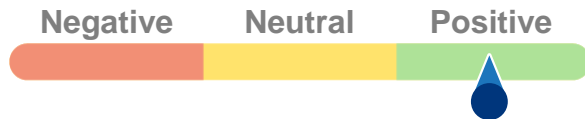
A Golden, Coppery, Oily Tale

29 August 2025

Different Commodities, Different Stories

Gold Stands Out to Have the Long Term Structural Positive Trend

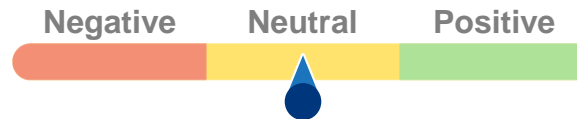
Gold



Expectation

1. Fed rate cut
2. US dollar weakness
3. Central banks' buying
4. Fund flow into Gold ETF

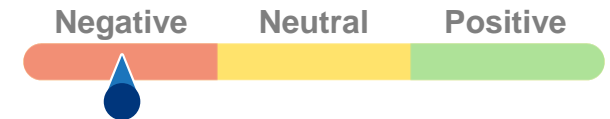
Copper



Expectation

1. The strength of the US and Global economies
2. Arbitrage opportunities created by the confusion of Trump's tariff

Oil



Expectation

1. The strength of the US and Global economies
2. While demand is rather predictable, the change in production target by the OPEC
3. The pace of the regional conflict easing off
4. Any potential of removal of embargo on Russia

Gold Have Been Capped at US\$3,400 Over the Last Few Months...

...While Silver Has Been Taking up the Slack to Stage a Strong Performance



Source: Bloomberg, KGI

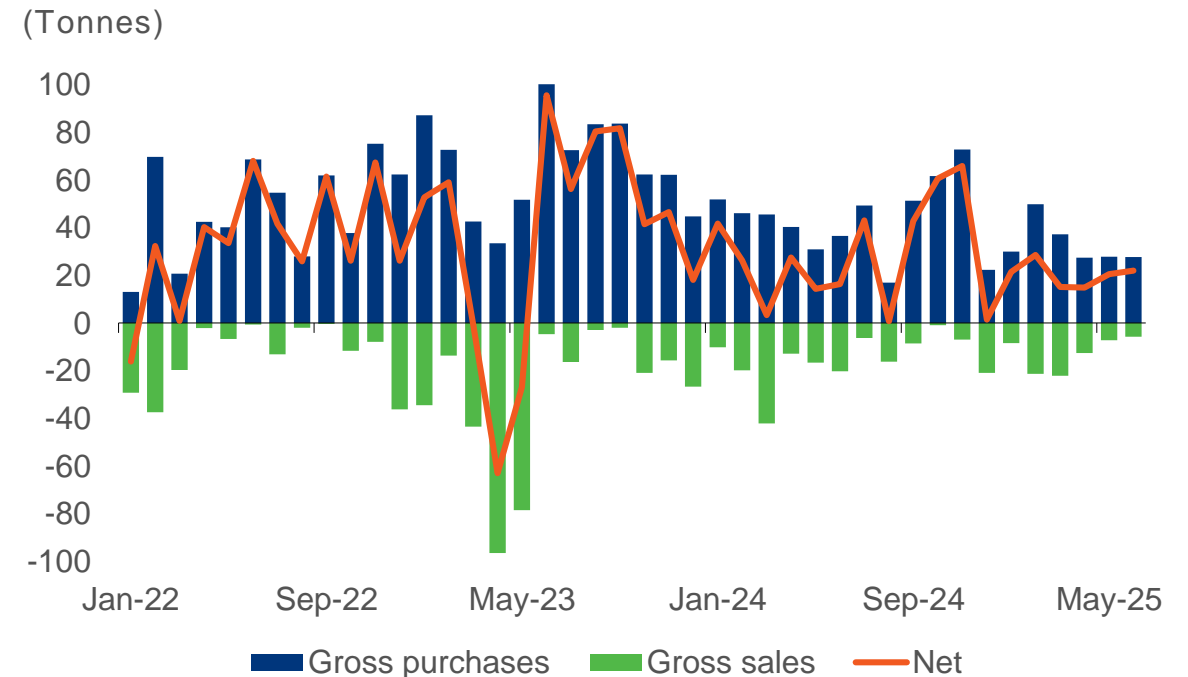
Structural Bullishness Remains but Central Banks Buying Has Slowed

