

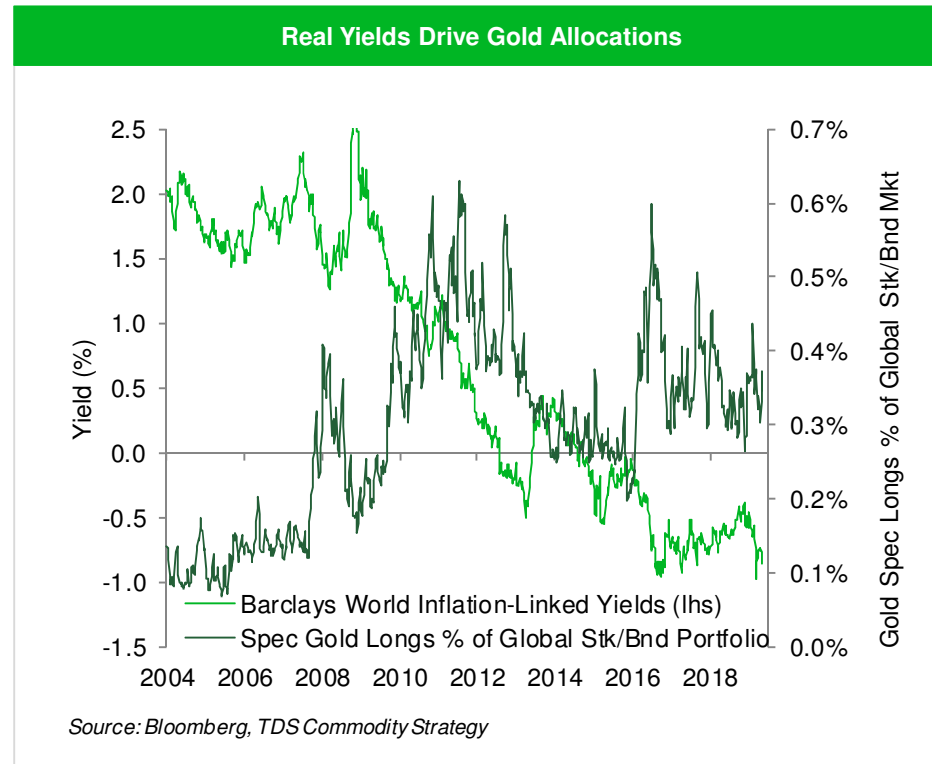
Percolating Market, Policy Risks Point to Weightier Gold Allocations

3rd ASIA PACIFIC PRECIOUS METALS CONFERENCE
11 June 2019, PARKROYAL on Beach Road, Singapore

