



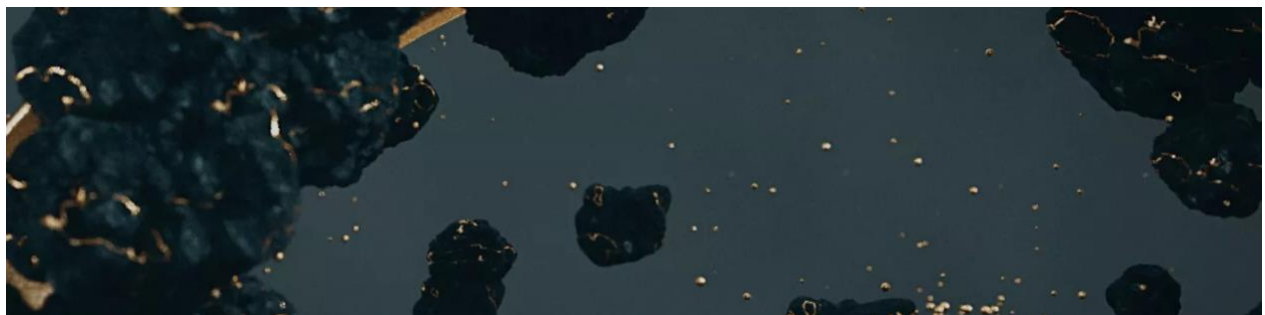
GOLD TRADING

We're the global experts on gold.

Leveraging our broad knowledge and experience, we work to improve understanding of the gold market and underscore gold's value to individuals, investors, and the world at large.

Gold plays an important role in the financial system, healthcare, technology, and culture. We are keenly focused on increasing awareness of how gold is adapting to help navigate emerging challenges and changing societal needs.

We develop standards, expand access to gold, and tackle barriers to adoption to stimulate demand and support a vibrant and sustainable future for the gold market. From our offices in UAE, India, USA & Singapore, we deliver positive impact worldwide.



Collaboration is the cornerstone of our approach. We're an association whose members are the world's most forward-thinking gold mining companies.

Combining the insights of our members and other industry partners, we seek to unlock gold's evolving role as a catalyst for advancements that meet societal needs.

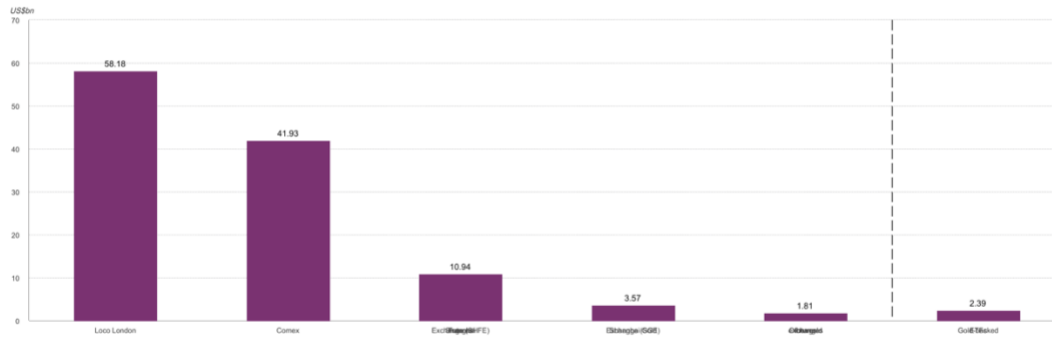


Gold Trading in the Wholesale Market

The structure of the gold market is facing an unprecedented wave of change resulting from evolving gold demand patterns, regulatory change, new types of participants and innovation. How individual gold market centres respond to these opportunities and potential threats will shape the gold trading landscape over the next decade and beyond.

The landscape for wholesale gold trading is quite complex and constantly evolving. The three most important gold trading centres are the London OTC market, the US futures market and the Shanghai Gold Exchange (SGE). These markets comprise more than 90% of global trading volumes and are complemented by smaller secondary market centres around the world (both OTC and exchange-traded).

