

Crucible



Issue 10 | June 2019

By Singapore Bullion Market Association

MCI (P) 093/01/2019

EDITORIAL

BY GORDON CHEUNG - PAGE 2

THE AUSTRALIAN GOLD INDUSTRY, TRADE, AND MARKETS

BY THUONG NGUYEN - PAGE 3-4

PLATINUM & PALLADIUM OUTLOOK

BY BRUCE IKEMIZU - PAGE 6-7

SPECIAL FEATURE : OUR JOURNEY – SBMA'S HUMBLE BEGINNINGS TO OUR SILVER JUBILEE AND BEYOND

BY ALBERT CHENG - PAGE 9-11

FEATURE : GLOBAL TECHNOLOGY WITH LOCAL SERVICE

BY ECO-MASTERMELT - PAGE 12-13

PERCOLATING MARKET, POLICY RISKS POINT TO WEIGHTIER GOLD ALLOCATIONS

BY BART MELEK - PAGE 14-17

ECONOMIC JITTERS FUEL GOLD RUSH

BY FINEWS ASIA - PAGE 19

SAFEGUARDING SINGAPORE'S PRECIOUS METALS INDUSTRY

BY PARAMJIT SINGH - PAGE 20

THE ADDED VALUE

BY JACEK BARANOWSKI - PAGE 21-22

SBMA NEWS

BY SBMA - PAGE 23



EDITORIAL

SBMA is celebrating its 25th anniversary this year. It is a nice coincidence that the advent of SBMA and its “rejuvenation” 19 years later are both associated with GST on investment precious metals, which was introduced in 1994 and lifted in 2012.

I feel particularly honored to have joined the association in its prime a year ago, shortly after I had retired from the interbank market. I also feel blessed to have the opportunity to work with an amazing team and a community of super-supportive members, all sharing the same vision – to build Singapore into a bullion hub and make SBMA an esteemed name in the Asia Pacific region.

When we saw a big jump in new members joining the association, particularly in the 4th quarter of 2018 and nearly all sponsorships and speaking slots for the upcoming 3rd Asia Pacific Precious Metals Conference (APPMC) taken up by early March, we knew our efforts had paid off. It indicates SBMA's name is highly regarded and that the landmark event is widely recognised by the bullion community across Asia. APPMC has become an important date in the bullion community's calendar, and an occasion for members of the precious metals sector to reconnect and collaborate.

Looking back past the 25 years, I remember vividly the Hong Kong financial market in its heyday with some 13 bullion houses comprising the then five legendary London bullion merchant banks, three Swiss banks, two U.S. trading firms and other Asian counterparties. The city was the world's third-largest precious metals trading centre, while Singapore was a much smaller market.

In the early 90s, JP Morgan and Rothschild were the first two bullion market makers that moved their desks from Hong Kong to Singapore. I joined JP from Hong Kong in 1992, two years before the bank's regional head, Tim Gardiner, co-founded SBMA. The ensuing decade saw the global gold market undergoing a prolonged downturn, during which about two-thirds of the interbank bullion houses closed their operations in Asia due to market inactivity.

The hustle and bustle of the precious metals market returned in 2005, enlivened by a growing number of banks and trading firms moving their Asian commodities operations to Singapore. A drastic change in the financial landscape in terms of modes of operations and interaction happened almost at the same time with the advent of electronic trading technology, which began to provide users direct access to the liquidity pool with significantly less reliance on human intermediaries.

In 2010, some countries including Singapore, which foresaw the digital revolution, began to draw up long-term policies to embrace the era of big data and automation. Singapore published the Digital Government Blueprint in 2018 to address its vision.

Fintech has already been disrupting the financial world. Likewise, the precious metals sector in Singapore is also undergoing a slow yet noticeable transformation from manual operation towards full digitisation. Our new members from the tokenised gold space, which joined last year, has in a way enlightened our existing members to the changes taking place in this industry.

SBMA will continue to look ahead of the curve and endeavour to keep the precious metals industry in Asia updated of any major changes in the technology space, initiatives, regulations and codes of practice.

BY GORDON CHEUNG,
Deputy Chief Executive, SBMA

THE AUSTRALIAN GOLD INDUSTRY, TRADE, AND MARKETS

BY THUONG NGUYEN, *Economist, Australian Government Department of Industry, Innovation and Science*

The resources sector, including the gold industry, is a major contributor to the Australian economy, accounting for more than half of the country's exports.

Australia is the world's second-largest gold producer after China, accounting for 9.4% (315 tonnes) of global gold mined production in 2018 (*Figure 1*). The Australian gold industry comprises 71 operating gold projects (some containing multiple individual gold mines) across all Australian states and territories, except the Australian Capital Territory. Western Australia leads production, with 68% (215 tonnes) of Australian gold production.

Australia has five of the world's 20 largest gold mines. These include the Cadia mine, in 10th position, Boddington (11th), Super Pit (14th), Tanami (19th) and Tropicana (20th). These five gold mines account for 2.8% (95 tonnes) of global gold production.

Australia also has two of the world's 20 largest gold mining companies, of which Newcrest Mining is 10th and Northern Star Resources is 20th. These two companies account for 2.9% (99 tonnes) of global gold mined production.

Most gold mining companies have adopted the World Gold Council's guidelines for reporting all-in sustaining cost (AISC) of production. Australia's average AISC is US\$742 per troy ounce, which is below the world AISC average of US\$804 per troy ounce. Australian gold producers are, on average, more competitive than gold producers in Canada, United States, Brazil and South Africa, but less competitive than those in Russia, China and Mexico. Healthy margins are being made throughout the sector on a per ounce gold basis.

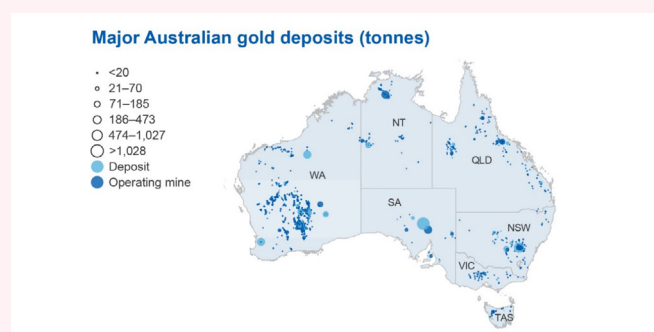
Presently, the Australian gold industry is enjoying favourable market conditions, with high gold prices in Australian dollar terms. Both Australian and US dollar gold prices have trended up over the last few years, and an upward trend is expected to continue until 2024.

The strong Australian dollar has helped invigorate exploration in the Australian gold sector, with numerous Australian gold producers now planning to raise output. Australia's gold exploration expenditure has increased in the four years to 2018, with spending averaging AUD\$684 million a year over that period. In 2018, expenditure on gold exploration was AUD\$891 million. This represented 41% of

Figure 1: Australia's gold industry



Figure 2: Major Australian gold deposits



total expenditure on minerals exploration in Australia. The majority of gold exploration expenditure has been used for upgrading resources around existing deposits, particularly converting inferred resources into higher resource categories.

Australia is not only a major producer and exporter of gold: it is also a key player in the gold refining industry. Most gold mined in Australia is refined at the Perth Mint Refinery in Western Australia before being exported. Perth Mint is one of the largest refineries in the world, with an annual refining capacity of over 300 tonnes. The refinery is one of a few global gold refiners with accreditation from all of the major gold exchanges – the London Bullion Market Association (LBMA), the New York Commodity Exchange (COMEX), the Shanghai Gold Exchange (SGE), the Tokyo Commodity Exchange (TOCOM), and the Dubai Multi Commodities Centre (DMCC).

ABC Refinery – the exclusive manufacturer of ABC Bullion – is Australia's largest and most technologically advanced independent gold refinery in Australia, accredited by SGE and LBMA. The accreditation is a testament to its ability to refine and produce gold products to a world-class standard.

Australia is the world's sixth-largest gold exporter, behind Switzerland, Hong Kong, United Kingdom, United States and United Arab Emirates. In 2018, Australia exported 341 tonnes of refined and unrefined gold bullion, with a value totalling US\$14 billion.

In 2018, demand for Australian gold was largely dominated by Hong Kong and China, which accounted for 37% and 31% of Australia's total gold exports respectively. Hong Kong is a fast-growing market for Australian gold, as the Special Administrative Region's close links to China and the recent collaboration between the Shanghai Gold Exchange and the Chinese Gold and Silver Exchange has increased

physical gold trading activities. Other important destinations for Australia's gold include the United Kingdom – with an 8.5% share of Australia's gold export markets – followed by Thailand (8.2%), Singapore (6.2%), and India (3.8%).

