

APOLLO

Why are gold prices going up?
Geopolitical risk, China demand, and rising US inflation

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Apollo Global Management

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Unless otherwise noted, information as of May 2024

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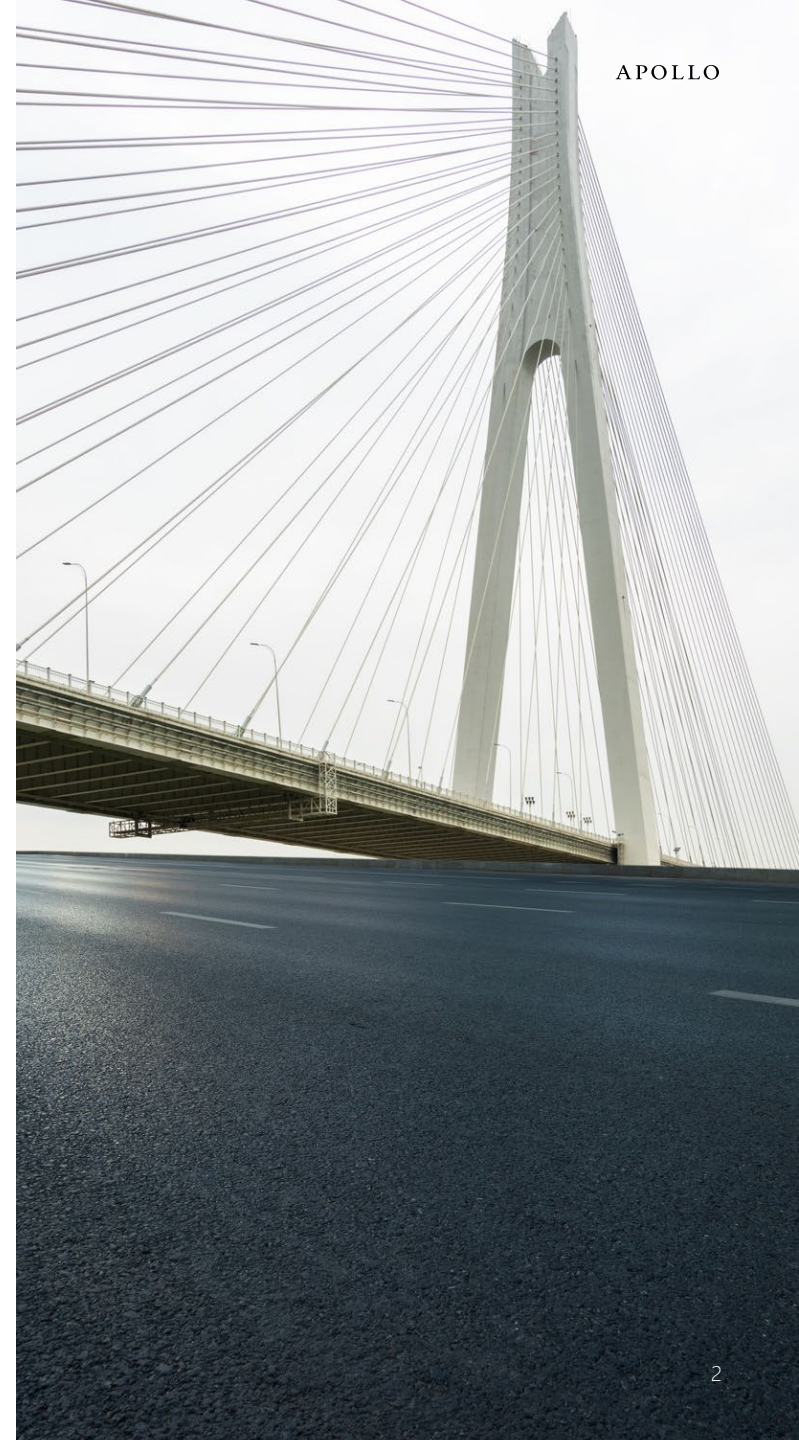
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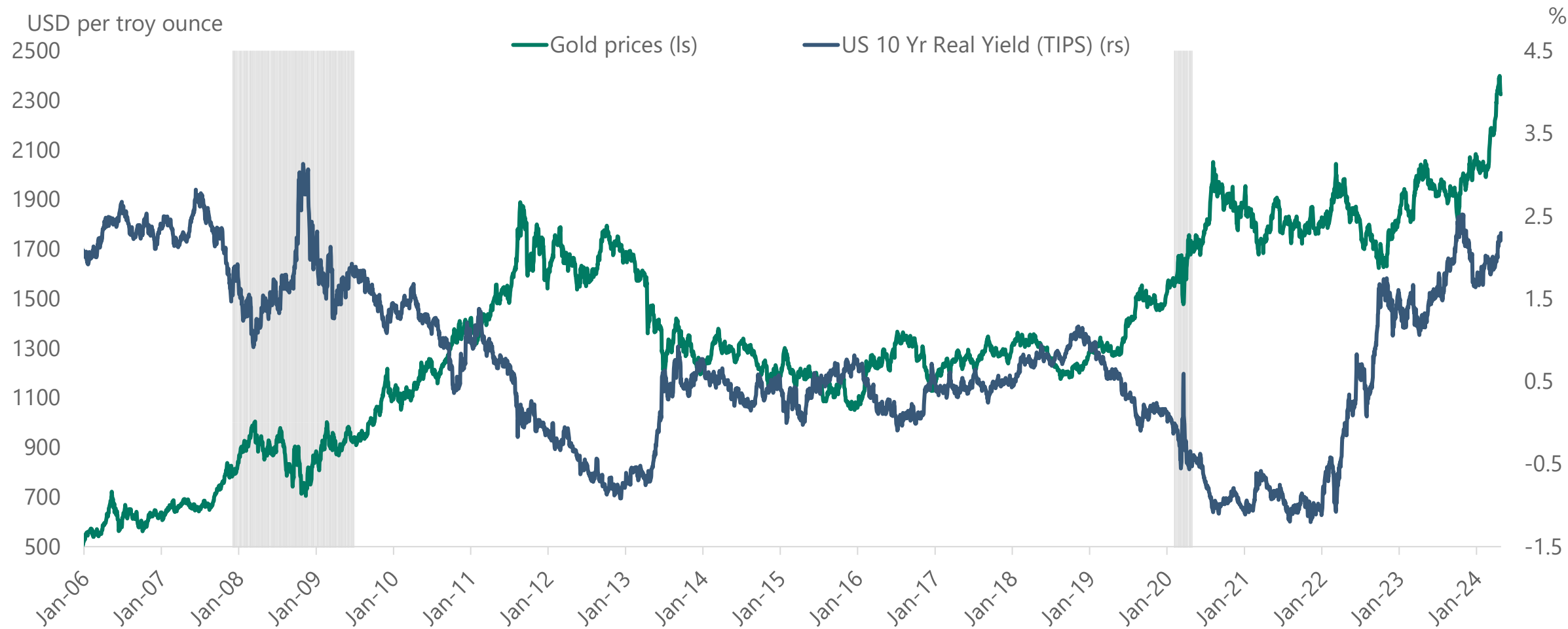
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Gold price at all-time highs