Daily notional gold volumes in US-dollar billions



Sources: Bloomberg, COMEX, Dubai Gold & Commodities Exchange, ICE Benchmark Administration, London Metal Exchange, Multi Commodity Exchange of India, Nasdaq, Shanghai Gold Exchange, Shanghai Futures Exchange, Tokyo Commodities Exchange, World Gold Council; Disclaimer <https://www.gold.org/terms-and-conditions#proprietary-rights>

*Based on 2016 average daily volumes.

†Loco London OTC daily volumes are estimates based on clearing statistics published by the LBMA: <http://www.lbma.org.uk/clearing-statistics>. These figures are net transactions. To estimate gross volumes we use two multipliers: 5 for a low estimated volume (based on market insight) and 10 for a high estimated volume (based on a turnover survey published by the LBMA in 2011.)

‡Includes physical and futures contracts.

*Includes: Dubai Gold & Commodities Exchange, ICE Futures, US Metals, Borsa Istanbul, Bursa Malaysia, Moscow Exchange - RTSX, Tokyo Commodity Exchange.

**Based on combined worldwide daily volumes. A list of all physical gold-backed ETFs (and similar products) included in this calculation is available on: <https://www.gold.org/data/gold-etf-holdings>

West to East Shift

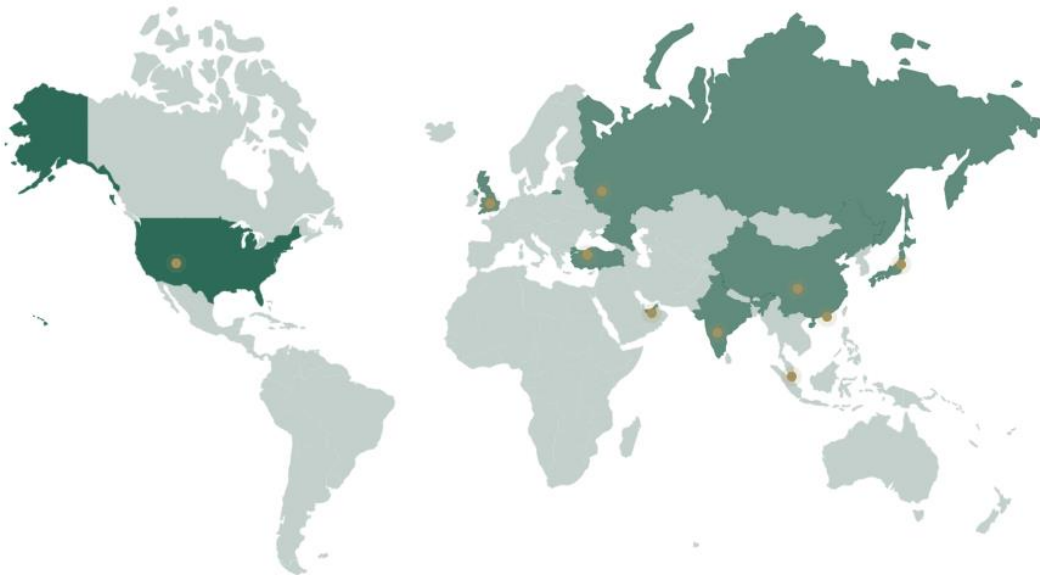
The market's demand profile continues to shift towards the East with China and India alone comprising more than half of global gold demand in recent years. Moreover, Asian countries have been investing in all stages of the value chain from production through to refining and fabrication. China today is both the largest producer and consumer nation, which is reflected in the country's appetite to play a more influential role in gold trading and pricing.