Time to Digest – Turning US\$3,400 Level From a Price Cap Into a Floor

Gold

- The long-term trend of de-dollarization remains:
 1. Reduction in global trade with the US;
 2. Weaponization of the US dollar;
 3. Interest rate decline expectation to drive further dollar weakness.
- After 25% increase in gold price over the past year, Central banks will need to see consolidation of prices at current level to establish a price floor before they start more meaningful buying again.

Central Banks' Purchases/Sales of Gold



The Illusion of De-Dollarization Coming to an End

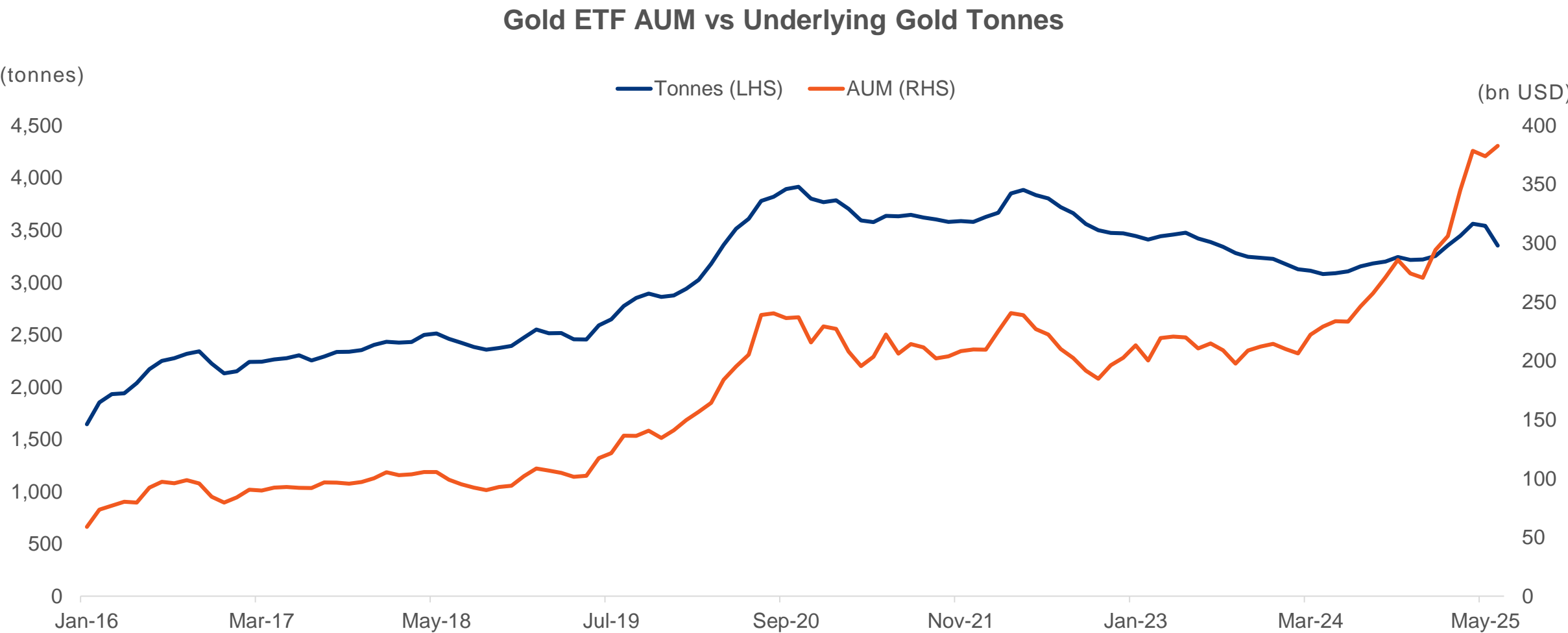
Stabilization Was From Short-Covering. Fed Cut Expectations Will Be the Next Straw on the Camel Back



