



MKS Precious Metals Forecast 2021

Outlook

Precious Metals Key Drivers

Economics:

The global economy plunged into its worst recession since World War II as a result of the pandemic, and is expected to slowly recover, especially in the second half of 2021. Real interest rates are likely to remain close to historical lows for the foreseeable future. As the percentage of vaccinations across the globe increases, economic activity should return towards a more normal situation.

The rate and speed of vaccinations will not be evenly distributed around the world, creating regional discrepancies in the level and speed of economic recovery.

One of the key factors driving commodities in 2021 is our expectation for the USD to remain on the weaker side against most of the major currencies.

Geopolitics:

After years of global geopolitical instability, 2021 displays comforting signs of stability. Long term conflict resolutions in the Middle East, an expected come back for the United States of America to international negotiations and pacts, are some of the promising steps we expect to see in 2021.

Precious Metals Highlights:

2021 shall be another year of growth for precious metals. The global economic instability, low yields, the risk for higher inflation and more downside pressure on the USD remain some of the major factors supporting the well-established bull trend. We also expect a recovery in the international commodity trade and increased physical demand especially in the second half of the year.



MKS - Gold Forecast 2021

Low 2021	High 2021	Average 2021
1820.00 USD/ Ounce	2300.00 USD/ Ounce	2072.00 USD/ Ounce

Gold closed the year over 24% higher. We expect 2021 to be another bullish year. While the global economic recovery shows some positive signs, we will continue to face uncertainties especially in the first half of the year. In the context of low global real interest rates, a slow recovery in growth, higher market volatility and a weakening USD, gold shall remain an asset of choice in investors' portfolios as a safe heaven and insurance against disruptions. More inflows into ETFs and increased

physical demand, especially towards the second half of the year, shall comfort the upside trend.

We expect gold to hit a new all-time high at 2300.00 USD/Ounce.

MKS - Silver Forecast 2021

Low Fixing	High Fixing	Average Fixing
22.00 USD/ Ounce	40.00 USD/ Ounce	32.50 USD/ Ounce

Silver was the top performing precious metal closing the year at over 47% higher. We expect the silver price to climb further in 2021 as gold is set to move higher. Some Gold/Silver ratio play may result in speculative silver buying accelerating the upside trend momentum. The expected mild global economic recovery in the second half of the year, could further benefit silver industrial demand, particularly in China.

As we expect gold to move towards new all-time highs, investors might be tempted to diversify into silver. 2021 could be another volatile trading year for silver.

We see silver averaging 32.50 USD/Ounce and to peak at 40.00 USD/Ounce in 2021.



MKS - Platinum Forecast 2021

Low Fixing	High Fixing	Average Fixing
950.00 USD/ Ounce	1450.00 USD/ Ounce	1205.00 USD/ Ounce

Platinum underperformed compared to other precious metals in 2020, closing the year just 10% higher. The large supply deficit in 2020 is expected to narrow in 2021 but demand is still expected to exceed supply. Further recovery in the automotive sector and increased interest in green hydrogen technologies and fuel cells in electric vehicles shall provide some decent support. Demand from the jewelry sector, especially in China, is set to grow after several years of modest demand.

We expect investment demand to increase throughout the year as platinum is almost half the price of gold and far behind palladium and will remain an attractive and relatively “inexpensive” alternative. All parameters are pointing towards a perfect storm for platinum.

We see Platinum averaging 1205.00 USD/Ounce and to peak at 1450.00 USD/Ounce in 2021.

MKS – Palladium Forecast 2021

Low Fixing	High Fixing	Average Fixing
2200.00 USD/ Ounce	2850.00 USD/ Ounce	2480.00 USD/ Ounce

Palladium closed the year 21.5% higher. 2021 shall be another year of supply deficit. The automotive sector shall further recover and the catalytic demand for palladium is set to further increase especially with the ongoing tightening of emissions standards.

On the investment side we don't expect to see much inflow into the metal as the already high prices make it less attractive than silver or platinum.

Still, some speculative sporadic short-lived interest could result in sharp rallies followed by corrections. We expect 2021 to be another very volatile year for palladium.

We see palladium averaging 2480.00 USD/Ounce and to peak at 2850.00 USD/Ounce in 2021.



MKS - 2021 Precious Metals Forecast Summary

MKS PRECIOUS METALS FCST SUMMARY 2021

2021	FIXING 04 JAN 2021 USD/OZ	LOW FIXING MKS USD/OZ	HIGH FIXING MKS USD/OZ	AVERAGE FIXING USD/OZ
XAU	1930.80	1820.00	2300.00	2072.00
XAG	27.2700	22.0000	40.0000	32.5000
XPT	1101.00	950.00	1450.00	1205.00
XPD	2419.00	2200.00	2850.00	2480.00

MKS - 2021 Precious Metals Forecast Review

MKS 2020 FORECAST vs. LONDON FIXING

2020	FCST LOW MKS USD/OZ	FCST HIGH MKS USD/OZ	FCST AVERAGE MKS USD/OZ	LOW PM FIX USD/OZ	HIGH PM FIX USD/OZ	AVERAGE PM FIX USD/OZ
XAU	1520.00	1780.00	1636.00	1474.25	2067.15	1769.59
XAG	17.5000	21.0000	18.6200	12.0050	28.8850	20.5500
XPT	920.00	1080.00	981.00	593.00	1068.00	882.63
XPD	1940.00	2450.00	2288.00	1557.00	2781.00	2192.54

2020 PRECIOUS METALS PERFORMANCE – LBMA FIXING

2020	FIXING 02 JAN 2020 USD/OZ	FIXING 31 DEC 2020 USD/OZ	2020 PERFORMANCE %	2020 Range High-Low Fix USD/OZ
XAU	1520.55	1891.10	24.37	592.90
XAG	17.9250	26.4850	47.75	16.8800
XPT	981.00	1075.00	9.58	475.00
XPD	1950.00	2370.00	21.54	1224.00

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