EXCHANGE TRADING



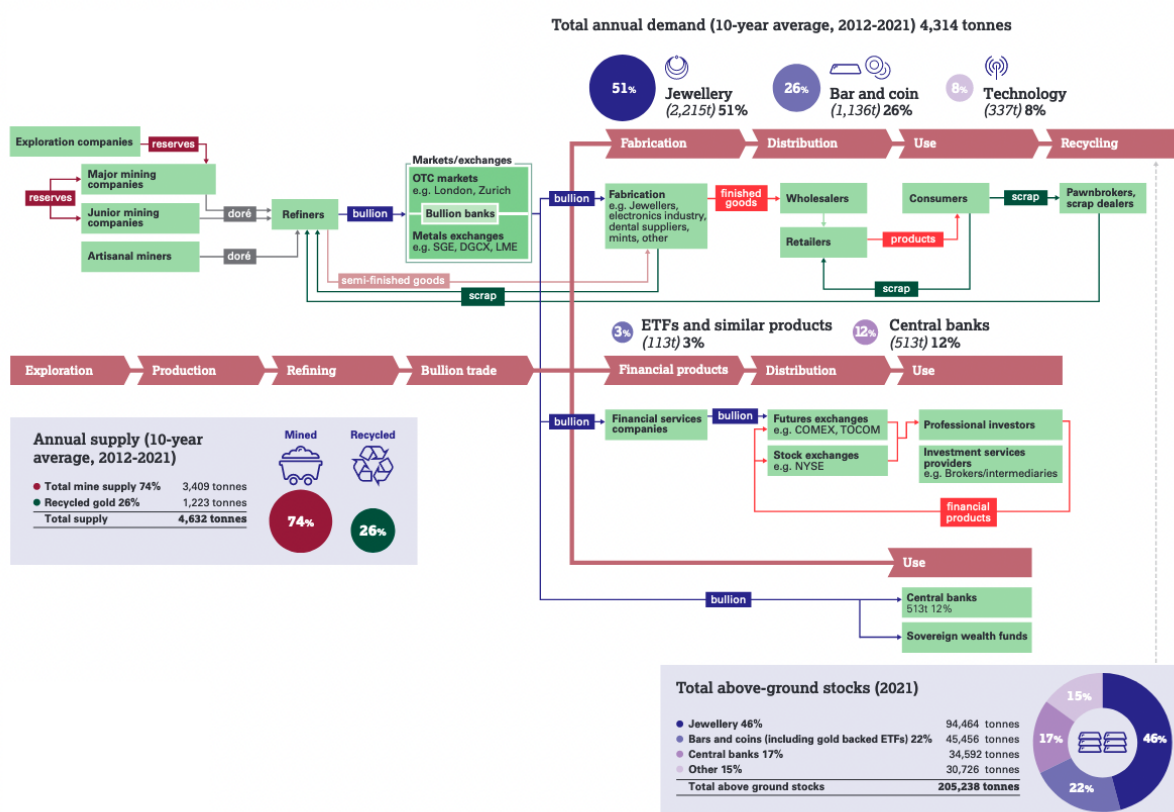
Partially as a function of regulatory change, there is a broad shift across asset classes from OTC markets towards transparent trading on exchanges. This trend can also be observed in gold as regulators seek to raise the relative cost of bilateral OTC trading and incentivize a move towards central clearing of contracts. Banks, the primary intermediaries in the wholesale market, typically face higher capital and collateral costs by trading OTC. Additionally, central clearing (which underpins exchange-traded contracts) offers netting benefits, operational efficiencies and a degree of transparency largely absent from OTC markets. These gold market trends underpin the World Gold Council's desire to partner with players like the London Metal Exchange to catalyse the evolution of the gold market's structure.

Market centres map



Gold Market Structure and Flows

Understand global gold market structure and flows in this set of infographics, detailing the sources of gold supply and of demand, with an indication of trading volumes, and the scale and composition of above-ground stocks.



GOLD INVESTMENT

Catering to both providers and investors, our work to establish concise and valuable industry standards helps to drive demand across retail gold investment and foster greater confidence in the market.

For detail Investment report please connect with our office at gold@mamsglobal.com