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Editorial

Kyōto e yōkoso

By Suki Cooper
Chair of LBMA's Public Affairs Committee and Head, Commodities Research, Standard Chartered Bank

Japan's bullion market dates back centuries, encompassing mining, refining, fabrication, investment and jewellery. Japan is also a top-10 national holder of gold, which accounts for 7% of total reserves. It has an established precious metals futures exchange and at its peak, Japan consumed 45% of global platinum demand and 40% of palladium in the mid-1990s.

You can read more from Bob Takai on Japan's enduring association with gold on page 23 of this issue.

I'm delighted that, for this year's Conference, we return to Kyoto. Those who attended in 2008 will recall the Global Financial Crisis unfolding at the time and concerns about the financial sector and wider economy. The crisis revived gold's status as a safe-haven asset and source of liquidity in times of distress. It also propelled gold's sustained move above $1,000/oz, setting successive record highs. Fast forward 17 years and gold has reaffirmed its role as a sought-after safe-haven asset, scaling record highs more than three times above the post-GFC level. Needless to say, there was no shortage of pertinent topics to cover at this year's conference. The Public Affairs Committee and the LBMA Executive are delighted to have partnered with our friends at the LPPM to bring you an insightful and enriching agenda.

Paul Fisher will open the conference for the last time as Chairman. We are grateful for his leadership and stewardship over the past nine years (see Legacy in Motion: A Chairman's Reflection on page 12). We are fortunate to have as our opening keynote speaker the esteemed Hiroshi Nakaso, Chairman of Daiwa Institute of Research and former Deputy Governor of the Bank of Japan.

Tariff headlines – followed by more tariff headlines, pausing, accelerating and reversing expectations – should make for a lively discussion on how investors have traded and intend to trade precious metals. Our expert moderator, John Reade (World Gold Council), will cover macro, micro, geopolitical and political risks with our esteemed global panel. Plus, we will delve into the PGMs with speakers from Tokuriki Honten and HyWealth to explore the latest developments in and prospects for PGM demand and recycling.

Richard Koo (Chief Economist, Nomura Research Institute) kicks off Day 2 with a keynote address on the 'Three Ts' we have become very familiar with this year: Trump, Tariffs and Trade. Nikos Kavalis (Metals Focus) will explore the Outlook for Asia Demand in a panel discussion spanning key regions and end-use sectors. This will bring us to Session 9: Metals in Motion. Adrian Ash (BullionVault) is the perfect moderator for this highly anticipated session, previewed on page 14. There is much to cover during the hour, given the spike in EFPs, the record build in Comex and Nymex warehouses, the search for clarity on custom codes, transport and storage costs, and pricing of tariff risks. I have every confidence we will walk away richer in understanding given the shared expertise of Mark Woolley (Brinks), Tim Murray (JM), Matthew O'Neill (HSBC) and Joe Stefans (MKS PAMP).

We will wrap up the day by exploring the silver market with Rhona O'Connell (StoneX) and the latest central bank views and flows with Peter Zoellner (formerly of BIS). Central bank gold buying may have slowed this year, but it is still elevated compared with the ten-year average.

Should you miss any of the programme, James Steel and I will wrap-up the conference key takeaways and what you need to know. The delegate poll will reveal audience optimism about further price gains following this year's record high for gold, and multi-year highs across the complex.

As well as the rich programme, we know the conference brings unparalleled opportunities to nurture existing relations and grow future partnerships. To that end, we have included ample time for networking including our Champagne Roundtables, offering the opportunity to ask questions and delve deeper.

As global dynamics continue to shift, this conference for the industry, by the industry is the best place to unpack and explore the key elements impacting the precious metals markets, and cement and grow partnerships across the industry.

Welcome to Kyoto; we wish you all another successful Conference.

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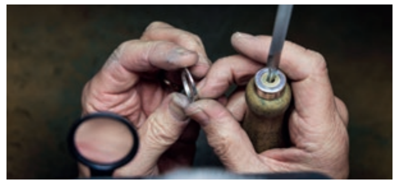

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Front Cover: A bowl showcasing 'kintsugi' craftsmanship. Meaning 'golden joinery' in Japanese, kintsugi is the traditional Japanese art of repairing broken pottery using a special lacquer mixed with powdered precious metals — usually gold, silver, or platinum. Rooted in the Japanese philosophy of wabi-sabi, kintsugi highlights rather than hides cracks, often making the repaired object more beautiful and meaningful than before it was broken.