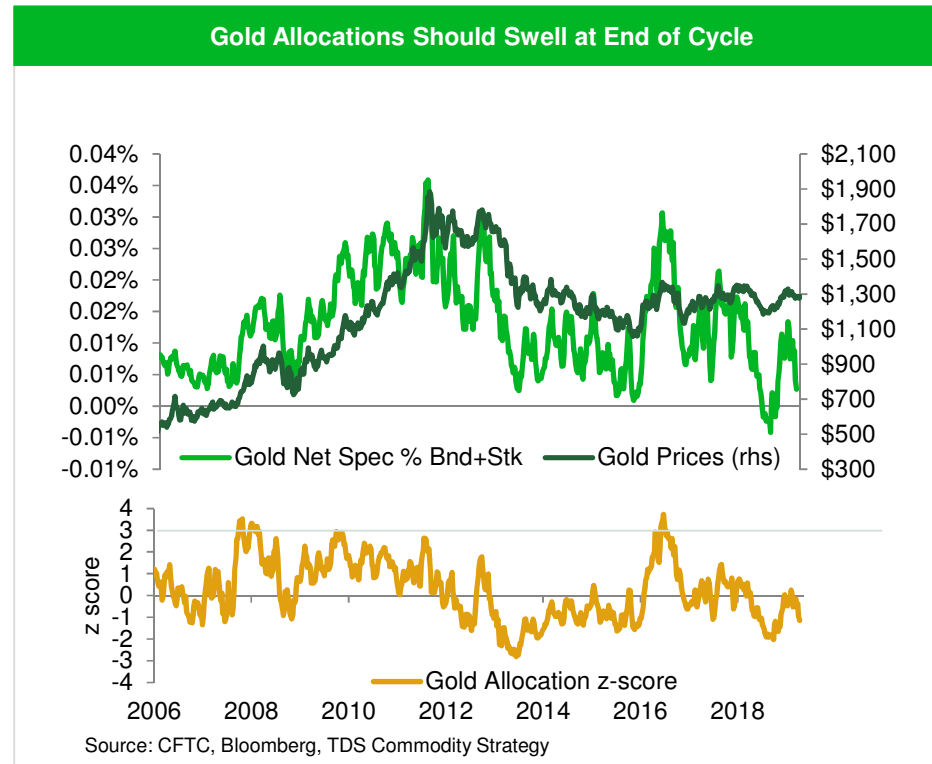
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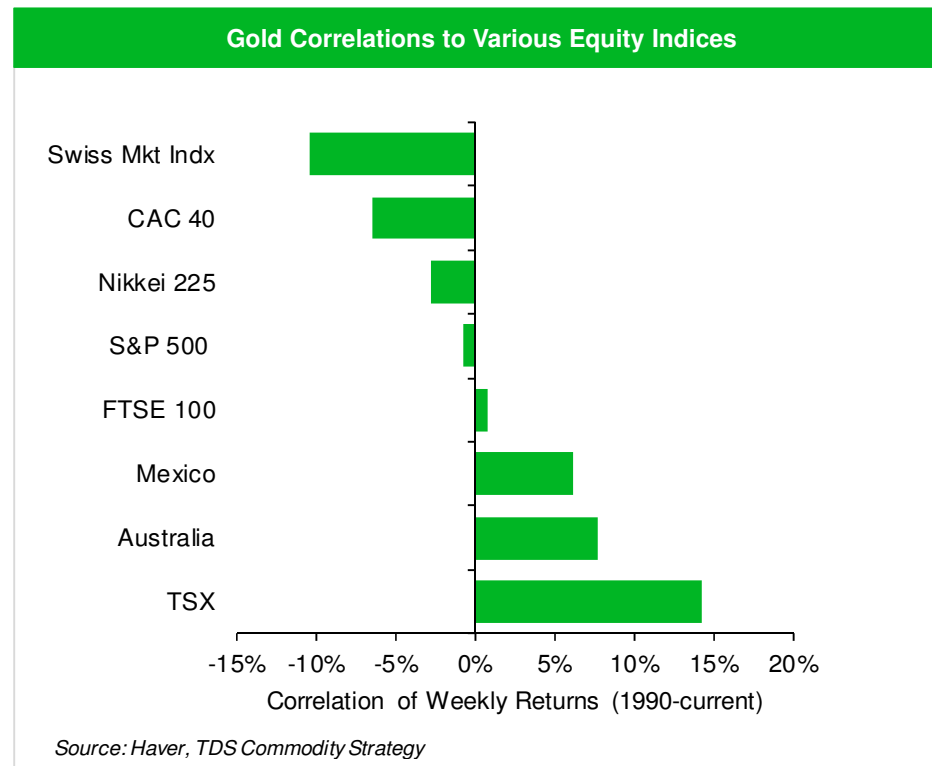
Gold Allocations Tend to Spike as Real Rates Decline — But Relationship Can be Sticky in Short-Run, and Central Bank Dependent



