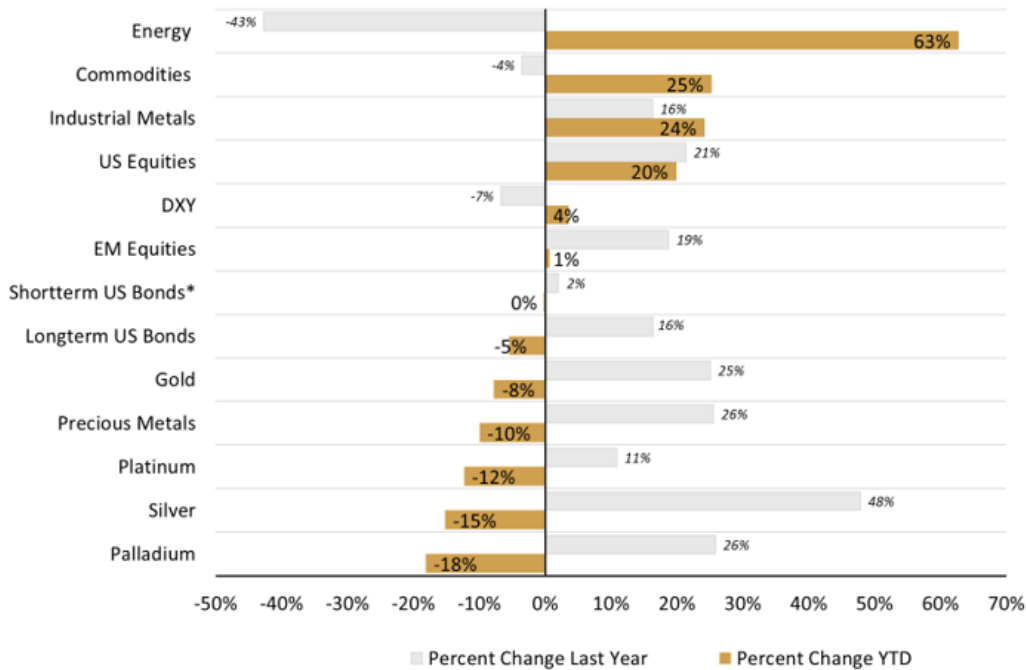


Precious Outlook & Forecasts for 2021/22

Macro Asset Performances 2020 vs 2021



*Prices as of September 15 2021

MKS PAMP Group, Bloomberg

Respect Golds technical breaks; theyre aligned with major Fed pivots



Please find our full Precious Outlook presentation [here](#)
 Gold & Silver-only presentation [here](#)
 PGM only-presentation [here](#)

The Gold & Silver forecasts are summarized below.

A summary of macroeconomic expectations/assumptions for 2021/22

....Cycling through reflation (liquidity-on + growth) and stagflation (liquidity-off + peak growth)...

1. COVID & Policies – a stagflationary force
2. Growth & recession risk: Slowing of global GDP from 2021 peaks, led by the US, to more sustainable levels.
3. The Fed & global CBs – diverging strategies between DM & EM CBs given different vaccination rates
4. Inflation: elevated with risks higher
5. Risk Sentiment: enormous amounts of sidelined liquidity, risk for a melt-up in equities
6. Geopolitics: messy - the frequency of “off-calendar” geopolitical events/risks is rising
7. US politics: more polarized but a bigger Gov
8. FX trends: mixed US\$ outlook
9. Supply-chain risks: higher until theres global herd immunity
10. Climate change: large “transition risks”

2021-22 Short-Term Outlook & Upside/Downside risks for Gold & Silver:

Gold: stimulus peak in, inflation peak not in

Base case: \$1800/oz Average Price for 2021: limited investor subscription, limited physical interest, Feds taper largely priced in.

2022: \$1850/oz: The threat of faster inflation and/or rotation from reflation to stagflation (bullish) and Feds hiking cycle (bearish) not fully priced

Gold's 2021/22 high-low range: \$1675/oz (new cyclical floor post COVID QE) - \$1965/oz (soft ceiling into inflation overshoots).

Bullish case & upside risk (~\$2200/oz): dependent on 1) stagflation narrative accelerates > reflation driving commodities rotation into precious, 2) sustained inflation risks & fears, 3) CB / Fed policy mistake (inability to control inflation/growth slowdown), 4) new “off-calendar” risks (e.g.: trade, geopolitics) injecting equity market volatility. *(60% probability)*

Bearish case & downside risk (~\$1400/oz): 1) Fed taper & ability to contain inflation into midcycle, 2) sustained reflation risk – improved global growth data & higher global vaccination rates, leading to a faster Fed hiking cycle (higher interest rates & US\$, inducing large-scale positioning deleveraging in Gold) *(40% probability)*

Silver: unlike Gold, stimulus & inflation peak both not in

Base case: \$26/oz Average Price for 2021, \$28/oz for 2022: limited investor subscription, strong physical interest, taper priced in but threat of inflation and renewed electrification demand not.

Silvers 2021/2 high-low range: \$22.50/oz (new cyclical floor post COVID QE) - \$30/oz (WallStr Bets/retail demand peak).

Bullish case & upside risk (~\$35/oz): dependent on 1) Gold outperformance, 2) inflation and reflation risks, 3) ramped up real demand drivers (PVs, EVs) in medium term, 4) prolonged physical tightness & stockpiling due to persistent supply chain risks *(70% probability)*

Bearish case & downside risk (~\$15/oz): 1) faster Fed hiking cycle (higher interest rates & US\$ inducing large-scale positioning deleveraging in precious), 2) steady emergence of supply (due to higher base prices), 3) opportunistic hedging and growing fundamental surpluses *(30% probability)*

Approved for all external purposes

Gold's stimulus peak in; inflation peak TBD & likely higher Drawdowns are sharp (limited physical demand), but its trending sideways awaiting a catalyst



Silver stimulus & inflation peak not in Rallies capped & its trending sideways like Gold, awaiting a catalyst



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