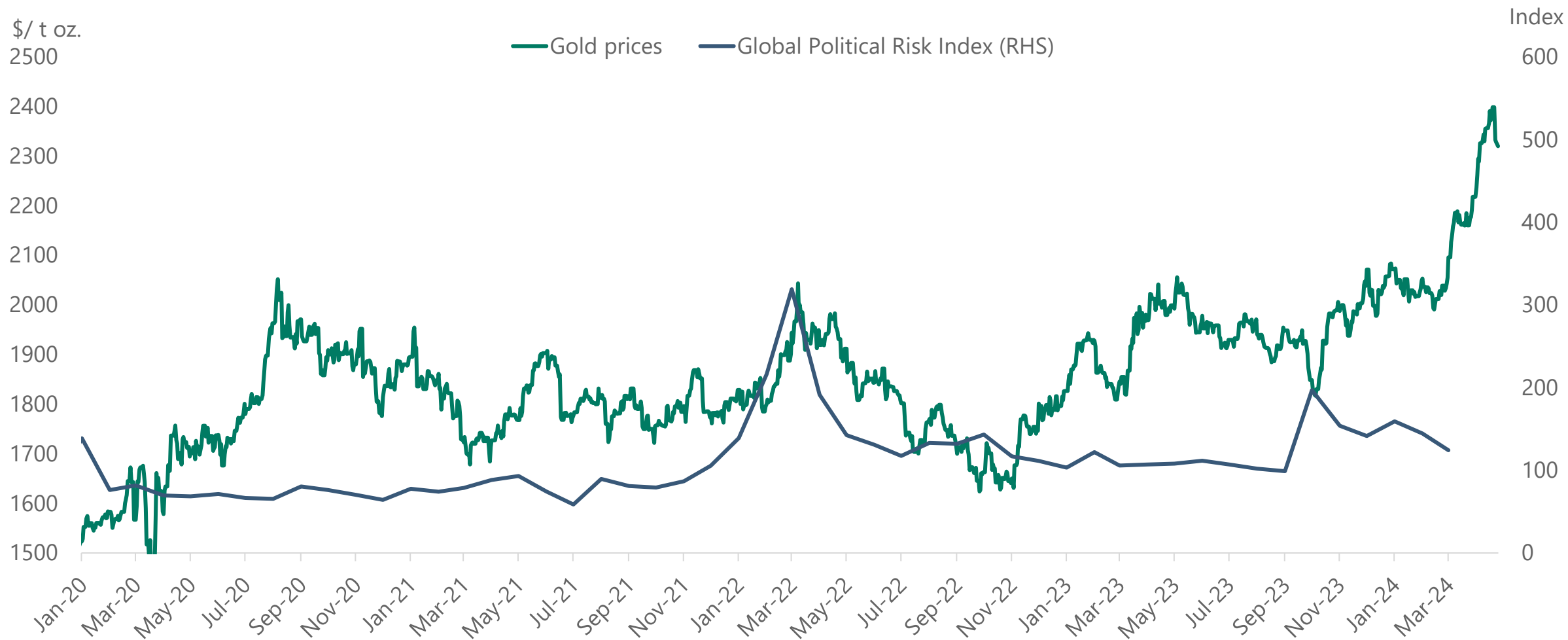
Gold price rising despite rising real yields