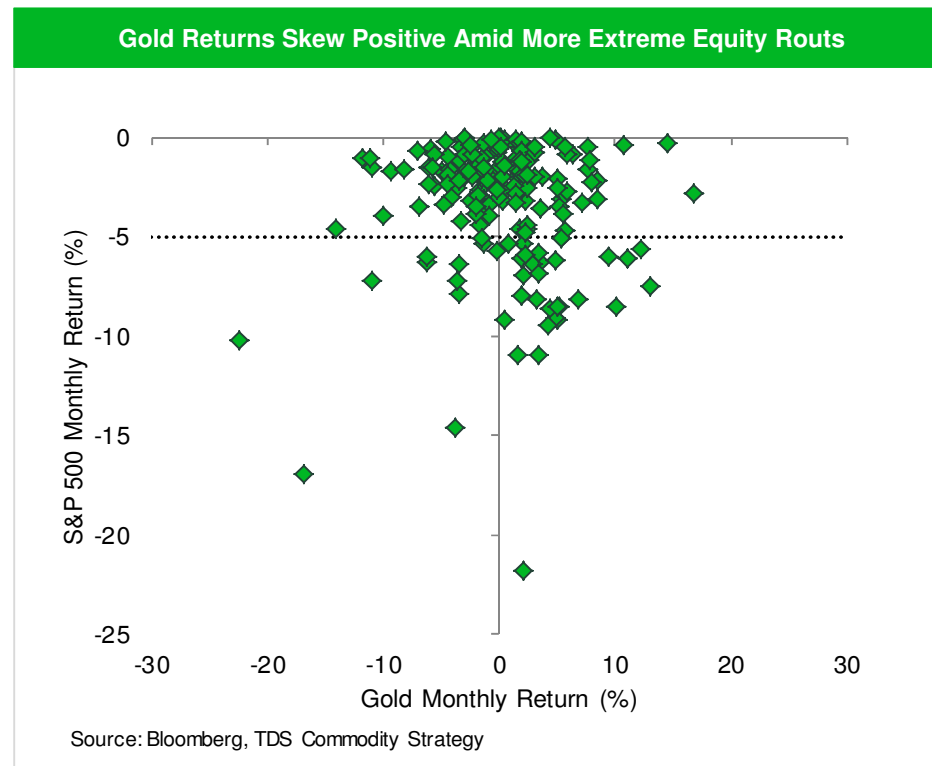
Current Allocations Below Average for Late Cycle Economy — Plenty of Room to Grow



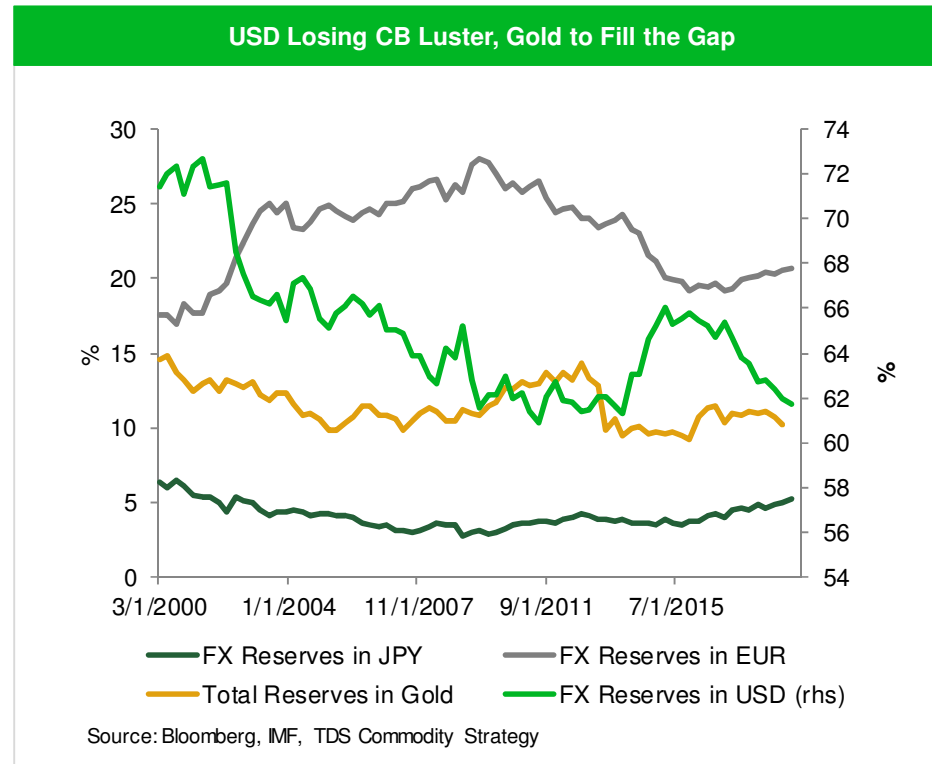
As Equity Volatility Picks Up — Gold Becomes a More Attractive Diversifier