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The Enduring Role of Trust
in the Precious Metals Industry

By Stuart O'Reilly,
The Royal Mint

As we navigate through 2025, our radio stations, television and social media continue to be flooded with enticing offers: "We buy your gold for cash", "Instant cash for gold", "We pay more for your gold". These advertisements are a response to gold's record prices over the past year. But behind the glossy promises lies a deeper question: who can you trust when it comes to gold?

The Royal Mint's ancient quality assurance process, Trial of the Pyx.

The Historical Foundations of Trust

Trust has always been the cornerstone of the precious metals market. While weight and purity have long determined a gold coin's intrinsic value, the mint that produced it has historically shaped how readily it was accepted in trade. Roman coins bearing imperial insignia, for instance, were widely accepted across borders and through generations.

Trust in precious metals isn't a modern concept, it's been essential since the very first coins were struck. Today, we're facing the same challenge, just on a larger scale with modern technology.

England's own legacy of ensuring trust in precious metals began in the 13th century with a very public ceremony, known as the Trial of the Pyx. Each year, a combination of goldsmiths and other citizens were called upon to inspect samples of the country's coinage and independently verify that it contained the correct weight of bullion. This tradition, enshrined in British law, endures today. Samples of all coins produced by The Royal Mint are sent to Goldsmith's Hall to be inspected, measured, weighed and assayed, before a senior UK judge delivers a verdict that could result in punishment for the Master of the Mint (the Chancellor of the Exchequer). This ancient quality assurance process, complete with its robes and regalia, is unparalleled anywhere else in the world.

Beyond quality assurance, certain coins gained a reputation for integrity. The Sovereign, first issued by The Royal Mint in 1489 during the reign of Henry VII, has long stood as a global emblem of trust. For over five centuries, this iconic gold coin has been recognised and accepted worldwide – its distinctive St George and the Dragon design serving as a universal symbol of British quality and authenticity.

The Sovereign's reputation for trust and reliability has transcended its monetary value. In the 19th century, explorers carried Sovereigns through the Amazon. During World War II, Greek resistance fighters relied on them. Egyptian brides included Sovereigns in their dowries. A Sovereign could even open doors, secure passage or purchase necessities when paper currency might be refused. As recently as the 1990s Gulf War, Sovereigns were hidden in RAF and SAS uniforms – a testament to the coin's reliability and The Royal Mint's reputation.

The Sovereign was first issued by The Royal Mint in 1489 during the reign of Henry VII.

Modern Challenges

Today's landscape presents new challenges. High gold prices have given rise to countless high-street buyers and online platforms promising instant returns for coins, bars, jewellery or scrap. While convenient, many of these services offer limited transparency and lack the credibility of long-established institutions.

In an age where investment advice is pushed through an ever-widening range of channels, from TikTok to online forums, the precious metals industry must hold itself to the highest standards. Investors expect not just quality products, but complete confidence in the institutions they choose to invest with.

The Royal Mint has its own Buy Back service, designed to offer customers fair market value, while reinforcing confidence in long-term ownership. When someone sells gold through it, they're benefitting from over a thousand years of expertise in assessing authenticity and value.

Technological Innovations

As threats to integrity evolve, so too must our defences. The Royal Mint has embraced cutting-edge technology to safeguard the authenticity of its products and maintain the trust that has been built over centuries.

The new 2025 Britannia Bullion Bars exemplify this commitment to innovation in security. These bars incorporate sophisticated features including micro-text, latent imaging and unique serial numbers. Most striking is the use of picosecond lasers – which are 200 times narrower than a human hair – to craft designs that interact with light and are virtually impossible to forge. These same techniques enhance the security of the Britannia coins, The Royal Mint's flagship bullion range.

When these security features were developed, it was not just about protecting against today's counterfeiting techniques. It was also about building resilience against future threats. That's what maintaining trust requires today – anticipating challenges before they materialise.

A Fortress

Beyond product innovation, the physical security of stored precious metals remains paramount. The Royal Mint's Vault®, often compared to Fort Knox, is among the most secure facilities in Britain. Constructed during the Cold War to rigorous standards, it remains a closely guarded operation.

The Vault® is perhaps the best-kept secret. Even within The Royal Mint, very few employees over the past few decades have known its precise location or the full extent of the security measures in place. It combines centuries-old principles of physical security with modern technology.

Over 35,000 individual customers store gold, silver or platinum in the Vault®, and holdings currently range in value from less than £20 to more than £20 million. Many customers touch the Vault®

without realising it. When someone buys gold, silver or platinum via The Royal Mint's DigiGold account, they own a fraction of metal held there. HANetf's Exchange Traded Commodities, listed on the London Stock Exchange, are also backed by physical gold stored in our secure Vault®.