Australia imported 112 tonnes of gold in 2018, with a value of AUD\$6.1 billion. Of this, 47% came from Papua New Guinea (PNG), 9.3% from New Zealand, and nearly 44% from other countries. Virtually all gold ores from the Ok Tedi mine in PNG are shipped to the Perth Mint refinery for processing and re-export.

AUSTRALIA'S DOMESTIC GOLD MARKET CONSUMED 54 TONNES OF GOLD IN 2018

Australia's domestic gold market consumed 54 tonnes of gold in 2018. There are 82 gold bullion traders in Australia which provide facilities to buy, vault and trade physical gold bullion. Despite having no bullion market exchange, the Perth Mint – a member of the LBMA – has been considered as something of a proxy for the Australian gold market. It distributes over AUD\$18 billion of pure gold, silver

and platinum bullion bars and coins to investors in more than 100 countries every year. Through its depository capacity, the mint also provides the world's sole government precious metals investment and storage program.

Significant challenges to the sustainability and longevity of the Australian gold industry exist, including the identification of new quality resources to facilitate timely ore reserve replacement. The March 2019 Resources and Energy Quarterly estimated that around 153 tonnes of gold mine capacity (at current production rates) in Australia would be shut down between 2019 and 2024.

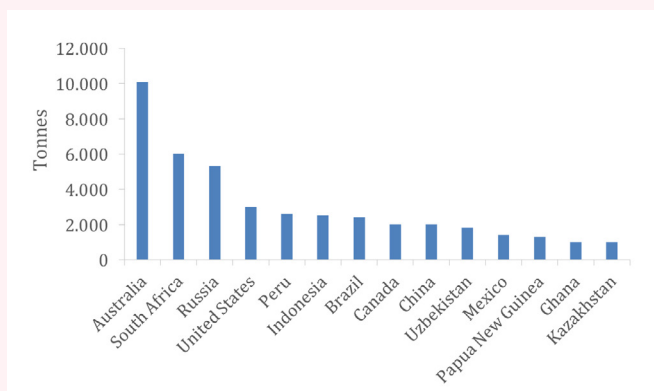
The long term future and sustainability of the Australian gold industry is reflected by its economic demonstrated resources (EDR), which refers to resources that are established, analytically demonstrated or assumed with reasonable certainty to be profitable for extraction or production (Figure 4). Australia's EDR is the largest of any country in the world, with 18% of the total, ahead of South Africa (11%), Russia (10%), the United States (6%), and Peru (5%). At the end of 2017, Australia had an accessible EDR of 10,070 tonnes of gold, of which 38% (3,869 tonnes) was classified as ore reserves. Approximately 75% (2,903 tonnes) of the gold in ore reserves is attributable to 71 operating gold projects.

Figure 3: Australia's domestic gold prices



Source: London Bullion Market Association (2019); Australian Government Department of Industry, Innovation and Science (2019)

Figure 4: Economic demonstrated resources of gold



Source: Geoscience Australia (2019); Statista (2019) World mine reserves of gold



THUONG NGUYEN is an economist and gold analyst at the Office of the Chief Economist, Australian Government Department of Industry, Innovation and Science, a position he has held since October 2015. In this role, he is the author of the macroeconomics and gold chapters of Resources and Energy Quarterly, the Australian government's flagship publication which provides comprehensive analysis and forecasts of global resources and energy commodities. Before this, he was a senior policy officer working on resources and energy strategic policies at the Department of Resources, Energy and Tourism.

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PLATINUM & PALLADIUM OUTLOOK

BY BRUCE IKEMIZU, *Head of Commodities Trading, ICBC Standard Bank Tokyo Branch*

PLATINUM

Platinum had a clear change of course in the middle of August 2018 after all commodities and emerging currencies were sold in what we call a selling climax. Platinum hit \$755, which was the cheapest price since the aftermath of the Lehman shock in October 2008. Back then, car makers rushed to sell their stocks when it hit \$2,300 to get liquidity during the Lehman crisis, the historically highest price due to the electricity problem in South Africa. In a sense this drastic move was the car makers' own doing. They bought it up to \$2,300 and sold it down to \$750.

Figure 1: Platinum's price over the past 20 years



Since then, platinum certainly has had its ups and downs. Stricter environmental regulation on diesel engines has affected its use in automobile catalysts, the metal's biggest demand area. This was compounded by misconduct by European car makers who were found to be rigging emissions tests on their diesel engines in 2015. Europe, the biggest market for diesel cars, was affected in a big way. Demand for small passenger cars using diesel shifted in favour of gasoline or EV vehicles. These moves, coupled with global environmental move away from diesel, had a deep psychological impact on investors. With ample supply coming from South Africa, a stable supply from catalyst and jewelry scrap, as well as the increasingly weak South African rand, investors did not see any good opportunities to invest in platinum.

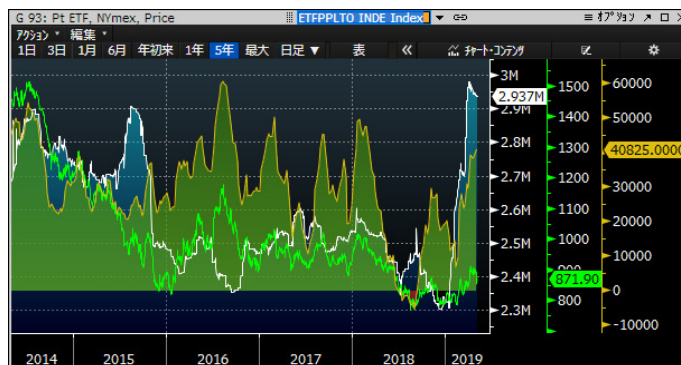
Furthermore, precious metals investors also had their eyes on gold and palladium. Gold historically has had a large numbers following and enthusiastic believers like central banks. There is always someone who is buying gold. Palladium on the other hand, quite contrary to platinum, saw ever increasing demand from its use in catalysts in gasoline cars, which caused a supply shortage that piqued the interest of investors. As a result, platinum fell by the wayside and the price of gold surpassed it more than 5 years ago, and palladium went premium in 2017.

Will the price of platinum lag gold and palladium forever? I don't think so. First of all, platinum, priced below \$900, is too cheap even in this market. The value of the metal as a catalyst or jewelry should be more valuable than palladium or gold. Its production cost is way higher than \$800. Some investors seem happy at this situation and are putting their funds into platinum ETFs, which have grown significantly since the start of 2019. This investor interest coupled with the steady price of gold should keep the price of platinum in check despite the weak environment for the metal. The worst is over and platinum should stay above \$800 and hopefully move closer to \$1,000 if gold reaches \$1,400.

Figure 2: Prices of platinum, gold and palladium



Figure 3: Platinum ETF balance, Nymex investors position and platinum price.



PALLADIUM

The weakness of platinum has spurred the popularity of palladium, which has grown in price because it had 1/5 of value of Platinum. Catalytic converters in gasoline engines do not need a high specification of platinum catalyst so naturally car makers and catalyst manufacturers used less but enough capable and much cheaper palladium. A large proportion of automobile produced globally are gasoline engine cars. The demand for palladium catalysts grew 100% in the past 10 years, from 180 tonnes to 264 tonnes, while output by the two largest producers – Russia and South Africa – has largely remained at the same level, according to Metals Focus.

Figure 4: Price of palladium, 2009–2019.



Figure 5: Palladium ETF balance, Nymex investor positions and price.



As a result, a supply-demand deficit has persisted for the last 7 years, which is the main reason for the sharp increase in the price of palladium in the last decade – from \$200 in 2009 to \$1,600 in 2019. Palladium lease rates reached 30% a year at its peak. These fundamentals lured physical investors and Nymex investors alike into buying palladium and that interest likely pushed up the price more than they should. Good long liquidations from investors pushed palladium from \$1,600 to \$1,300, but its price currently remains volatile.

But the basic supply and demand has not changed at all. Interestingly, the ETF balance has been decreasing while the price of palladium has been growing. This probably means physical palladium was withdrawn from the ETF due to the supply shortage, quite a keen contrast against that of platinum.