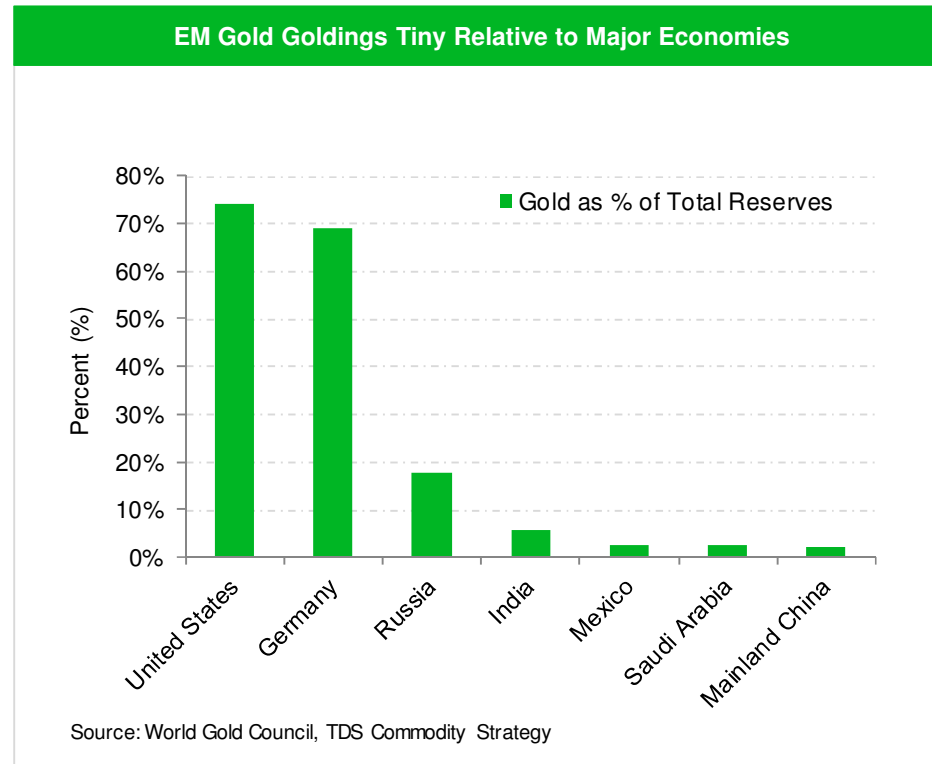
Gold Tends to Perform Well Amid Equity Weakness