The Future

As the industry progresses, maintaining trust will depend increasingly on digital innovation and ethical practices. Consumers still believe in gold's role as a store of value, but expectations are changing: investors want to know that their assets are protected by both tradition and modern standards.

For The Royal Mint, this shift offers opportunity. By embracing sustainability and technology while honouring its storied past, the institution aims to remain a beacon of trust and integrity in a complex financial world.

Whether it's a gold Sovereign minted in the 19th century or a technologically advanced Britannia Bullion Bar produced yesterday, the underlying principle remains the same. Trust isn't granted by advertising slogans or quick payouts, it's earned over time. After all, gold's enduring value has always been matched by the paramount importance of knowing who to trust with it.

The contents of this article are accurate at the time of publishing, are for general information purposes only, and do not constitute investment, legal, tax, or any other advice. Investments in physical bullion are not regulated by the Financial Conduct Authority. The value of your investment can go down as well as up, and past performance is not indicative of future results. Before making any investment or financial decision, you may wish to seek independent advice from your financial, legal, tax and/or accounting advisers.

The Royal Mint 2025 Bullion Britannia Bars with new security features.

Stuart O'Reilly
Market Insights Manager at The Royal Mint

Stuart is Market Insight Manager at The Royal Mint, where he leads on market intelligence across precious metals, competitor analysis, and customer insights. He played a key role in the development of the Gold for Pensions programme and the successful launch of The Royal Mint's gold-backed exchange traded products in partnership with HANetf. His strategic understanding helps shape The Royal Mint's investment offerings for a diverse and evolving client base. Stuart holds a degree in History from the University of Oxford.

Marco Polo and the Golden Temple of Chōson-ji

By Simon Rostron, LBMA Consultant

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By the middle of the 13th century, the Mongol Empire, established by Genghis Khan (1162-1227) and significantly extended by his successors, stretched from the western borders of China through Russia to Poland and Hungary. Under Kublai Khan (1215-1294), the expansion continued, with Kublai taking control of the whole of China – and establishing the Yuan dynasty – in 1279.

Portrait of Kublai Khan

However, despite two major efforts in both 1274 and 1281, neither Kublai – nor any of his successors – succeeded in capturing Japan. That said, these two early attempts were historically important in that not only did they set a limit on Mongol expansion, but they also rank as nation-defining events in Japan's history. Furthermore, "the invasions were the earliest events for which the word kamikaze (神風"divine wind") is widely used, originating in reference to the two typhoons suffered by the Yuan fleets". *(Wikipedia).*

But even without Japan, the vast Mongol territory, some 9 million square miles at its peak (towards 16% of the entire global land surface), unsurprisingly became a magnet for a series of European travellers, including missionaries such as the Flemish born William of Rubruck (1220-1293), Archbishop Giovanni da Pian del Carpine (described as a "medieval Italian diplomat") and, most famously, the merchants Niccolò and Maffeo Polo, who on their second trip to 'Cathay' in 1271 were accompanied by Niccolò's son Marco Polo. Like others before him, Marco wrote of his experiences, but unlike his predecessors, he ended up with a best seller, originally published in the early 14th century and still in print today: *Livre des Merveilles du Monde,* better known in English as *The Travels of Marco Polo.*

"According to *The Travels,* Kublai Khan took a liking to Marco, who was an engaging storyteller. He was sent on many diplomatic missions throughout his empire. Marco carried out diplomatic assignments but also entertained the Khan with interesting stories and observations about the lands he travelled." *(ibid)*

Chipangu

In all, Marco spent 22 or 23 years in or about China and Mongolia, and was thus witness to Kublai 's second military attack on Japan. In his book, he indirectly suggests a reason why the "Great Khan" was so keen on adding Japan to the Empire. This ambition was not just because territorial expansion was the *raison d'etre* of all the Mongol emperors, but perhaps also because of Japan's fabled wealth.

In Volume II of *The Travels,* Marco Polo explains:

"Zipangu [Japan] is an Island towards the east in the high seas, 1500 miles distant from the Continent; and a very great Island it is.

"The people are … civilized, and well-favoured. They are Idolaters and are dependent on nobody. And I can tell you the quantity of gold they have is endless; for they find it in their own Islands … and the King does not allow it to be exported. Moreover … few merchants visit the country because it is so far from the mainland, and thus it comes to pass that their gold is abundant beyond all measure.