We cannot expect palladium supply and demand situation changes in near future. That is either we have sharply more supply or sharply lower demand. Palladium as a by-product of nickel in Russia and platinum in South Africa cannot increase its production. Gasoline cars still dominate automobile production and this will also not change in big way any time soon. EV still has the smallest share of the all the cars produced in the world despite of the media's wide coverage. Because of the huge volatility so far this year, attitudes toward palladium will remain uneasy but as long as the supply and demand situation does not change, it will remain much higher priced than platinum.



BRUCE IKEMIZU is a precious metals industry veteran. He began his career in 1986 at Sumitomo Corporation Tokyo's precious metals department, before joining Credit Suisse Tokyo and establishing Credit Suisse Bullion Japan. He then joined Mitsui & Co. to lead its precious metals trading team. In 2006, he set up the Tokyo branch of Standard Bank (now ICBC Standard Bank) and its precious metals trading and sales team. He currently is currently the firm's Tokyo branch manager.

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SICPA, the Swiss-based leading provider of global security solutions for currencies, has jointly developed with Metalor Technologies a technology-based security feature – BullionProtect – in line with LBMA guidance, enabling all actors within the supply chain to authenticate the genuineness of precious metal products.

www.BullionProtect.com

SPECIAL FEATURE : OUR JOURNEY – SBMA'S HUMBLE BEGINNINGS TO OUR SILVER JUBILEE AND BEYOND

BY ALBERT CHENG, CEO, Singapore Bullion Market Association

In 1993, at the age of 40 and after eight exciting years with the Royal Canadian Mint in Asia, I migrated with my family to Singapore to take on the position of Regional Manager at the World Gold Council. While engaging in market development work there, I joined the Singapore Bullion Market Association (SBMA) at its inception as its honorary secretary. This was the start of my decades-long involvement with the association, which continued even after I left the World Gold Council.

In 2015, I was invited to lead SBMA to continue the association's unfinished work and champion Singapore as a gold hub for ASEAN and beyond, again on an honorary basis, though with the help of a small team. This has been a role in which I have been very happy to contribute by grooming the next generation of market development professionals.

HISTORY OF SBMA

In 1993, the Singapore government announced the implementation of the Goods & Services Tax (GST) scheme to all business transactions. In response, JP Morgan and the World Gold Council felt it was necessary to form an industry forum of bullion market participants to lobby the government for concessions for gold trading businesses dealing in physical transactions, hence the birth of SBMA.

SBMA was formally registered as an association in December 1993 and became operational in 1994 with an initial membership of only 16 corporate members from the gold industry. It was not until 2015 that we had our first full-time staff and our own office. Prior to this, the association's secretariat and registered address was the World Gold Council's Singapore office.

From its inception, SBMA contributed to discussions and deliberations between the bullion community and the Inland Revenue

Authority of Singapore (IRAS). We convinced IRAS to exempt re-exported physical gold bars from GST through a special scheme to qualified bullion banks and houses, which took effect on 1 April 1994.

The long bear market in the late 90s, which led to the departure of key personnel in the gold industry and the closure of gold desks at many international bullion houses and banks, put SBMA into inactivity since 2000, though it remained a registered association. However, in the advent of the financial crisis in 2008 and its aftermath, there were growing activities in the bullion market and players that had left the market re-entered Singapore and became active again.

REVIVAL OF SBMA

In February 2012, Singapore said it would exempt investment-grade bullion and precious metals (IPM) from GST (currently 7%) to encourage the growth of refining, trading, clearance, custodian/storage

services, market-facing institutions and retail investors in the country's bid to become a gold hub. The market took the announcement positively, and the bill, which exempted IPM from GST, came into effect on 1 October 2012.

This was the result of extensive efforts initiated by government agency IE Singapore, the predecessor of Enterprise Singapore, which engaged with members of the bullion community such as the World Gold Council, commercial banks, and bullion houses as early as 2010 to look for ways to develop Singapore as a hub for financial market activities such as oil and precious metals.

With the support of IE Singapore, the World Gold Council and key bullion players took the lead to revive SBMA and engage with various government agencies and the international bullion market in pursuing the proposition of developing Singapore into a global gold-trading hub alongside London and Zurich, amid strong Asian demand.



SBMA TODAY

SBMA currently has 46 corporate members and the membership base is still growing. We represent key stakeholders from the precious metals industry, including bullion banks, exchanges, refineries, bullion merchants and secured logistics support companies. The association plays a pivotal role in the development of Singapore as an ASEAN precious metals hub and also as one of the most global centres of connectivity for precious metals.

Our vision is for Singapore to be a global precious metals trading hub; the most vibrant one in Asia with the respective strengths of London and Zurich – a financial and a physical hub for precious metals. Our mission is to assist member companies in business, commercial and economic activities, promote them commercially, facilitate research and the exchange of commercial and academic knowledge about the gold market, and monitor gold market developments.

Our annual Asia Pacific Precious Metals Conference (APPMC), which is supported by Enterprise Singapore in association with the Chinese Gold & Silver Exchange Society (CGSE) and managed by Foretell Business Solutions, has been well-attended since its inaugural edition in 2017, and has been growing each year.

Industry milestones since our launch include the 2010 opening of the Singapore Freeport, a free trade zone at Changi Airport that facilitates the storage and movement of gold, plus many other storage facilities provided by secured logistics service providers and bullion trading companies; the lifting of GST on investment precious metals in 2012 and the opening of Metalor Technologies Singapore, the first world-class bullion manufacturing and refining facility in the country; and many regional bullion and trading companies opening their trading operations in Singapore.

GOING FORWARD

SBMA will continue to work with stakeholders on introducing a benchmark gold price in an Asian time zone to cater to the region's gold market and help build Singapore to be an efficient trading, clearing and storage centre that attracts key players in the international bullion community. This is a big step forward that requires the support of authorities and the cooperation of key bullion players in the region.



With Singapore at the forefront of digital financial services in the region, we hope to engage stakeholders – both regulators and users – to promote the use of physical gold as a tangible asset to back the units created in the crypto space. We are also in discussions with key gold jewellery manufacturers in China (the biggest in the world) to use Singapore as a hub to connect to the consumer base in Southeast Asia and beyond and to service countries along the Belt and Road route.

At the same time, we want to become a thought and innovation leader for the Asia Pacific bullion market. APPMC will no doubt be crucial for this as it continues to attract bullion market players to Singapore and grows in importance on the bullion market calendar, particularly among global players hoping to use Singapore as a springboard for growth in Asia Pacific.

ALBERT CHENG is a gold industry veteran and has spent over 30 years working in the field in various capacities. He is currently the honorary CEO of SBMA and Advisor to the World Gold Council and Shanghai Gold Exchange. Before his retirement in 2015, he spent more than 20 years at the World Gold Council, becoming Managing Director, Far East in 2003.

SNAPSHOTS OF ENGAGEMENT ACTIVITIES IN ASEAN COUNTRIES DURING THE EARLY DAYS

BY ALBERT CHENG, CEO, SBMA



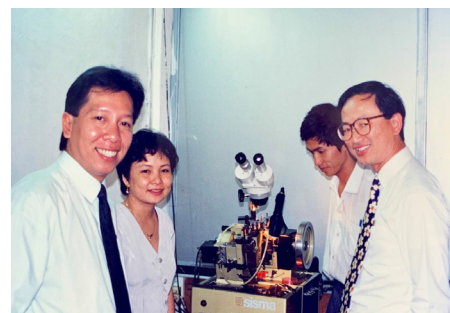
Picture 1: Visit of Mr Kerr Cruikshanks, regional CEO of World Gold Council Far East and Albert Cheng to the State Bank of Vietnam, represented by Mr Nguyen Doan Hung, director of the Forex department, and Mrs Nguyen Thi Nhien, deputy director of the Forex department (June 1995).



Picture 3: Albert Cheng at the Opening Ceremony of the 3rd Vietnam Jewellery Fair in 1994 with Mr Nguyen Huu Dinh, general manager of Saigon Jewellery Company (SJC), and Mr Nguyen Thanh Long, SJC deputy general manager.



Picture 4: Jewellery sales counters at the Central Market in Phnom Penh, Cambodia (around 1994).



Picture 2: Albert Cheng with HT Khanh and Mrs Cao Thi Ngoc Dung, chairwoman of Phu Nhuan Jewelry (PNJ), at the PNJ Factory in 1997.



Picture 5: The Central Market Mall in Phnom Penh, Cambodia, 1994.



Picture 6: Jewellery manufacturing in Laos in 1994.