Room to Increase Gold as % of Reserves as Central Banks Move Away From Dollar



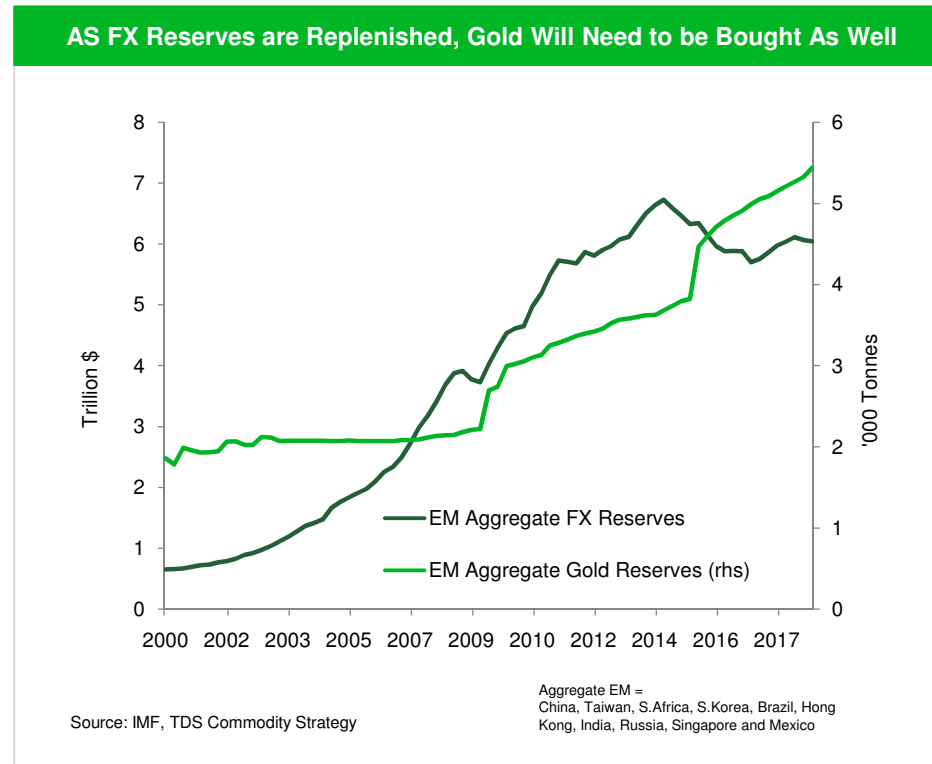
Emerging Markets Have Room to Grow Gold Reserves