Geopolitical uncertainty



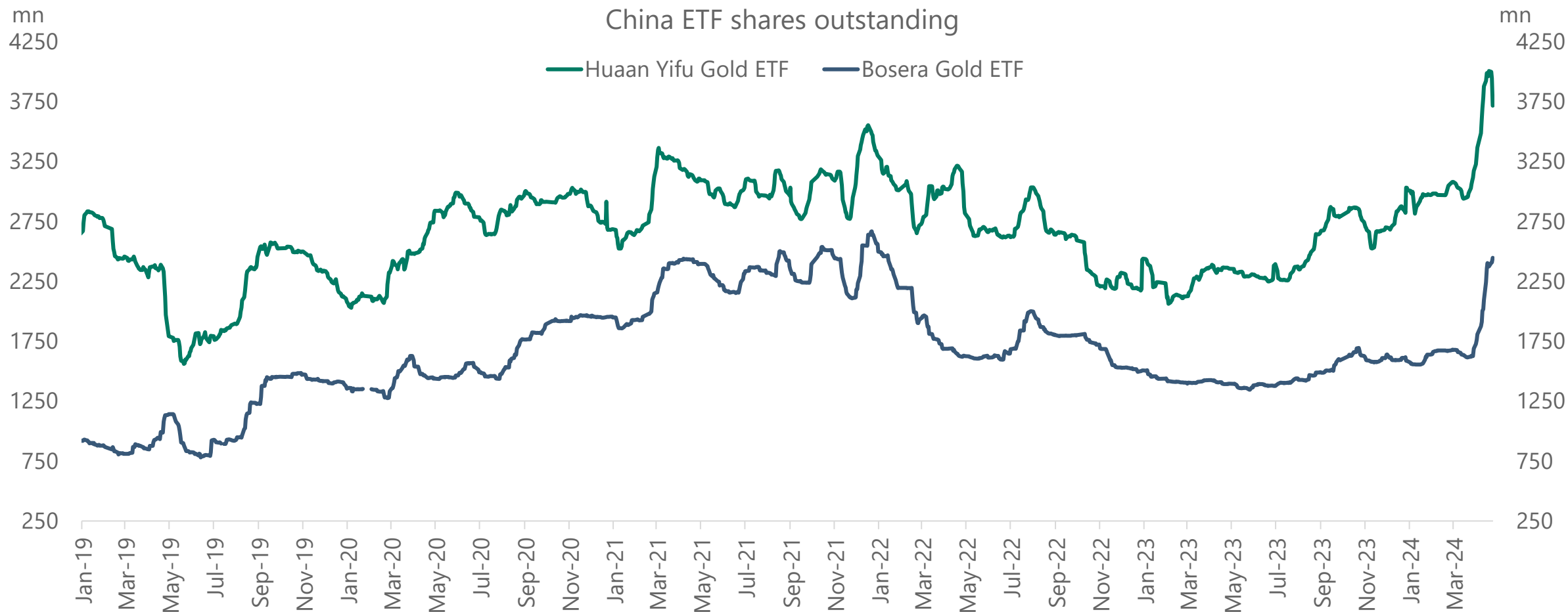
Geopolitical uncertainty risk index and gold prices