Picture 7: Visit to Vientiane Market, Laos, with Mr and Mrs Konfa Phoummasak, owners of Fa Jewellery, in 1994.



Picture 8: Gold sales in Yangon, Myanmar.



Picture 9: Gold jewellery shop in Yangon, Myanmar (1995).



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GLOBAL TECHNOLOGY WITH LOCAL SERVICE

ECO-Mastermelt is the first to bring global leading technology to the recovery of industrial precious metals in Singapore and is a joint venture between ECO-Special Waste Management and the Mastermelt Group.

Precious metal utilisation in the industry has grown tremendously over the past twenty years. Now most high technology manufacturing operations require precious metal materials in the supply chain. For example, pharmaceutical drugs, plastics, sealants, fertilizer, OLED screens and fibreglass are just some of the industries which rely on precious metal use. High demand and limited mining sources leads to sustained high prices, with Palladium hitting a record high in 2019. It is now more important than ever that industrial users of precious metals recover the maximum amount from their process.

ECO-Mastermelt's thermal treatment process ensures all the moisture, plastics and solvents are removed from the materials before they are processed into a homogeneous powder, which is then sampled and assayed to determine the exact precious metal content. Induction furnaces are used on Metallic materials to produce a homogeneous molten bath from which a sample is taken.

ECO-Mastermelt's experience in treating these materials enables a tailored process to be applied, which maximises the metal recovered and hence the value returned to the customer.



ENVIRONMENTAL CONTROLS

A close relationship has been formed with the Singapore National Environment Agency resulting in the facility being granted a Toxic Industrial Waste Collector license. This enables collection and processing of precious metal materials designated as hazardous under local regulations.



Singapore Plant

ECO-Mastermelt Singapore site is accredited with ISO 9001 and ISO 14001.



The significant investment in the Singapore facility includes an emission control system which is designed to meet existing and future legislation requirements. With the expansion of the melting facilities now completed, further investment is being made to expand the thermal facility to accommodate the increasing materials being received for processing at the Singapore site.

All material is assayed in their state of the art laboratory, using the fire assay technique for precious metal determination.

TAILORED PRECIOUS METAL PROCESSING

Precious metal catalyst characterisation based on the Group's extensive knowledge base and experience, will enable ECO-Mastermelt to determine a tailored treatment process for specific material, which will deliver industry leading precious metal returns.

“

ECO-Mastermelt provides environmentally responsible refining in Singapore servicing the whole of Asia.

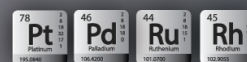
World leading thermal treatment processing of precious metal residues, sampling and assaying.

ECO-Mastermelt's facility is regularly approved and regularly audited by major global PGM refining partners.



TAILORED CATALYST PROCESSING

BY THE EXPERTS IN PRECIOUS
METAL CATALYST REFINING



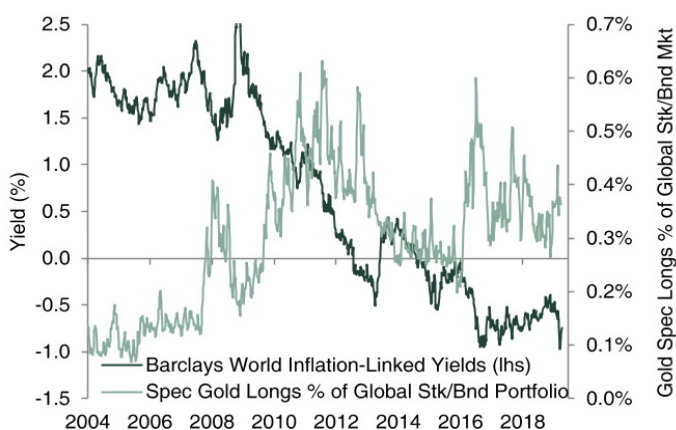
PERCOLATING MARKET, POLICY RISKS POINT TO WEIGHTIER GOLD ALLOCATIONS

BY BART MELEK, *Global Head of Commodity Strategy, TD Securities*



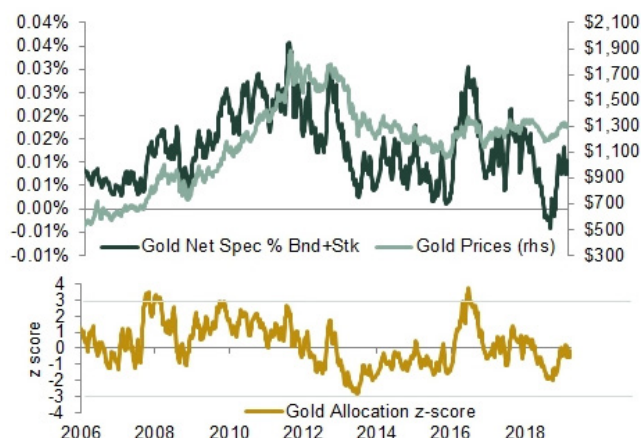
The US Federal Reserve's recent tilt toward a well-defined dovish monetary policy stance, which pulled rates lower across the yield curve, along with a spike in growth uncertainty and equity market volatility, managed to boost gold prices into a significantly higher trading range in the early part of 2019. But there was no breakout toward \$1,400+/oz. The yellow metal hit a high of nearly \$1,347/oz in late February and has since been trading in a narrow band either side of \$1,300/oz. As such, many in the market are quite dismayed and ponder what it would take to move gold past \$1,350/oz in a meaningful way, if a dovish Fed can't do the job.

Gold allocations tend to spike as Real rates decline



Source: Bloomberg, TDS Commodity Strategy

Current allocations below average for late cycle economy



Source: CFTC, Bloomberg, TDS Commodity Strategy

Despite views that the global economy will trend lower into 2020 and that rates will remain quite low, prices are unlikely to break out higher until there is a meaningful asset allocation rotation into gold by money managers. And for now, a strong dollar and noteworthy opportunity costs of holding zero-yielding assets such as gold, relative to expected equity market returns, serve as meaningful barriers to prevent the required capital inflows that would give gold prices a boost. It can be argued that a lower US rate environment and robust central bank purchases are necessary to support the yellow metal, but are not sufficient to incentivise broad asset allocation changes from the status quo. Before gold reaches escape velocity, which would take prices closer to cyclical highs, investors would need to increase their allocation in portfolios, which remains low relative to historic norms for this point in the economic cycle.

The gold bugs looking for prices to rally will need to be patient and should know it likely won't take too long for portfolio weightings to start to tilt into gold again, as the pieces necessary for a sustained gold bull run are indeed slowly falling into place. The good news, at least for gold, is that public, private and corporate debt around the world has skyrocketed, the business cycle is maturing, and equity market risks and higher volatility are also in the cards. And, since gold is very much a diversifier and a traditional portfolio hedge, money managers will allocate more gold to their asset mix when opportunity costs relative to dollar-denominated equities fall, correction risks increase and the demand for insurance assets grows.

The increasing market conviction that central banks around the world may again need to take extraordinary measures, such as quantitative easing, when the economy heads south again is more fodder for the view that asset allocations would benefit from a tilt toward hedge assets. The growing idea within political circles that central bank policy has a role to play in developing solutions to social problems, such as income and wealth inequality, also raises concerns surrounding the dollar's long-term status as a strong reserve currency, especially as Modern Monetary Theory is being discussed in polite society. These are reasons, in addition to equity market performance, which no doubt should prompt investors to show interest in gold as a hedge once risk appetite turns south.

To the extent that gold is a form of portfolio insurance, a higher probability of negative event risk increases insurance premiums, which is typically why asset volatilities may be a signal. Food for thought: the "barbarous relic" is no one's liability and central banks are already buying it at a rate not seen in five decades, with China disclosing substantial purchases for four months in a row.

TIME FOR GOLD NOT YET RIPE

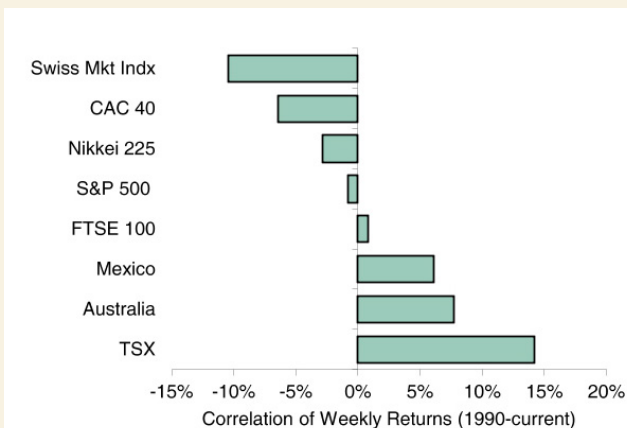
The same set of factors that have kept investors from loading up on gold over the past several months should serve to keep it in a range-bound trading pattern for now. From our vantage point, much of the lackluster performance has been sentiment and capital flow driven.