Steadying Yuan to See Gold Purchases Recover

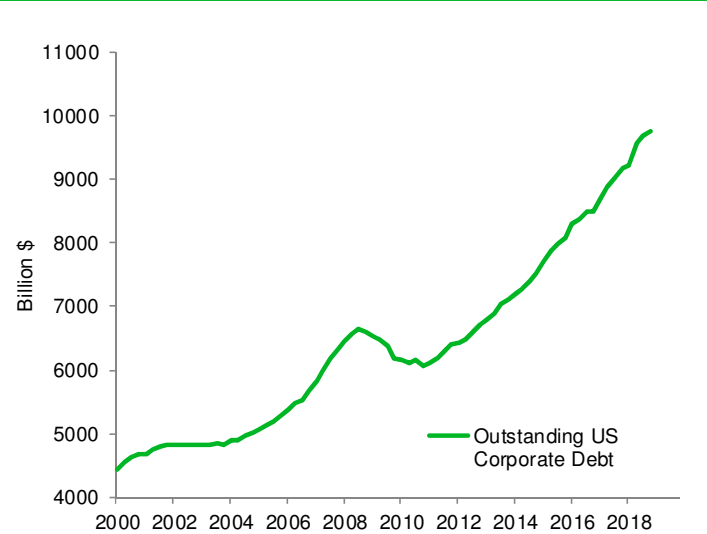


As EM Reserves Recover More Gold Will Be Needed



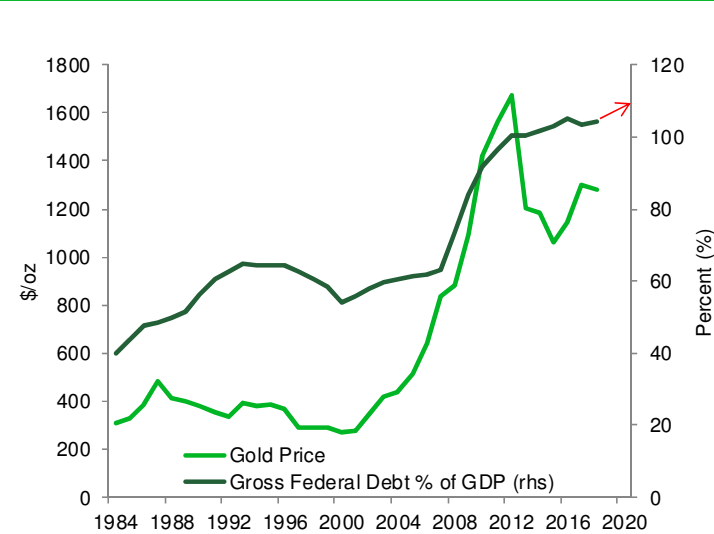
The US Has a Debt Problem

As Corporate 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

TD Securities Commodity Price Forecast

Commodity Forecasts													
Commodity (Avg of forward month contracts)	Spot Price	2019				2020				Annual			
		Q1A	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	2018A	2019F	2020F	
Precious Metals													
Gold	\$/oz	1,282	1,304	1,290	1,300	1,325	1,350	1,375	1,400	1,425	1,269	1,305	1,388
Silver	\$/oz	14.38	15.57	14.65	15.25	16.00	16.75	17.25	18.00	18.25	15.72	15.37	17.56
Platinum	\$/oz	796	822	850	875	925	975	1,025	1,100	1,100	880	868	1,050
Palladium	\$/oz	1,344	1,433	1,395	1,400	1,450	1,450	1,425	1,425	1,400	1,029	1,420	1,425
Base Metals													
Copper	\$/lb	2.64	2.82	2.83	2.79	2.83	2.97	2.97	3.11	3.11	2.96	2.82	3.04
	\$/tonne	5,822	6,221	6,250	6,150	6,250	6,550	6,550	6,850	6,850	6,532	6,218	6,700
Zinc	\$/lb	1.23	1.23	1.26	1.19	1.24	1.32	1.34	1.37	1.42	1.33	1.23	1.36
	\$/tonne	2,705	2,707	2,775	2,625	2,725	2,900	2,950	3,022	3,122	2,923	2,708	2,998
Lead	\$/lb	0.82	0.92	0.87	0.86	0.90	0.93	0.96	1.02	1.07	1.02	0.89	1.00
	\$/tonne	1,798	2,034	1,920	1,900	1,975	2,050	2,125	2,250	2,350	2,241	1,957	2,194
Nickel	\$/lb	5.43	5.62	5.67	5.47	5.65	5.90	6.12	6.35	6.35	5.96	5.60	6.18
	\$/tonne	11,975	12,393	12,500	12,050	12,450	13,000	13,500	14,000	14,000	13,130	12,348	13,625
Aluminium	\$/lb	0.80	0.84	0.83	0.84	0.86	0.90	0.93	0.98	0.98	0.96	0.84	0.94
	\$/tonne	1,762	1,862	1,830	1,850	1,900	1,975	2,050	2,150	2,150	2,110	1,861	2,081
Iron Ore	\$/tonne	100	79	90	85	78	75	70	65	60	66	83	68
Energy													
WTI Crude Oil	\$/bbl	59	55	60.0	58	58	60	60	60	60	65	58	60
Brent Crude Oil	\$/bbl	69	64	69.0	69	69	71	71	71	71	72	68	71
Heating Oil (ULSD)	\$/gal	1.95	1.94	2.02	2.00	2.10	2.05	2.10	2.10	2.10	2.10	2.01	2.09
Gasoline	\$/gal	1.92	1.59	1.95	1.75	1.75	1.80	1.80	1.80	1.80	1.92	1.76	1.80
NYMEX Natural Gas	\$/MMBtu	2.55	2.87	2.65	2.80	2.95	3.00	2.98	3.00	3.00	3.07	2.82	3.00
AECO Natural Gas	\$/MMBtu	0.75	1.27	1.20	1.40	1.65	1.75	1.63	1.70	1.75	1.20	1.38	1.71
	CAD/GJ	0.96	1.59	1.46	1.78	2.11	2.26	2.10	2.19	2.26	1.47	1.74	2.20
Uranium	\$/lb	24	28	25	28	28	28	28	28	28	25	27	28
New castle Thermal	\$/tonne	83	97	88	98	100	100	100	102	102	107	96	101

Notes: F = Forecast, E = Estimate, A = Actual; 1. London PM Fix; 2. LME; 3. Molybdenum equivalent to moly oxide, FOB USA; 4. CFR China, 62% Fe, dry; 5. Japan CIF steamcoal marker-Newcastle
Source: Bloomberg, TD Securities

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