China demand



China retail demand for gold ETFs rising



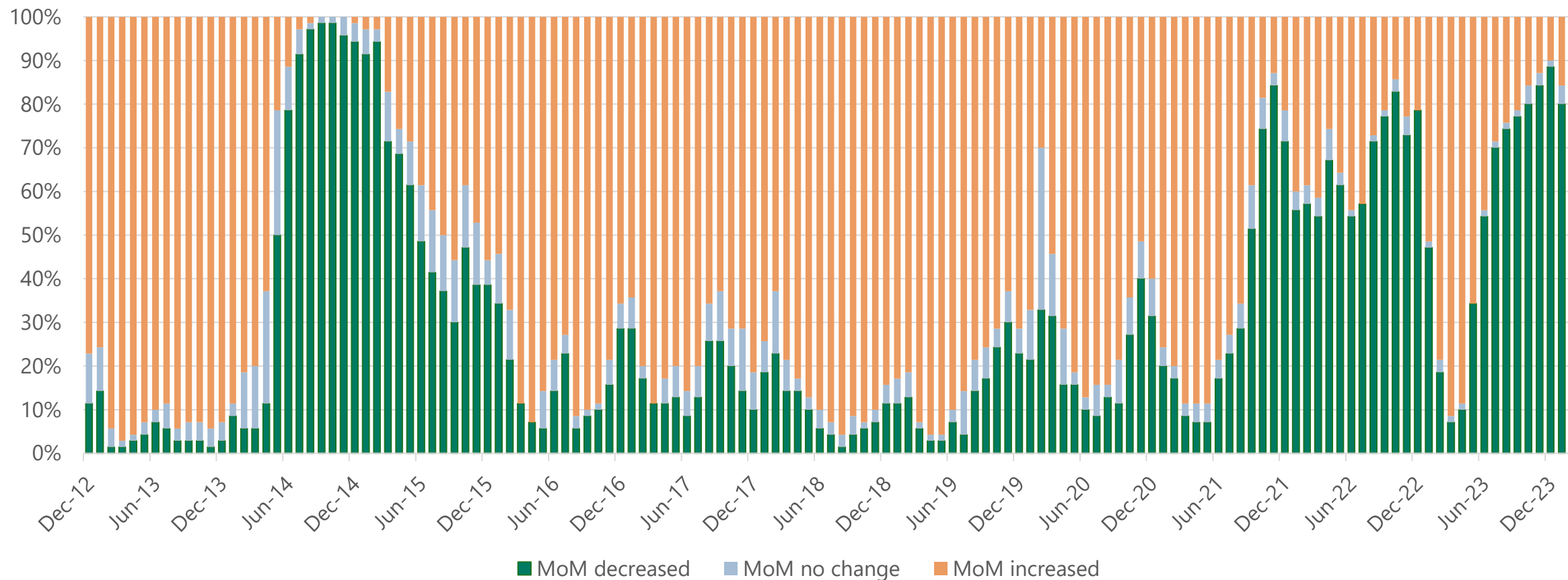
China non-monetary gold imports rising



Source: China customs, Bloomberg, Apollo Chief Economist

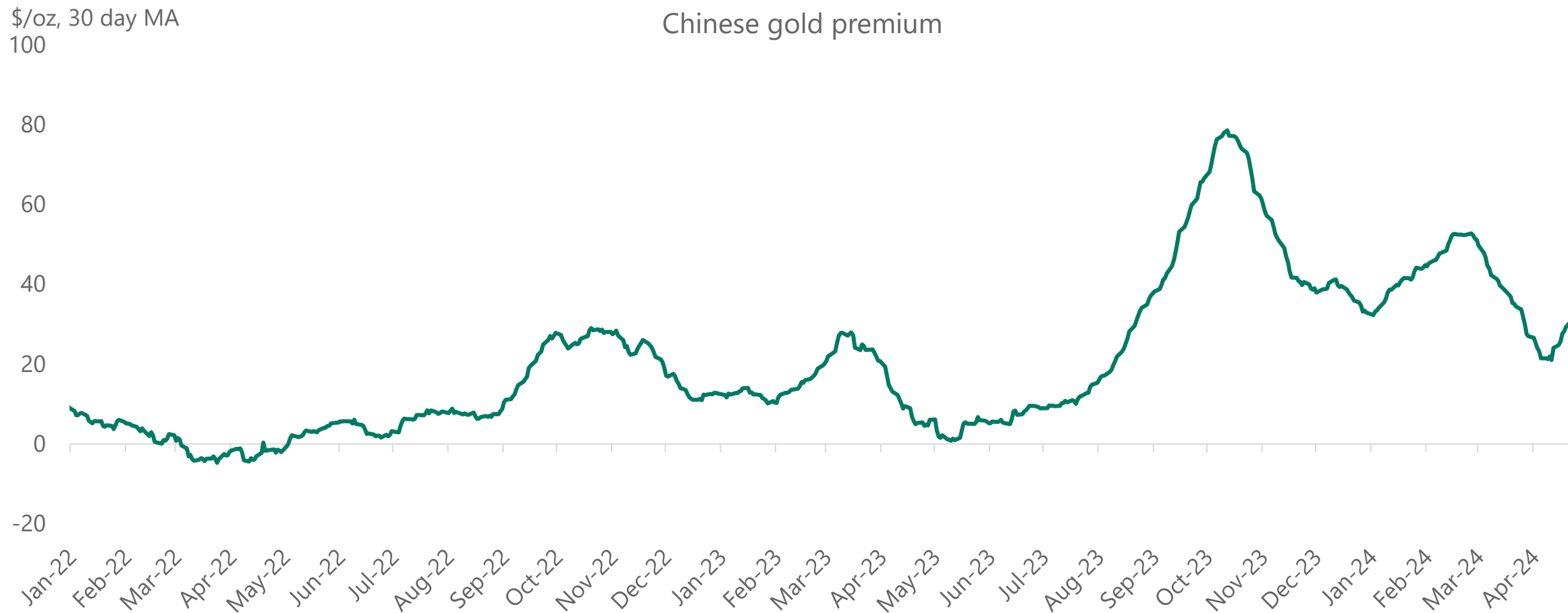
China: Falling home prices likely also increasing demand for gold

Price changes in 70 major cities (new residential properties)



Source: Bloomberg, Apollo Chief Economist

Strong Chinese demand pushing up Chinese gold premium



Source: Bloomberg, Apollo Chief Economist. Note: Gold premium is the difference between local and international gold price.