This is a trend that is unlikely to be materially reversed in the near-term, now that US equity markets have caught a bid and as recent data points to the US and China's continued strength.

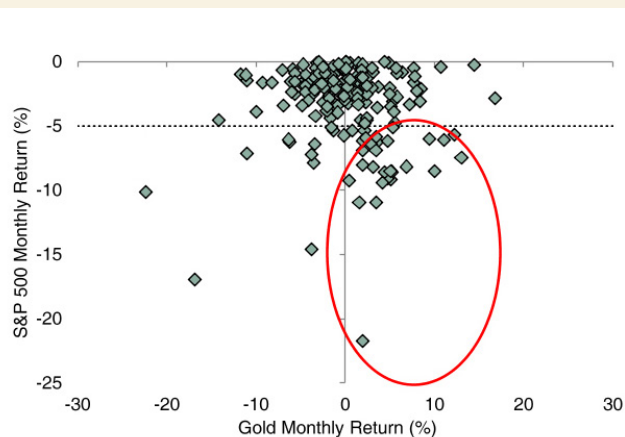
However, as markets become convinced that the Fed is ready to ease, an expected weaker dollar and a materially slower US growth profile in the latter part of 2019, which should also raise equity correction risks, will also likely skew portfolio allocations away from risk and toward safe havens. This has historically meant a higher gold price as well.

As equity volatility picks up-gold becomes more attractive diversifier



Source: Haver, TDS Commodity Strategy

Gold tends to perform well amid equity weakness



Source: Bloomberg, TDS Commodity Strategy

CENTRAL BANKS A PRELUDE TO ASSET MANAGER BUYING

At the easing part of the cycle, news of official sector buying can help drive investors to increase their weighting of hedge assets such as gold even further. Indeed, official sector gold purchases have grown by a dramatic 12.2% (just over 3,600 tonnes) since the lows recorded in 2009. In addition to the outsized 657 tonnes acquired by central banks last year, holdings are also expected to grow by another 1,000-1,200 tonnes in the next two years.

The same conditions that will drive central bank purchases should also help serve as a catalyst for private portfolio allocations. Once markets are convinced that the next Fed move is a cut – and that it is coming soon – the possibility of rates declining into negative territory in real terms, or very low nominal levels, are very likely to be a trigger new investor interest in gold. The strong dollar, which has been hurting gold prices, is also set to trend lower and should be watched as an important signal.

There is evidence that central bankers' interest in bullion is growing. While the central banks of Russia, Turkey and Kazakhstan have accounted for the majority of purchases in 2018, other central banks have entered the market as well. Egypt recently bought gold for the first time since 1978, while India, Indonesia, Thailand and the Philippines have re-entered the market following multi-year absences. On the European front, Poland and Hungary surprised the market in 2018 by adding to their gold holdings for the first time in many years. But perhaps the news that Chinese purchases have resumed since December could be the most relevant and encouraging, as the Middle Kingdom has ample room to increase gold holdings in its FX reserves.

Central banks are expected to increase their purchases of gold in 2019-20, as Eastern European and Asian countries seek to diversify their reserves. The desire to diversify central bank FX portfolios away from the dollar, which still represents over 60% of global FX reserves, is one of the key reasons to buy gold.

Indeed, reducing exposure to assets tied to fiat currency broadly is likely a driver at a time many observers are voicing concern that an era of “helicopter money” may be on the horizon, should another economic crisis strike. Using central banks to fund record debt levels around the world and growing wealth inequality are causes for concern about the long-term dollar dominance. Following overt attempts by President Trump to drive the Fed toward rate cuts, which includes nominating two appointees who are said to be politically motivated to the Fed, concerns of the loss of independence of the US central bank may also be a cause of anxiety and may serve as a catalyst to shift away from the dollar, and likely fiat currencies amid competitive devaluation worries.

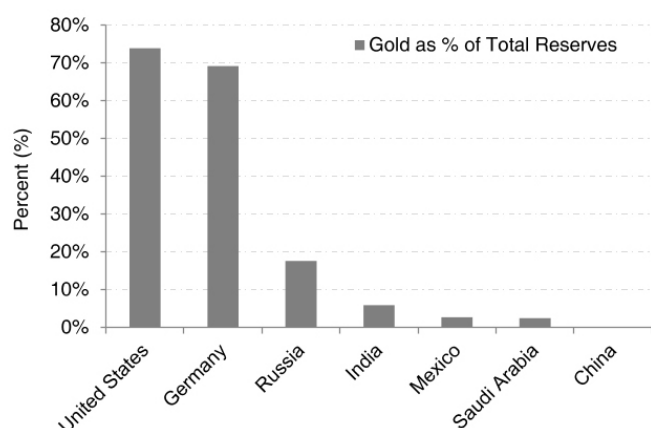
Global debt increased to \$244.2 trillion during the third quarter of 2018, which is just under the all-time high of \$247.7 trillion in early 2018. Among non-financial corporations, debt rose to \$72.9 trillion from \$68.6 trillion a year earlier.

Despite a cyclical pickup in global growth, total global debt moved north of 318% of global GDP, just below the all-time high of 320% in mid-2016. Non-financial corporate paper moved up to 92%, the highest level on record.

There is a real worry that the US may need to fund its massively growing deficit via stealth monetisation as tax receipts are not likely to grow sufficiently due to tax cuts amid demographically driven spending on healthcare and social security. Indeed, aging Western populations make this a global problem. This is a problem for central banks that have dollars and other Western currency-based assets accounting for a majority of their FX reserves.

Growing reserves in some countries (as emerging markets recover and the dollar moderates) is another reason why there may be an increase in official buying, as is the increasing use of the metal as an active asset to access liquidity. Long-term changes in the international monetary system may provide added reasons for central banks around the world to take a serious look at gold's role in their reserve portfolios.

Emerging markets have room to grow gold reserves

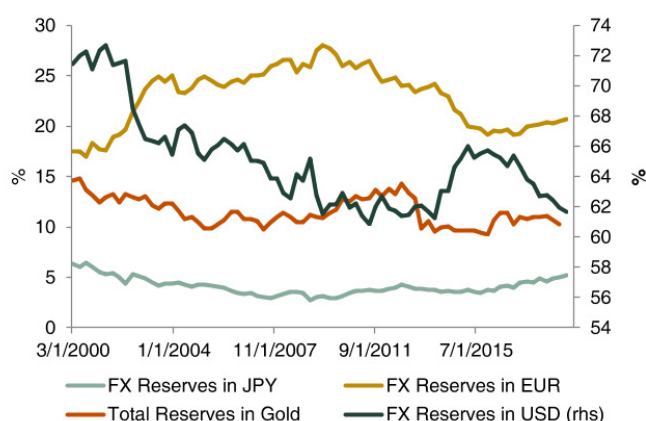


Source: World Gold Council, TDS Commodity Strategy

As the world drifts into a multipolar power structure with the US likely sharing its superpower status with China (and possibly with India over the longer term), gold's reliability, time-tested ability to preserve wealth, and almost universal acceptance makes it a good reserve asset.

After all, unlike all other assets classes, gold is nobody's liability. The yellow metal is typically considered a hedge against currency chaos, a store of value in a negative real interest rate environment, a robust portfolio diversifier and a hedge against a weaker dollar resulting from excessive fiscal deficits and the potential use of monetary policy to address social goals such as income and wealth inequality.