Marco Polo

"I will tell you a wonderful thing about the Palace of the Lord of that Island. You must know that he hath a great Palace which is entirely roofed with fine gold, just as our churches are roofed with lead, insomuch that it would scarcely be possible to estimate its value. Moreover, all the pavement of the Palace, and the floors of its chambers, are entirely of gold, in plates like slabs of stone, a good two fingers thick; and the windows also are of gold, so that altogether the richness of this Palace is past all bounds and all belief."

Even if Marco had been directly employed by the Japanese Shogunate, the country's *de facto* rulers, he could hardly have done a better promotional job, which was made all the more mysterious/enticing by the fact that Japan was largely cut off from foreign influences. Indeed, it is argued that Japan's gold was the primary target of Columbus's first voyage in 1492 (given that Columbus was sailing with the belief that the globe was about half its true diameter).

That's all very well, but how much credibility should we give Marco's account? Is it factual reporting with hyperbole, or - like so many medieval travel narratives - simply sensationalism for the sake of book sales?

Buddhism in Japan

Well, to start with, recent academic speculation has discounted Marco's 'Palace', as in his description above, and replaced it with a golden Buddhist temple – probably the Temple of Chūson-ji, founded in 850CE and situated towards the north of the island of Honshu, just over 900kms (565 miles) northeast by road from Kyoto.

However, before delving into the gilded halls of what, in 2011, was designated a World Heritage Site, we need to look back to the middle of the sixth century CE and to briefly introduce King Seong (502-554) the 26th King of Baekje.

Baekje was one of the Three Kingdoms of Korea, existing from 18BCE to 660CE. It was located in southwestern Korea and was known for its maritime power, cultural influence on Japan and adoption of Buddhism. And having adopted Buddhism, King Seong spread the religion to Japan via a mission in either 538CE or 552CE (accounts vary), which among other things brought a brightly gilded image of the Buddha and several sutras (canonical scriptures) to the Japanese court.

It is fair to say that this mission was not received by all members of the Japanese court with equal enthusiasm. In the end, one major clan, the Soga, was allowed by the Emperor to practise Buddhism – to "test it out" (as *Wikipedia* tells us). The 'test' obviously worked and, over the centuries, Buddhism outpaced Shinto as Japan's principal religion. Which of these two Marco Polo was thinking of when he described the inhabitants of Zipangu as 'Idolaters' is unknown (probably both given that Marco's father and uncle had close links to Pope Gregory and thus inevitably saw all other belief systems as heretical).

However, in the context of this story, the important element is the relationship between Buddhism and gold. In Buddhism, gold symbolises enlightenment, purity and the divine, often represented by the radiant appearance of the Buddha and the use of gold leaf on statues. It also serves as a reminder of impermanence, worldly attachments and the potential for inner wisdom to be obscured. Anyone who has visited the Golden Buddha in Bangkok, or any one of many other images in the East where worshippers apply gold leaf to statues as a proof of faith, must recognise this strong bond.

In Japan, one of the early demonstrable links occurred during the middle of the eighth century CE. Gold was first discovered in Japan in 749 in a placer deposit known as Tamayama, located in the northeast of Honshu. Prior to that, all gold in Japan was imported from either China or Korea.

The Tōdai-ji Buddha and the Chūson-ji Temple

This discovery must have been viewed as something of a godsend given that Japan was having a particularly bad time through the early part of the century. During the Tenpyō era (729-749CE), Japan suffered from a series of disasters and epidemics. It was after experiencing these problems that Emperor Shōmu issued an edict in 741 to promote the construction of provincial [Buddhist] temples throughout the nation. With an alleged coup d'état in 729, a major outbreak of smallpox around 735-737, which was worsened by several consecutive years of poor crops, and a rebellion in 740, the country was in a chaotic situation. Furthermore, the Emperor had been forced to move the capital four times, indicating a level of instability during this period. *(ibid)*

And what was the first use of this new found wealth? The construction of a famous, and huge, gold-plated statue of Buddha (no longer extant) at the Tōdai-ji Temple in Nara, some 45kms (28 miles) south of Kyoto. But note that the statue was gold-plated rather than made from solid gold and, indeed, relatively few objects were made from solid gold at that time – with exception of a few gold coins minted from 760 (although according to Dr Murakami Ryu, Professor at Kyoto Arts and Crafts University, it is uncertain whether these coins ever circulated as currency).