CNY depreciation leads to increased demand for gold



China gold prices rising



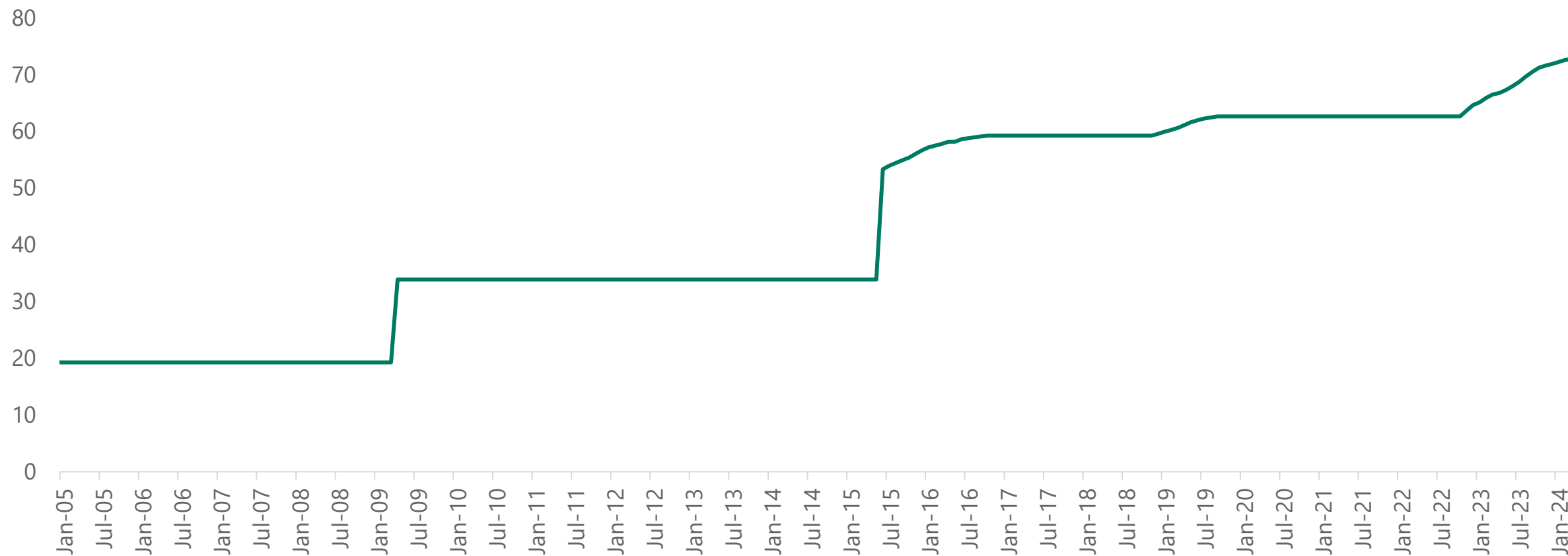
China: Gold trading volumes very high



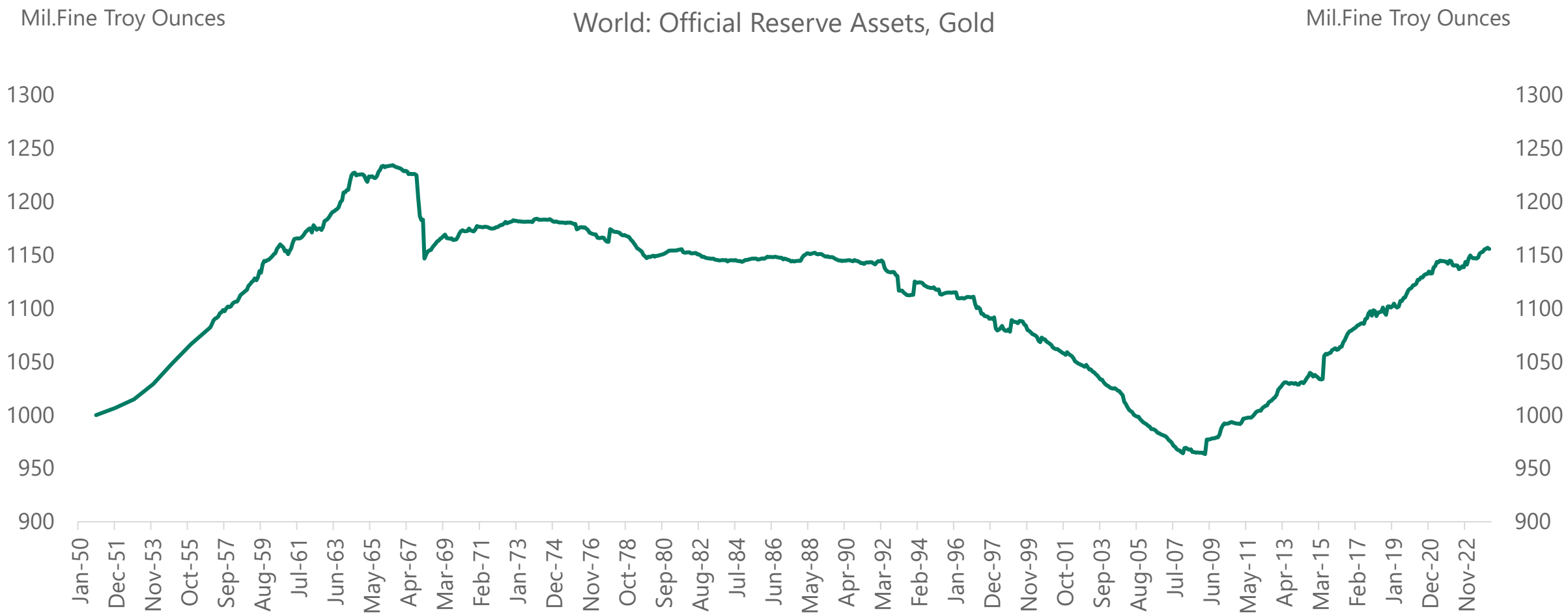