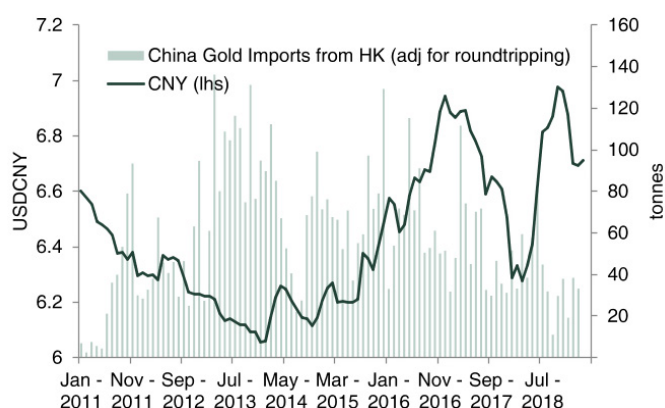
Room to increase gold % reserves as central banks move away from dollar



Source: Bloomberg, IMF, TDS Commodity Strategy

This has occurred in conjunction with a number of bilateral agreements between various nations to carry on conducting trade in currencies other than the dollar, which implies the need for a lower ratio of dollars held by central banks. Based on statements by Germany's foreign minister, this trend will like be re-enforced going forward as the EU works to free itself from dependence on the US and as it works on developing its own international payments channels, after repeated American weaponisation of the payment system for political ends. The slow shift towards commodity transactions and pricing in other currencies, such as the yuan, along with the increase in global trade outside of the US, are also factors that are likely to hasten the shift away from the greenback in central bank portfolios. Gold could very well benefit from such a shift.

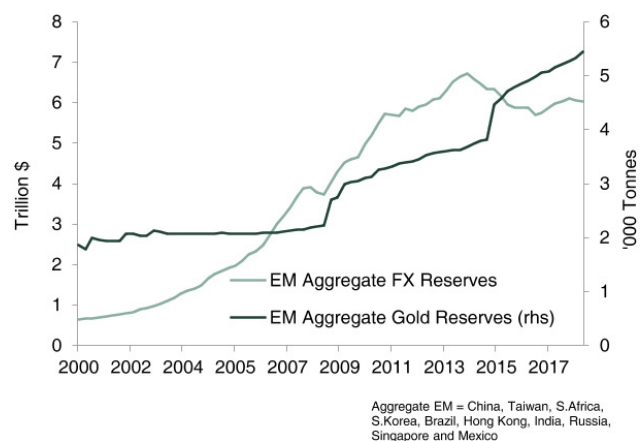
Steadying yuan to see gold purchases recover



Source: HK Census, Bloomberg, TDS Commodity Strategy

Overall, given that gold currently makes up roughly 10% of total global reserves, there is plenty of room for it to grow to levels seen prior to the big central bank sales. China, Russia, India, Mexico and other key emerging nations hold only a fraction of their reserves in gold – certainly a much lower proportion than the US, Germany, Italy and France. Since 2014, global central banks have also very likely been reducing their holdings of US Treasuries, diversifying their reserves away from the greenback in favor of gold, euro, yen, and other currencies.

As EM reserves recover more gold will be needed

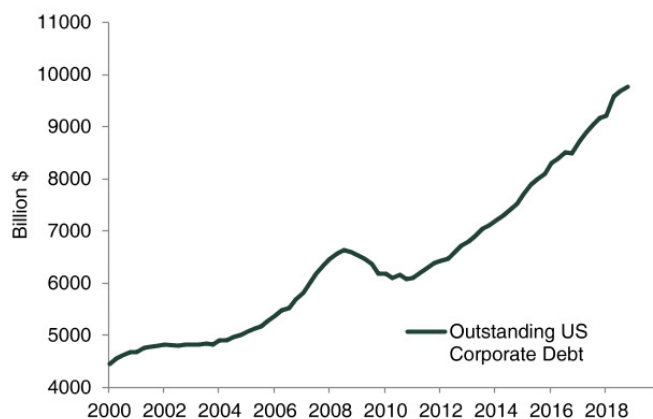


Aggregate EM = China, Taiwan, S.Africa, S.Korea, Brazil, Hong Kong, India, Russia, Singapore and Mexico

Source: IMF, TDS Commodity Strategy

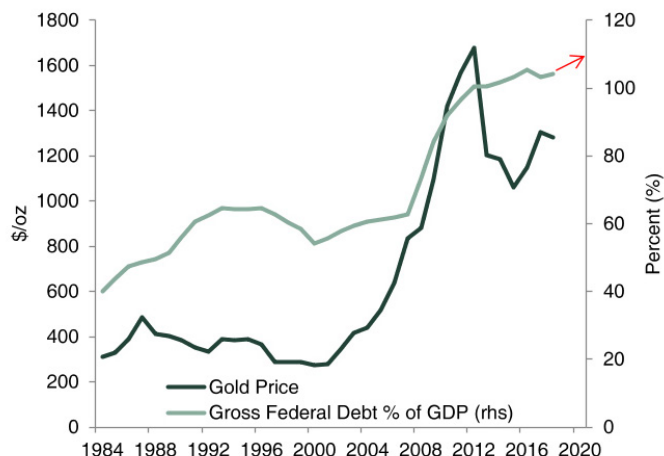
Following numerous critical statements about Fed policy from the White House, many observers are concerned that there will be pressure to make the Fed and other central banks less independent, and that it would potentially become a tool for the Treasury. Colossal US annual deficits, which are quickly approaching \$1 trillion, and talk of massive new social, environmental and educational spending programs to address inequality by politicians make this a growing risk. This, of course, would imply low real rates and a lesser appetite for the greenback.

As corporated debt surges central banks exercise caution on rate hikes



Source: Bloomberg, TDS Commodity Strategy

US debt growth profile supports gold prices in longer term



Source: Federal Reserve Bank of St.Louis, Bloomberg, TDS Commodity Strategy

PRIVATE PORTFOLIO ALLOCATION TRENDS TO FOLLOW CB LOGIC – BUT EQUITY TRENDS A MORE IMPORTANT DRIVER

The factors that are driving central banks to move away from the dollar and see more gold exposure are also likely to drive asset allocation decisions in the private and pension sectors. The difference between the official sector and other portfolio managers is that equity market performance is very likely to be a determinant for asset managers, while it is not for central banks.

While the potential for a reduced role of the dollar as the world's primary reserve currency increases the risk for any dollar-denominated investment assets, equity market performance and yields seem to be even more important drivers. The return on stocks and bonds drive the opportunity cost of holding a zero-yielding asset such as gold – the higher the returns from stock and bond portfolios the less appetite for gold there seems to be.

Since the yellow metal has historically been a hedge against currency upheaval, a store of value in a negative real interest rate environment and an effective portfolio diversifier, we are quite certain that investor interest will grow when bond yields slide and equity valuations are perceived to be risky. We expect that all these factors will materialise into 2020.

Given that gold is an effective hedge against the fallout of global currency reshuffling, more demand for the metal as protection has been the case historically – money manager positioning in gold increases during times of crisis. There is a very well defined inverse gold-dollar relationship, suggesting the yellow metal can also serve as a hedge against a dollar decline.

As the current expansionary cycle grows increasingly long in the tooth and the flat yield curve looks ripe for inversion at any time, the significant risk of a sharp slowdown or recession will no doubt drive real rates lower. Central banks tend to drive rates into negative territory to stimulate aggregate demand when the expansion becomes weak and at risk of turning over.

Given that the US economy is running out of its trillion dollars' worth of fiscal fuel into 2020, the world is carrying record debt levels and with the global economy growing at lower rates, interest rates are not likely to increase much. This, in addition to a very high debt-carry ratio in the corporate sector, suggests the economy has a large degree of interest rate elasticity. As such, when easing becomes necessary again, and given the fact that rates are already low, the Fed may need to go to the zero bound and QE quicker than the last time around.

During periods when real interest rates are low or negative, owning bonds to maturity can lead to long-term value destruction, as nominal

rates are insufficient to compensate for inflation. Historically, gold, which is a zero-coupon asset, has been a good store of value during such times – the opportunity cost drops and value of insurance assets rises given the disruption in financial markets when growth slows.

Following the Great Recession, the Fed and other central banks around the world engaged in an effort to reflate the global economy by pushing interest rates below the rate of inflation. The goal was to stimulate nominal GDP growth to the point that it exceeds the growth in debt, driving the total debt/GDP ratio lower by eroding purchasing power.

Gold should provide investors with a means of maintaining purchasing power as nominal rates are kept below inflation. Our analysis shows that the price of gold has been inversely correlated with the dollar and largely negatively correlated with stocks and interest rates. This makes gold an accretive addition to a portfolio of stocks and bonds as it may help lower overall portfolio volatility and increase returns.

As such, a higher weighting of the yellow metal in a portfolio can help to buoy a portfolio's value during bear markets. Conversely, the downside is that it may attenuate portfolio returns during bull markets, explaining why current allocations are low and why performance has been lackluster at best. The recent strength in equities makes it expensive to hold gold in terms of opportunity cost.