Japan had developed something of an expertise in gold-plating, relying on metal sourced from China and Korea, and even when local gold was discovered, this practice dominated the country's decorative gold industry for centuries. This in large part was to do with the fact that despite Marco Polo's enthusiastic write-up, there really wasn't much gold around for many centuries despite the fact that Japan eventually became one of the largest gold producers in the world.

Again, to quote Dr Murakami: "It is estimated that approximately 100 tons of gold was produced during the roughly 800 years from when gold particles were discovered in Mutsu Province until the mid-16th century when gold started to be extracted from gold ore." [Some other estimates suggest double that number.]

So where does this leave Marco Polo's 'Golden Palace', or much more likely his description of the temple of Chūson-ji? Well, as the photographs show, it is exceptionally golden and, moreover, it was constructed over five centuries before Marco's time – a sufficient period to allow its exceptional beauty to become a thing of legend. Furthermore, it is nigh-on impossible to tell the difference, at a distance, between expertly applied gold plate and solid gold.

Why at a distance? Well, like many of the best explorers and tellers of tales from Herodotus onwards, Marco described his subject fulsomely but in ignorance. He never saw it – indeed, he never visited Japan.

Simon Rostron
LBMA Consultant

Simon has been Managing Director of Rostron Parry Ltd - media relations consultancy since 1991 and PR and media consultant to LBMA since 2014. In his earlier career he was a Stockjobber, London Stock Exchange and remains a legend in his own lunchtime.

Legacy in Motion:

A Chairman's Reflections

By Paul Fisher, LBMA Chairman

In Autumn 2016, I took on the role of being the first independent Chair of LBMA. Since then, many things have changed. This article summarises some of the most important developments as well as highlighting some of the future challenges.

Historically, the Chair of LBMA had been appointed from one of the bullion banks, but a combination of factors meant that this had become both infeasible and undesirable. It had often been alleged by critics with little or no internal knowledge of LBMA that it must be run by the big banks, for the big banks. When the financial scandals started to break after the Great Financial Crisis of 2007-2009, bank compliance departments did not want their employees exposed to such allegations, even though untrue.

So, should a Member representing a Refiner be Chairman? My immediate predecessor did a fantastic job, but having a refiner as chair raises a different set of issues. LBMA can receive commercially sensitive information from Refiners that cannot be shared with competitors and the LBMA Executive was responsible for making decisions about the Good Delivery List (GDL) that would place any Refiner on the Board in a conflicted position. But how could the Chair be kept out of some of the most important discussions and decisions LBMA has to make?

The Rise of Independent Leadership

To address this, LBMA started engaging independent Non-Executive Directors (iNEDs) – previously unheard of for a Trade Association. We now have a steady-state requirement of three, including the chair.

Alongside the addition of iNEDs, we have introduced a raft of governance improvements. These include published minutes of the Board meetings, so that anyone can see at least the topics discussed and any decisions made; conventional Board effectiveness reviews – LBMA has just undergone its third; and perhaps mostly importantly, the creation of a decision-making committee formed of the iNEDs and those Board members who are LBMA executives (for most of my tenure that was two, in the form of the CEO and the Deputy CEO/General Counsel). This group now formally makes final decisions on suspension of GDL or Membership status so that the elected members are not put in a position where they are conflicted.

The Value of Central Bank Experience

It is perhaps natural that former central bankers are high up on the list when it comes to appointing iNEDs – not only are central banks still a key part of the bullion market, but one can expect central bankers to bring a knowledge of regulation, both voluntary and mandatory, combined with an understanding and experience of financial markets without being partisan to a particular firm.

Of course, one must never forget that LBMA is still a Trade Association, run for the benefit of the Members and for the wider market. LBMA GDL Refiners cover the bulk of world production, and LBMA standards have become recognised everywhere, even by those not involved in the London market. That global prominence has only increased over the past nine years.

Driving Standards and Innovation

LBMA has always understood that a common set of minimum, but high, standards for bullion sourcing and trading globally – and I mean truly global – is in the best interest of all those operating in the market, and of wider stakeholders from 'rock to ring'.