Chinese central bank holdings rising

China monthly gold reserves held by Central bank

Mn troy ounces

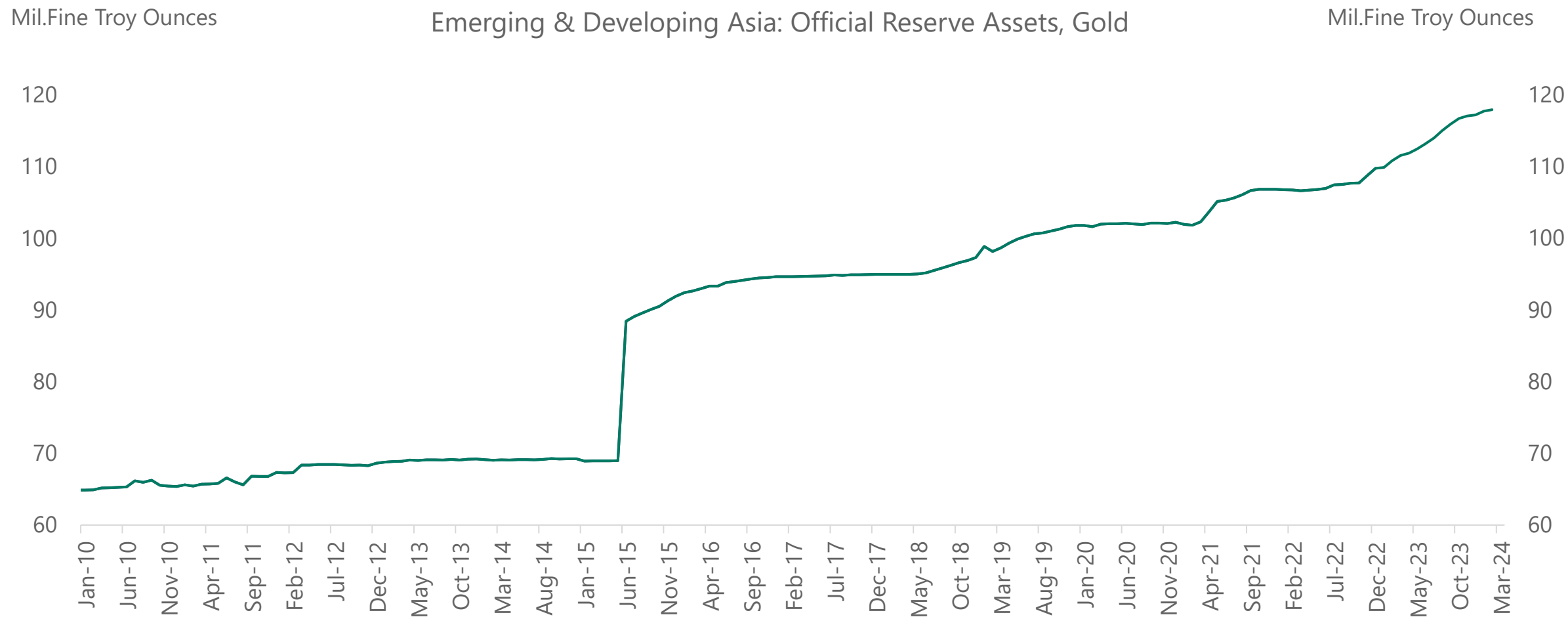


Official world gold reserves rising

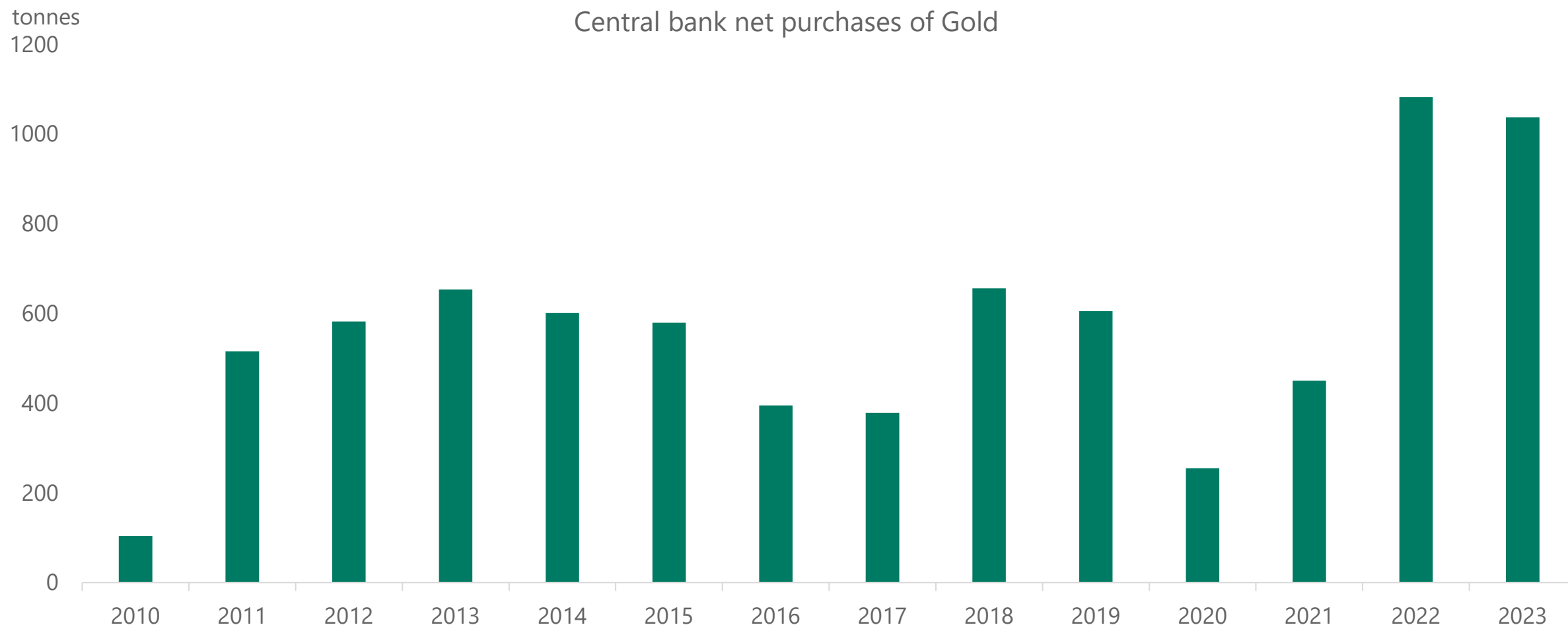