The metal has in the past proved to be a highly effective portfolio diversifier that helps reduce volatility when added to a portfolio of stocks and bonds. Money manager positioning data supports this hypothesis. Considering the balance of risks for equity markets is tilting towards a correction and away from another substantial bull run, with some market participants arguing that stocks are grossly overvalued in many markets and that the dollar is poised to weaken going forward, there will be increasing motivation to increase gold's relative weighting in order to outperform.



BART MELEK has over 20 years of experience analysing precious/base metals, energy, and financial markets, as well as North American and global economies. He has worked closely with commodity, equity and FX trading desks in Toronto, New York, Chicago, London and Singapore, and has numerous forecasting distinctions and top global rankings to his credit.

Bart contributes to the TD Securities strategic view and is a commentator for leading media organizations. Previous to joining TD, Bart was a global commodity strategist and senior economist at another major Canadian bank.

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COININVEST

INTL FCStone strengthened its physical precious metals offering with the acquisition of CoinInvest GmbH and European Precious Metals Trading GmbH. [CoinInvest.com](https://coininvest.com) is a leading provider of bullion bars, coins and collectible products.

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ECONOMIC JITTERS FUEL GOLD RUSH

BY FINEWS ASIA

Central bank gold-buying and growth in gold-backed exchange-traded funds have driven a 7-percent increase in global demand for the precious metal in the first quarter.

Global gold demand in the first quarter of 2019 reached 1,053.3 tonnes, 7 percent more than the same period the year before, while gold-backed ETFs grew by 49 percent to reach 40.3 tonnes, according to data published by the World Gold Council.

“The beginning of 2019 saw a sharp recovery in investor sentiment in both the equity and debt markets, but appetite for gold remained solid. In Q1, central banks continued to increase their holdings of gold, while ETFs also saw an increase in inflows compared with the first quarter of 2018”, Alistair Hewitt, Head of Market Intelligence at the World Gold Council, said.

“European investment in ETFs hit a record high and this quarter's figures suggest that the factors that are driving the investment – negative yields on Eurozone sovereign debt, geopolitical uncertainty and financial market volatility – will continue to underpin investment demand”.

CENTRAL BANK BUYING

Central banks added 145.5 tonnes to global reserves, the largest first-quarter increase since 2013 and 68 percent higher than the first quarter of 2018. Nine countries added more than 1 ton of gold to their reserves, with Russia remaining the biggest buyer, adding 55.3 tonnes during the quarter.

In Asia, gold buying among central banks remained strong. China added 33 tonnes of gold, marking four consecutive months of gold accumulation, while India's gold purchases grew for 13 consecutive months, adding 8.4 tonnes in Q1. Additionally, Kazakhstan added 11 tonnes while the Kyrgyz Republic added 1 ton in Q1.

“We believe that central bank gold buying in this region will continue to be robust as more banks tap into gold's safety, liquidity and return generating features”, Shaokai Fan, Director, Central Banks and Public Policy, World Gold Council, said in an email to finews.asia.

SOUTHEAST ASIA DEMAND

Ongoing trade tensions between the U.S. and China has dampened consumer interest in gold jewellery consumption and the tightening liquidity pool has hampered the investment/financing demand in North Asia – retail investment demand in China fell 8 percent to 71.2 tonnes in Q1, while Japan's retail bar and coin market contracted by 6.2 tonnes.

Retail investment demand in Thailand – the region's largest gold market – was steady in Q1 at 21.3 tonnes, while Vietnam's retail bar and coin market grew 5 percent year on year at 13.3 tonnes, as did Indonesia, where it also grew by 5 percent.

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Southeast Asian gold markets have benefited from strong economic performance in the region, stable currencies, and the festivity around Chinese New Year, which has bolstered demand in the first quarter of the year. Going forward, Southeast Asia may pick up some of the slack in demand created by the region's northern neighbors in 2019.

- Singapore Bullion Market Association CEO
Albert Cheng told finews.asia -

This article previously appeared on Finews (www.finews.asia)

SAFEGUARDING SINGAPORE'S PRECIOUS METALS INDUSTRY

BY PARAMJIT SINGH, *Registrar of Regulated Dealers, Director, Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CFT) division, Ministry of Law*

Precious stones and precious metals are portable, valuable, and easily convertible to cash. These characteristics expose the Precious Stones and Precious Metals Dealers (PSMD) sector to inherent money laundering (ML) and terrorism financing (TF) risks. On 10 April 2019, Singapore introduced a new anti-money laundering and countering the financing of terrorism (AML/CFT) regime to mitigate these risks, and raise AML/CFT standards and trust in the sector.

SINGAPORE'S AML/CFT FRAMEWORK

ML enables criminals to commit crimes by obscuring the proceeds of their crimes, while TF refers to the use of funds/assets to support terrorist organisations and terrorism. Singapore has a strong regulatory AML/CFT framework for prevention, supervision, enforcement, confiscation of the proceeds of crime, and targeted financial sanctions against terrorism and proliferation financing. Singapore also has a good framework for international coordination on AML/CFT and has in place mechanisms to assess and mitigate the ML and TF risks identified. There is robust supervision of the financial sector, with regular engagements fostering a deep understanding of AML/CFT issues within the industry. Designated non-financial sectors, such as pawnbrokers, are also subject to a comprehensive range of AML/CFT measures.

The new regime will strengthen existing AML/CFT measures for the PSMD sector by establishing a comprehensive supervisory and regulatory regime that is risk-focused. It seeks to prevent dealing in precious stones and precious metals from being used to facilitate ML and TF in two ways. First, by registering all persons who carry on a business of regulated dealing or business as an intermediary for regulated dealing; and second, by introducing additional measures beyond the cash transaction reporting regime that was introduced in 2014.

BROAD REQUIREMENTS OF THE REGIME

Unless exempted, regulated dealers must register with the Registrar of Regulated Dealers established under the Ministry of Law. The Registrar may refuse to grant or renew registration under various circumstances, for example, if the dealer is not a fit and proper person as assessed by the Registrar. This seeks to prevent criminals or their associates from holding a controlling or management function in the regulated dealer. Registered dealers are required to abide by the conditions of registration.



PARAMJIT SINGH is the Registrar of Regulated Dealers and Director of AML/CFT division in the Ministry of Law. He leads the division in the formulation and implementation of the AML/CFT supervisory and regulatory regime for the PSMD sector. He has held a long career in law and regulatory enforcement, spanning more than three decades, which includes heading the Commercial Crime division of the Singapore Police Force and the Investigation division of the Casino Regulatory Authority.

Paramjit Singh
EXPLAINS HOW SINGAPORE IS STRENGTHENING ITS SAFEGUARDS TO PREVENT MONEY LAUNDERING AND TERRORISM FINANCING IN THE PRECIOUS STONES AND PRECIOUS METALS SECTOR.



Regulated dealers are also required to comply with the following measures:

- **Transaction-based requirements**, including filing cash transaction reports; filing suspicious transaction reports; performing customer due diligence (CDD) measures; and keeping records of transactions for which CDD measures are performed and information obtained through CDD measures; and
- **Entity-based requirements**, including conducting ML/TF risk assessments posed by its customers and transactions; and putting in place internal policies, procedures and controls to mitigate these risks amongst other requirements.

These measures are aligned with recommendations issued by the Financial Action Task Force, the international standard-setting body for AML/CFT standards.

WORKING WITH THE INDUSTRY

The Ministry of Law has been working closely with the industry associations such as the Singapore Bullion Market Association (SBMA) in developing the AML/CFT regime. We will continue to work closely with the industry associations to conduct outreach and engagement sessions to help the regulated dealers understand the requirements of the new regime, manage compliance costs, and identify and address potential difficulties the sector might face in meeting the requirements under the new regime. Together, our efforts will enable Singapore to combat crime and improve security, encouraging growth and investments in the PSMD sector.



THE ADDED VALUE

BY JACEK BARANOWSKI, *International Sales Manager, Metal Market Asia*

Operating in highly competitive and demanding markets poses a challenge for businesses hoping to succeed. How can the company be distinguished from the competition? How can it attract more customers and ensure they keep coming back? How can it escape the hopeless loop of lowering prices to attract more interest only to require even more of it to sustain the rigorous pricing policy? All these questions lead to one fundamental question: What is the added value the company can bring to the table?