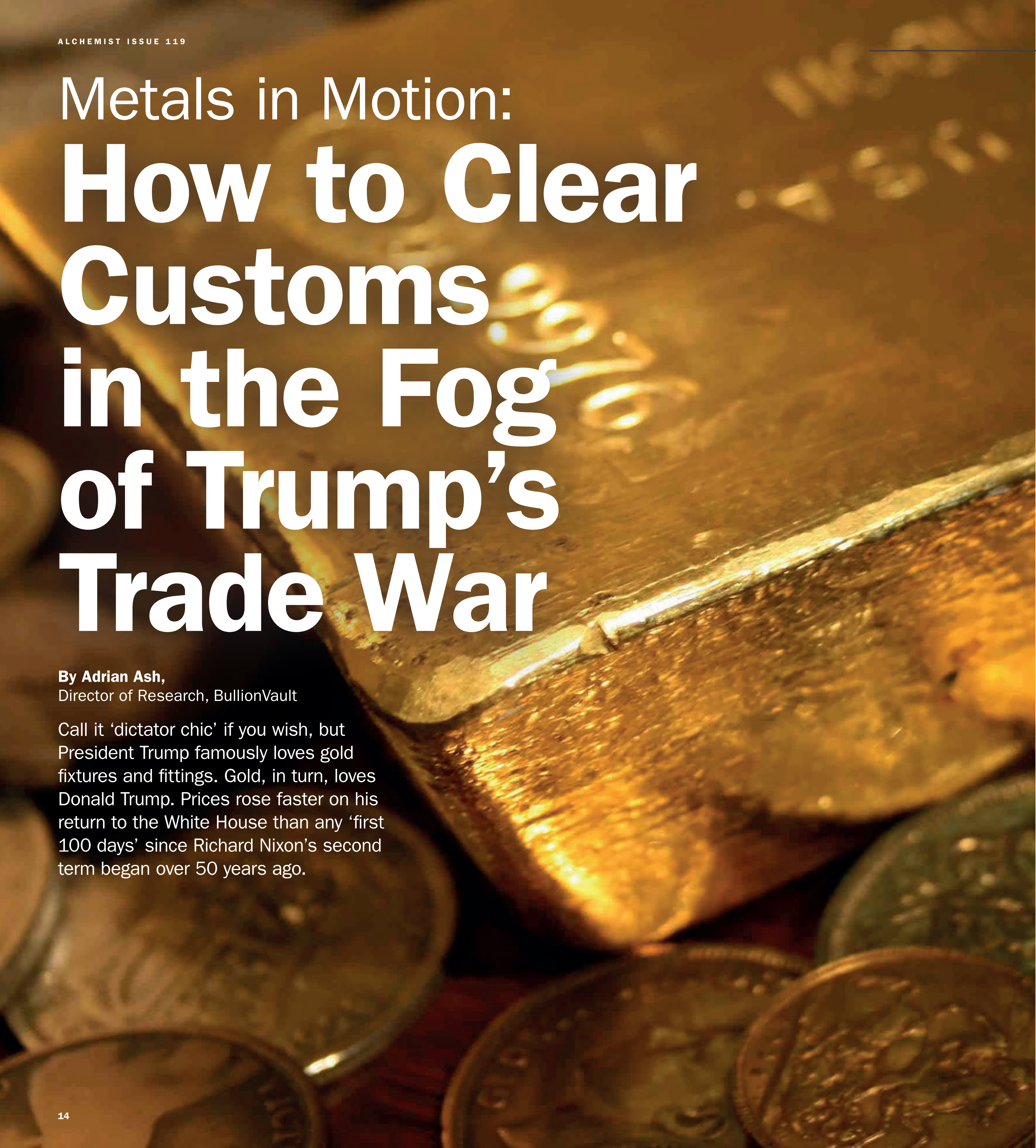
During my time as Chair, I have seen LBMA introduce an array of improvements to the marketplace. I should stress that this represents the work of both LBMA staff and participants from all sectors of the market. The innovations have included: the Precious Metals Code, the publication of London vault holdings data and trade reporting data, and transparent auction processes by IBA for the benchmark rates. The Gold Bar Integrity (GBI) Database was launched in 2025 and should mark a new era in the ability to oversee the origin and traceability of bullion bars.

In addition to all of that, work on Responsible Sourcing for bullion continues to expand. In the Autumn of 2016, LBMA was operating Version 7 of the Responsible Sourcing Guidance for gold, and there was no silver guidance. Currently we have Version 9 for gold and Version 2 for silver in place. Each new version addresses greater challenges as LBMA seeks continuous improvements to raise standards.

Collaboration and the Road Ahead

It is quite unusual for a Trade Association to be leading the development of so many significant projects, but it should be noted that LBMA is increasingly working with other partner bodies, such as the World Gold Council which has contributed significantly to the GBI Database project and is playing a leading role in the work following on from the *Gold Industry Declaration of Responsibility and Sustainability Principles*.