Source: Bloomberg, KGI

Gold's Next Break-Out Need to Come From Further ETF Demand

Expected Cut in Funding Cost by the Fed and Further Slide in the US Dollar Are the Likely Catalysts



Source: Bloomberg Finance L.P., Company Filings, ICE Benchmark Administration, World Gold Council, KGI

Big Divergence of LME's vs COMEX's Copper Prices

All Due to Front Loading Ahead of Trump's Tariff Supposing on Copper Which Turned Out to Be None

COMEX Copper Future

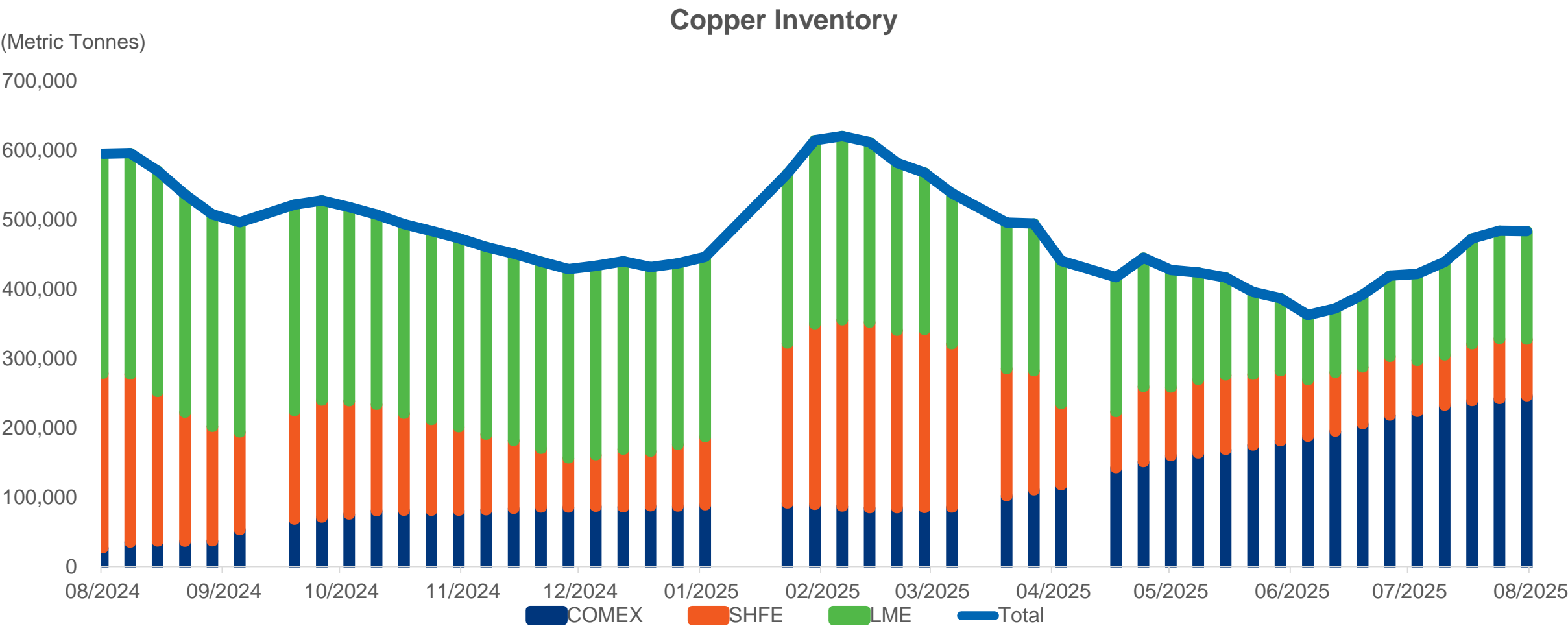


LME Copper Future



Significant Shift in the Copper Inventory From LME to COMEX

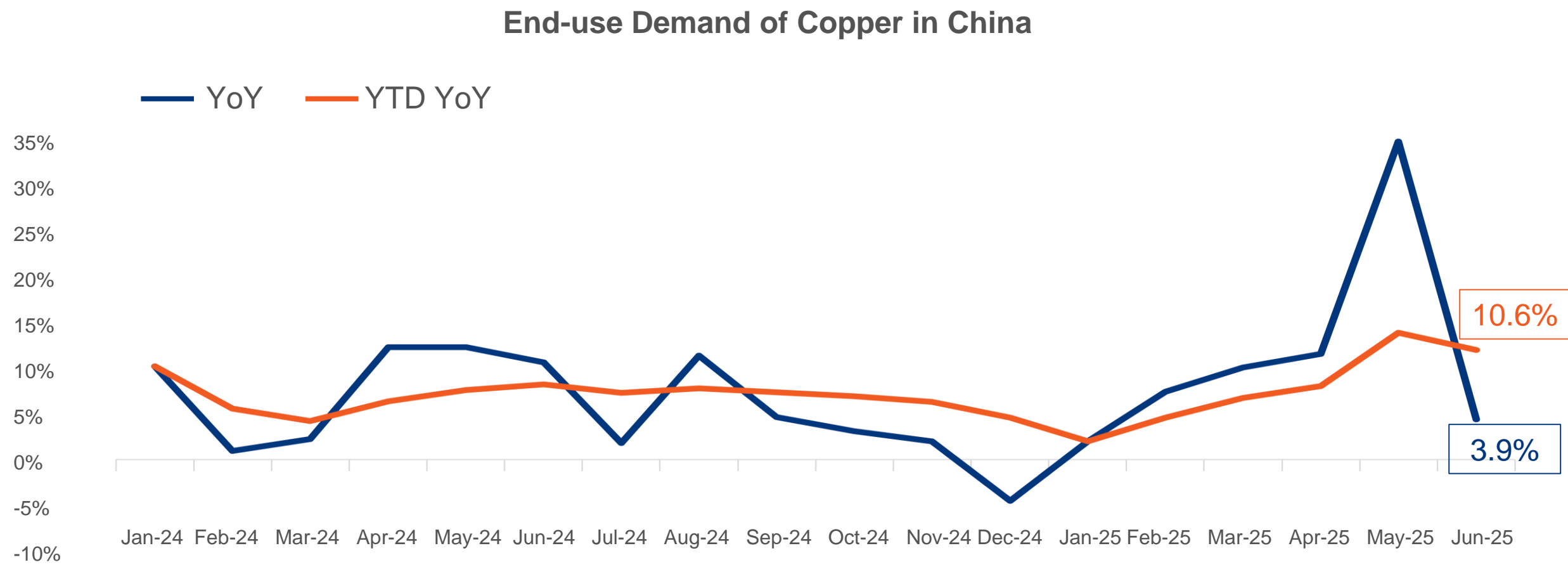
Destocking Is Happening in the US and Will Take 6-8 Months



Source: London Metal Exchange, ShangHai Futures Exchange, Chicago Mercantile Exchange Group, KGI