Source: IFS, IMF, Haver Analytics, Apollo Chief Economist

Official world gold reserves rising in Asia



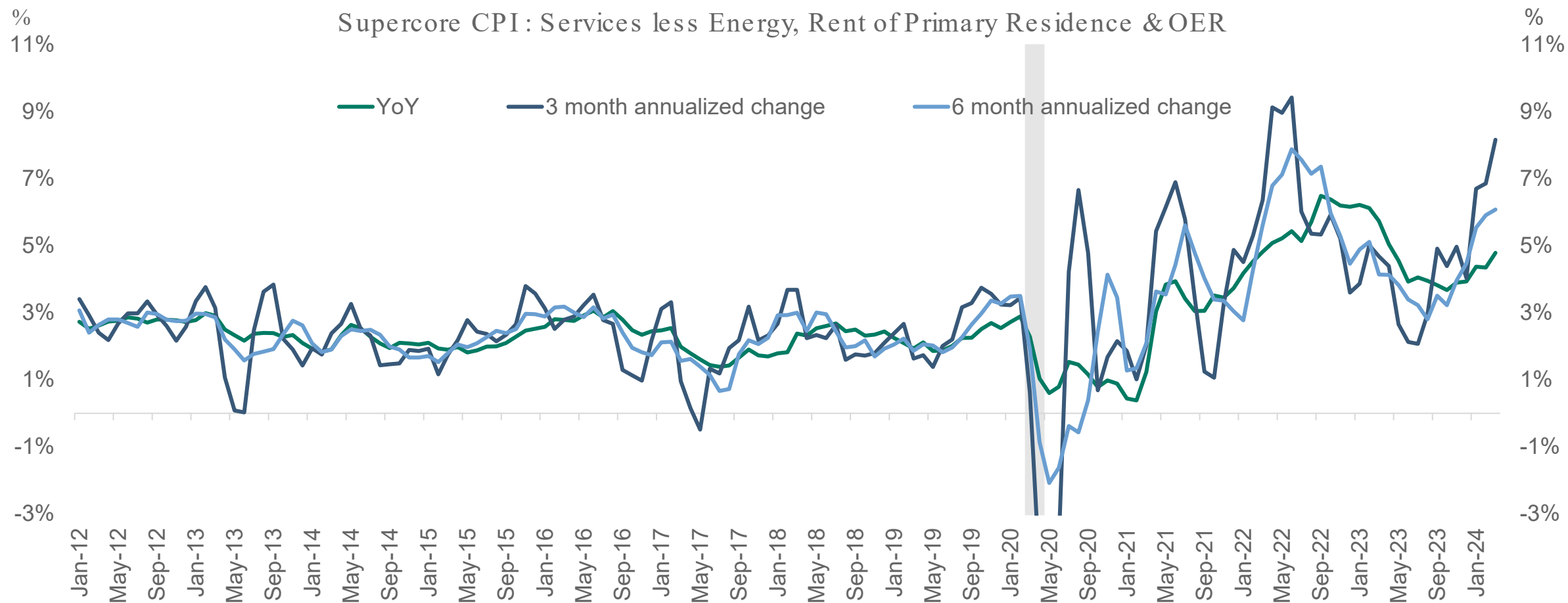
Central bank net purchases of gold high in 2022 and 2023