In a difficult and well-established market like investment precious metals, where most dealers carry similar portfolio of products and most manufacturers adhere closely to the very same and high standards, the added value may be the determining factor of the company's success. Precious metals buyers are hardly known for being novelty seekers and the nature of the industry itself significantly limits the opportunities for brand new, out-of-the-box ideas. Therefore it is even more crucial for a company to find something unique to offer, thus differentiating itself from the competition.

with putting matching things together and organising sets that fuel a collector's zeal in search of missing pieces, bringing fulfilment once everything is in its right place.

It is exactly this nature of ours that producers of collectible items tap on, and it is what adds excitement to precious metals investing. The myriad of wonderful designs, the thrill of the hunt for rare specimens, the temptation of completing the set – all these bring an element of sheer, childlike joy to the rather studious and uninspiring process of saving up.

PRODUCT

Gathering resources is hardwired into human behaviour, and its evolved, more cultured expression – building collections – has accompanied mankind through centuries. Collecting art pieces, trophies, valuable trinkets, books, and more is a passion shared by people from all times, places and cultures. It is a deep fascination

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Given the choice to buy gold in the form of a plain bar or nicely finished coin with an interesting backstory, many customers will gladly choose the latter even if it means paying a premium.



Given the choice to buy gold in the form of a plain bar or nicely finished coin with an interesting backstory, many customers will gladly choose the latter even if it means paying a premium. And that's precisely where a bullion dealer can leave its mark. First, by offering a broad portfolio of products and steering the customer in the right direction, helping him navigate the vast sea of long-running series, new editions, one-off commemoratives, etc.

Second, by collaborating with the mints or refineries on exclusive coin programmes, and bringing new, exciting products to the market. A successful series can not only coax existing customers to keep coming back, but also attract new ones – which is the goal of every business hoping to expand. In recent years, several exclusive Perth Mint bullion coin series made for particular dealers got collectors worldwide excited. Coins such as Swan, Australian Emu, and Dragon & Phoenix proved to be instant hits, with their collectible value quickly exceeding their metal content value.

SERVICE

In the digital era, the importance of quality online solutions cannot be overstated. A tremendous amount of precious metals physical trading is done on the internet, so having an online presence is a necessity, not added value. However, the way this presence is manifested can either promote a business and put it at the front row or have it lagging behind. A traditional phone trading desk with simple email correspondence is the bare minimum, but is no longer capable of meeting customer needs and expectations. Trading platforms with multiple functionalities, automated sale/purchase processes, storage and shipping options at one click, charts,

price alerts, investment calculators – all these are sought after by more educated and discerning investors.

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A neatly organised, transparent, user-friendly and attractive web solution is often the best advertising a company can have, bringing in more customers than the grandest marketing campaigns.

A neatly organised, transparent, user-friendly and attractive web solution is often the best advertising a company can have, bringing in more customers than the grandest marketing campaigns. Questions about trading platforms are among the most pervasive ones within the industry and there seems to be a constant struggle to perfect existing solutions or to come up with newer and better ones.

In this quest of finding the most visually attractive, the most flexible, user friendly, comprehensive, stable and secure system, one important aspect of human nature should not be underestimated – people are creatures of habit. We become attached to familiar things and change more often than not simply irritates us. It's not uncommon to find better, simpler, more thought-out websites losing out to far inferior ones, due to this very reason. That's why every attempt at implementing new solutions should consider the customer's perception on the new features and layout. Whether it will be considered an added value or a value ruined?

SECURITY

The company's reputation, product authenticity, online data protection, terms and conditions, secure transportation and storage, all factor into a transaction's security – a major concern of all precious metals buyers. Covering all of the above is only the first step, the next ones are about building trust and providing reassurance. Each and every customer wants to be certain of two things: that the metal is authentic and that it is kept in a safe place.

The role of the manufacturer and the dealer is to show that the supply chain has not been broken and that the product's authenticity can be easily and surely verified. Being a step ahead in introducing new security features can ensure a manufacturer's product is given a prominent spot among bestsellers and gives dealers a good reason to promote it. Offering customers only the safest, most advanced products is a good selling point especially since there is not much innovation possible in the investment gold refining other than amping up security.

This is the added value that can help convince potential customers and determine the brand choice. Providing an engaging and positive narrative for the salespeople should always be a priority for producers, because they are the actual establishers of the prevailing buying habits. In the precious metals industry, narratives about security, authenticity and verifiableness is and should be the strongest ones.

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Even in terms of pricing most sellers have access to the same sources. This creates a unique environment where the field is so levelled that secondary features actually determine the outcome.

The globalisation of markets, high connectivity and online accessibility, have caused the differences between customers worldwide to diminish, and with them, suppliers too have become more alike. In the investment precious metals industry it is especially noticeable since most manufacturers produce extremely similar products and all dealers carry almost the same items. Even in terms of pricing most sellers have access to the same sources. This creates a unique environment where the field is so levelled that secondary features actually determine the outcome. The added value becomes the selling point. And it is the exclusive, collectible product; the multifunctional, user-friendly online solution; and the high-security storage and effortless authentication option, which may give businesses an edge over their competitors.



JACEK BARANOWSKI is the Head of International Trading at Metal Market Asia, a Singapore-based bullion trading company, and at Metal Market Europe, a major retail and wholesale precious metals dealer located in Poland and operating in the Eastern European market.

SBMA News

BY ALBERT CHENG, CEO, Singapore Bullion Market Association

The team at SBMA has been busy this quarter with preparatory work for the 3rd Asia Pacific Precious Metals Conference (APPMC) in June. SBMA will be celebrating its 25th anniversary and we have planned many new activities and features at the conference to commemorate this occasion. We hope that you will celebrate with us at APPMC.

Here is an update of our activities:

APRIL 1: SBMA holds a seminar on the launch of the Metals Focus Gold Focus 2019 report.



Management Committee of SBMA and key members participating at the Asian benchmark brainstorming workshop

APRIL 10: CEO Albert Cheng represents SBMA at the 2019 Global Gold Market Summit organised by Shanghai Gold Exchange (SGE) and SGE International Advisors Meeting in Xi'an, China.

APRIL 27: SBMA holds a full-day Asian benchmark brainstorming workshop with team facilitation to develop a new three-year strategy for the association going forward.



From left, Albert Cheng (CEO, SBMA) with Mr Song (Chairman, China Gold Association) in Xi'an during the "2019 Global Gold Market Summit"



From left, Albert Cheng (CEO, SBMA) with David Tait (CEO, World Gold Council) in Xi'an during the "2019 Global Gold Market Summit"

MAY 6: SBMA members attend the Ministry of Law's 1st Onboarding Conference for the industry to provide an overview of the regulatory and registration requirements under the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act.

MAY 7: DCE Gordon Cheung represents SBMA at LME Asia Week in Hong Kong.



DCE Gordon was invited to LME Asia Seminar and Gala Dinner in Hong Kong. He is seen in picture with SBMA members, from left, Janet Leung from G4S International Logistics (Hong Kong), Amar Singh from JP Morgan, Dawn Chen from MTS Gold Global Trading and Raman Walia from JP Morgan.

MAY 22: SBMA members attend the Ministry of Law's 2nd Onboarding Conference for the industry to provide an overview of the regulatory and registration requirements under the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act.

Exploratory Meetings

During the quarter, we met with the following companies on membership and matters related to market development: Accadence, EIS Global, Finews Asia, ICBC Standard Bank, In Gold We Trust Report, Mileage Communications, Singapore Tourism Board, Triland Metals, UOB, Workbite and World Gold Council.

MEMBERSHIP:

SBMA's total membership consists of 46 companies, including three Category 1 members, 32 Local Associate Corporate members, nine Foreign Associate Corporate members, and two Affiliate members.

UPCOMING EVENT

15–18 June 2019. Reno, Nevada, United States.

IPMI 43rd Annual Conference

The IPMI is an annual conference that aims to collect, archive and share substantive, definitive and factual information regarding all aspects of the precious metals. Session topics will address precious metals topics of current interest presented by world recognised leaders and experts in the field.

1–4 August 2019. Amritsar, India.

16th India International Gold Convention (IIGC)

More information, updates and details of past conferences are available at www.goldconvention.in.

12 September 2019. New York, United States.

LPPM/LBMA Cocktail Reception

Registration details for LBMA and LPPM members will be announced later this year.

About Crucible

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Printing Office
SC (Sang Choy) International Pte Ltd
9 Harrison Road
#02-01 Harrison Industrial Building
Singapore 369651, Singapore
Tel: +65 6289 0829
Licence number: L020/03/2018



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