Weighted End-Use Demand of Copper Is Not Supportive in the 2H25

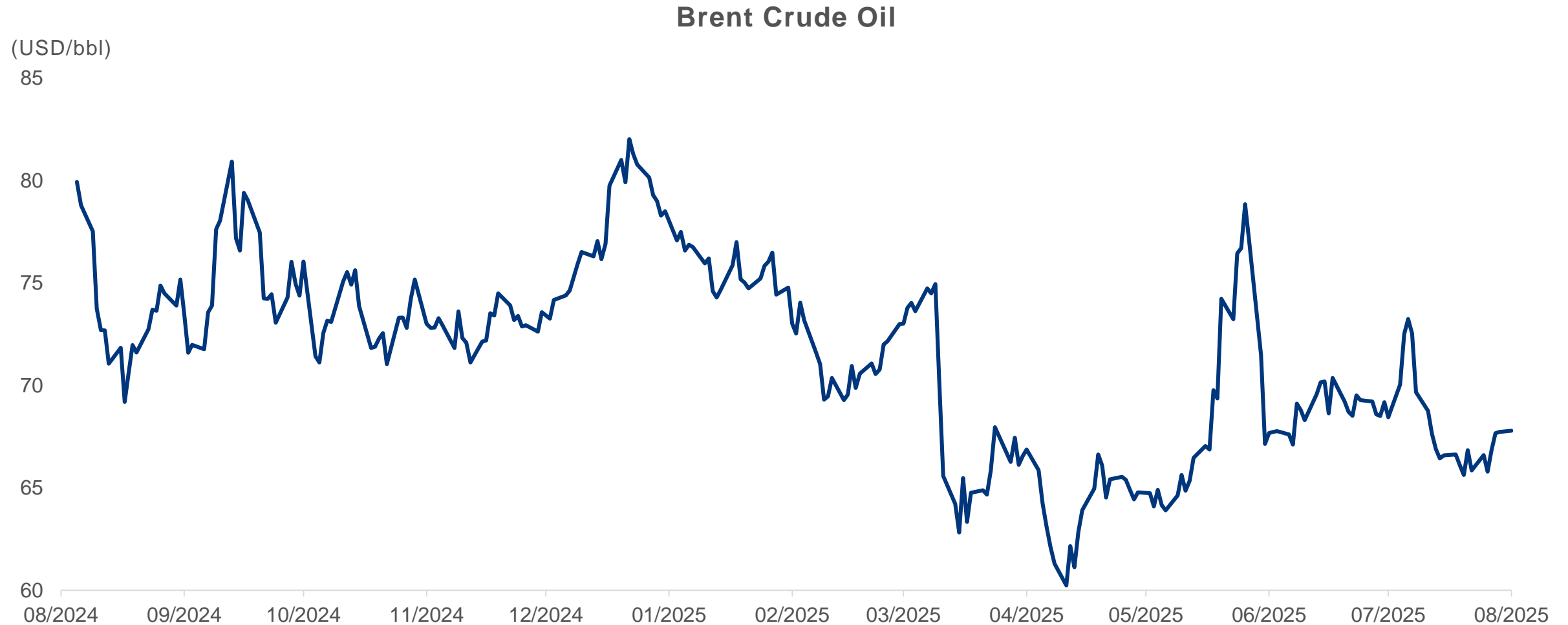
Fed's Rate Cut to Support the Economy Could Be the Only Source of Excitement



Source: China National Energy Administration, China Automotive Tech and Research Center, Tianjin, NBS, China Customs, Bloomberg L.P. , J.P. Morgan Commodities Research, KGI

Brent Crude Oil Range Bounding at US\$65-75

Soft Global Economy, De-Escalation of Tensions in Iran, Israel/Palestine and Ukraine Are Not Good for Oil Price