US inflation

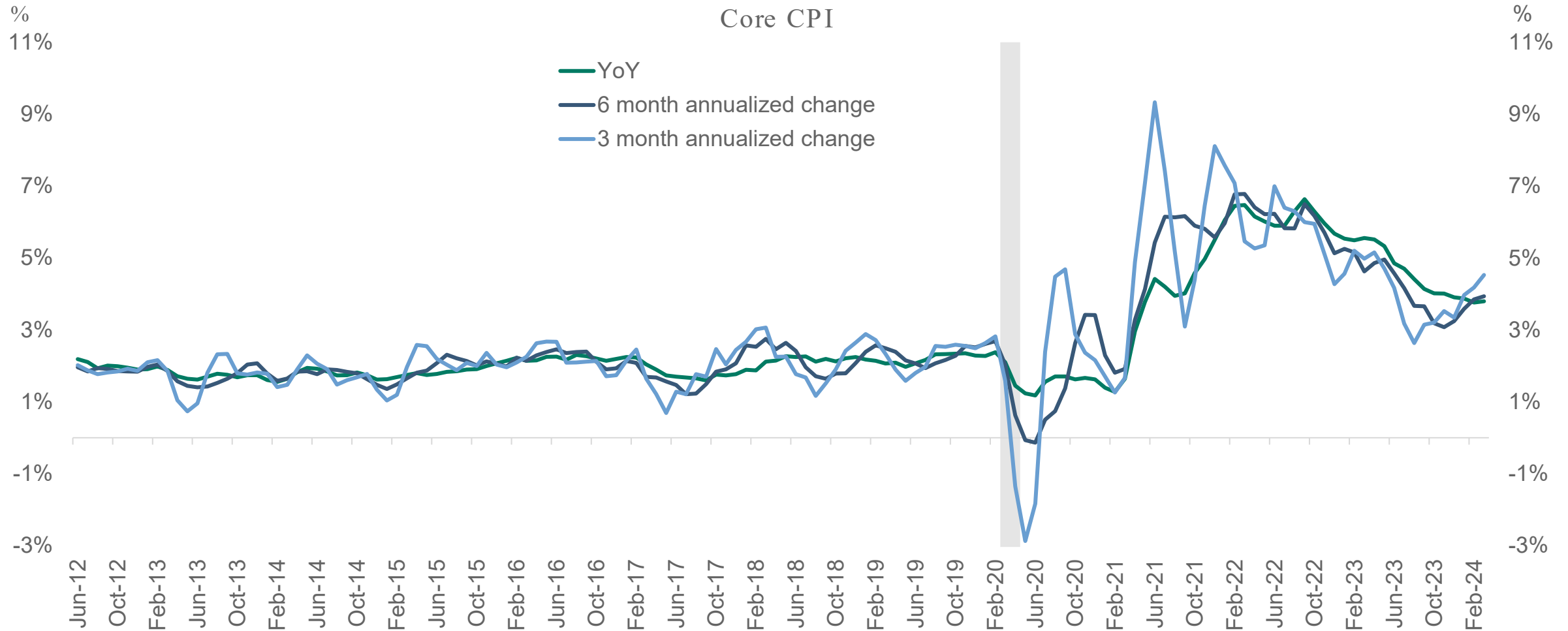


Strong acceleration in supercore inflation

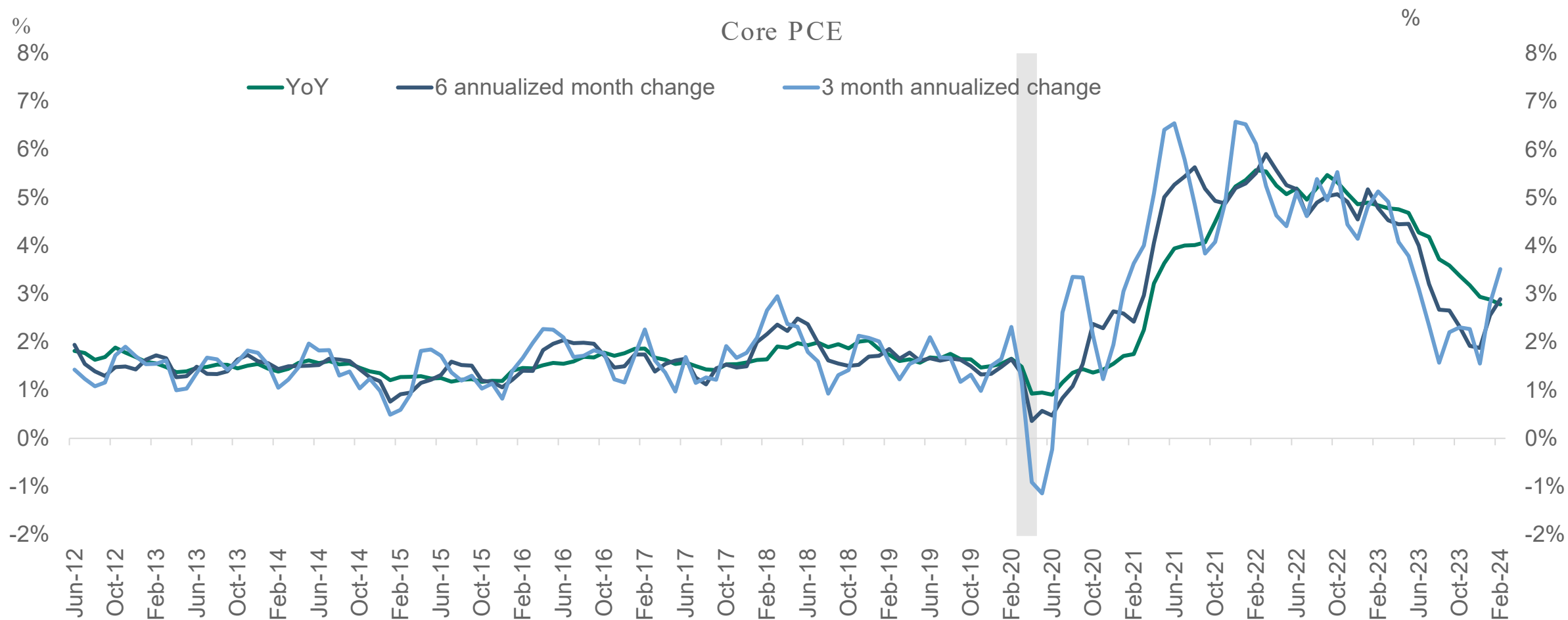


Source: BLS, Haver Analytics, Apollo Chief Economist. OER stands for owners' equivalent rent of residences.

3-month change and 6-month change in core CPI reaccelerating



3-month change and 6-month change in core PCE also reaccelerating





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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.