It has been quite a time for the gold market, with record prices to match. So, what is next to be done? The LBMA agenda will never be complete. Currently, it includes work to improve the accessibility to responsible artisanal production for GDL Refiners; establishing gold's role as a high-quality liquid asset; and further measures to protect the integrity of gold and silver bullion bars. Forecasting the future is usually a risky business, but I can be pretty certain that my successor as LBMA Chair will be even busier than I have been.



Metals in Motion: How to Clear Customs in the Fog of Trump's Trade War

By Adrian Ash,
Director of Research, BullionVault

Call it 'dictator chic' if you wish, but President Trump famously loves gold fixtures and fittings. Gold, in turn, loves Donald Trump. Prices rose faster on his return to the White House than any 'first 100 days' since Richard Nixon's second term began over 50 years ago.

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But you? Are you feeling the love? Everyone's inventories have leapt in value, of course, creating a book profit. The real money (and fun) however comes from moving, transforming and trading those stockpiles. And Trump's new trade war against the rest of the planet has thrown a bucket of sand into the gears of the global bullion market.

What's more, the impact of Trump's trade tariffs fight on volatility, pricing dynamics and liquidity has coincided with a sudden scramble for platinum group metals, revealing further tensions, vulnerabilities and opportunities in our industry's supply chains.

Trump himself isn't to blame

When it finally arrived in April, Trump's big 'Liberation Day' list of new US import duties made an exemption for "bullion". That's just as any serious analysis would have hoped and expected.

Because the US mining and refining industries are both fully mature, they would be unlikely to benefit from protectionism. More importantly, precious metal flows are driven by prices, not economic growth. That's why they are typically excluded from headline trade balance figures.

No one thought to tell the White House that fact when it slapped a 39% tariff on Switzerland this summer, mistaking imports of Swiss-refined bullion to be part of a US economic deficit. Nor did the market leave it to chance ahead of Liberation Day this spring. Banks and dealers rushed to pour record quantities of metal into New York warehouses, because the uncertainty over how bullion would be treated threatened steep losses for anyone using US contracts to hedge the value of their non-US inventory.

The upshot? Comex-approved vaults now hold enough gold to meet domestic US end-user demand until after Trump leaves office in 2029 (or is scheduled to, at least), plus enough silver to sate US demand for three years. And while those stockpiles are likely to reverse course at some point – especially after Trump confirmed in August that "Gold will not be tariffed!" following an over-zealous reading of the rules by US Customs officials – that necessarily means smaller stockpiles and lower liquidity in other global centres in the meantime. That, in turn, presents challenges for our dynamic and flexible market to address.

Interplay of physical and financial trading

Bullion, like any tangible commodity, wants to flow to where prices are highest. Usually, the size of the incentive reflects the balance of local demand and supply. Witness gold's number one consumer nation China, for instance. The Shanghai premium over London prices typically offers a gross incentive of $8 or so per troy ounce, sucking bullion east.

Unlike the Chinese model, however, this year's flood of metal into New York wasn't due to US bullion commanding higher prices than elsewhere. On the contrary, actual end-user US demand remains weak at best, especially for small bar and coin. (Pro tip: Americans flock to retail bullion when there's a Democrat running the country.) But the risk of bullion being hit with US import duties meant that prices for future delivery had to rise versus current spot prices, anticipating (if not getting anywhere close to) the potential 10% tariff being discussed for US imports of all physical goods by the Trump administration.

Silver Scramble, Platinum 'Empty'

The resulting gap between the CME's Comex contracts and the price of physical gold worked to suck metal into New York, sending the cost of Exchange for Physical contracts (EFPs) up to record highs above $60 per ounce. That topped even the Covid Crisis peak of spring 2020, when the UK lockdown led speculators to believe (wrongly) that metal couldn't fly out of Heathrow.

The violence of this year's Trump tariffs fight also saw delays of up to eight weeks to withdraw gold from the Bank of England (a deep storage rather than commercial logistics vault) plus sharply elevated lease rates to borrow metal in London. Those borrowing costs went double for silver (a "scramble" according to one bullion bank) but most especially for platinum, thanks to a sudden surge in shipments to China. "Loco London is empty," said one trader to the newswires, breathless if not unreasonably.

So what happens now? However things unfold in gold, silver and PGM flows, there are opportunities as well as key lessons here for all market players. The devil, as always, will be in the detail. Gambatte!