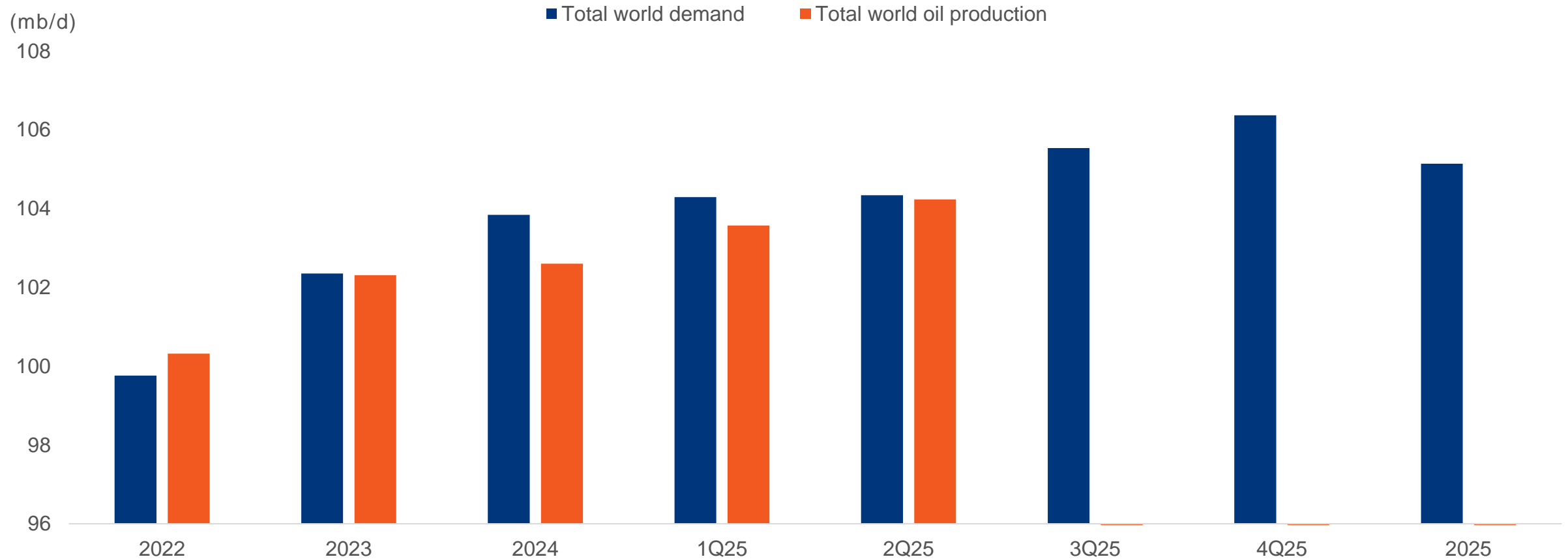


Source: Bloomberg, KGI

OPEC Is Creeping up the Production Target

This Is Contingent on Any Potential Removal of Embargo on Russia Oil

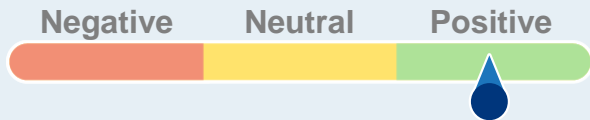
Oil Demand vs Production



Source: Bloomberg, KGI

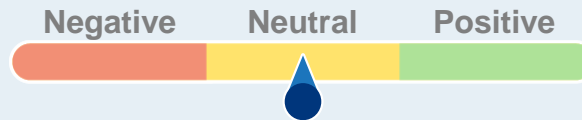
Investment Strategies

Gold



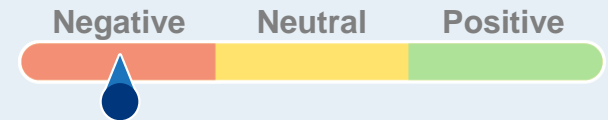
- Gold ETF, Sharkfin – principle protected note on Gold ETF

Copper



- Range accrual on Copper ETF

Oil



- Using Exxon Mobile and Royal Dutch Shell as proxy to Brent oil which have 73% and 90% respectively. Bearish Sharkfin structure note on these names.

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