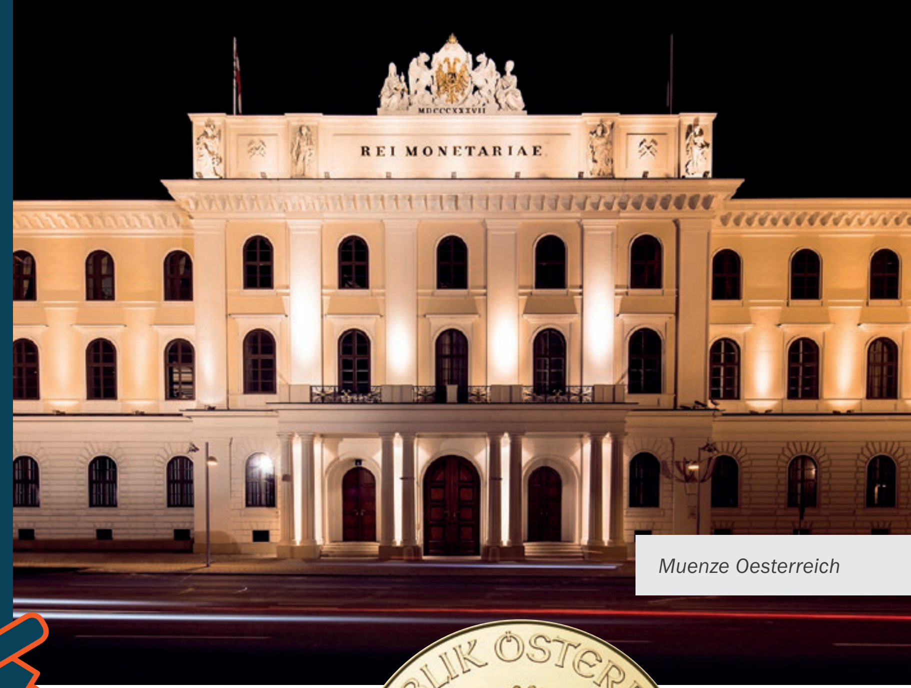
Adrian will be moderating the Metals in Motion panel discussion late-morning on Day Two of LBMA's Conference in Kyoto. So if you don't know Harmonized Tariff Schedule 7108.12.10 from HTS 7108.13.5500 (even US Customs are confused, apparently) then be sure to attend for expert tips and insights into navigating today's fast changing flows.

Adrian Ash
Director of Research, BullionVault

Adrian Ash is Director of Research at BullionVault, the precious-metals fintech where private investors now own $6bn of physical gold, silver, platinum & palladium. A regular speaker at LBMA conferences and a member of the Public Affairs Committee, he is frequently quoted by news, investment-trade and personal-finance outlets across the world.

Spotlight on Muenze Oesterreich (the Austrian Mint)

Muenze Oesterreich has joined LBMA as an Affiliate Member



Muenze Oesterreich

5 QUESTIONS 5 ANSWERS

What were the reasons for you wanting to join LBMA and what do you see as the key benefits of membership?

LBMA plays a central role in the global precious metals market, and we believe that joining this organisation and collaborating with other market participants will boost the appeal of our products. The industry faces significant challenges, but we are confident that, as the standard-setter, LBMA will support us in navigating these evolving requirements.

Tell us about your company's role in the precious metals market?

The Austrian Mint delivers the Wiener Philharmoniker (Vienna Philharmonic) coin worldwide, as well as branded gold bars. Vienna Philharmonic coins are produced in gold, platinum and silver. The Austrian Mint strives to produce at the highest quality standards in order to meet the demands of its customers – investors and collectors. Moreover, it also produces semi-finished products for other mints, especially blanks in gold and silver. We try to meet all requirements of our customers by providing high-quality products and ensuring maximum flexibility in all logistical aspects.

What's the background and history of the company?

The Austrian Mint was founded in 1194 and has been making coins for over 830 years.

In 1989, the Austrian Mint was established as a subsidiary of the Austrian National Bank, emerging from the former Principal Mint. The Mint currently employs just under 200 people and produces approximately 350 million coins a year.

What factors do you expect to impact your business in the short to long term?

Looking ahead, evolving market conditions present considerable challenges for all participants. In addition to meeting Responsible Sourcing standards, we face an array of complex regulations, including those related to money laundering, cash transactions, and new US customs policies. The Austrian Mint is eager to collaborate with the LBMA and leverage this partnership to navigate these obstacles successfully.

On the other hand, we see a continuously rising interest in our products. Investors have learned that it is very helpful to include precious metals in their portfolios as it decreases volatility and gold represents an excellent hedge against inflation.

What are your future plans for the business?

In the future, we would like to expand our business into additional international markets and regions. Additionally, we are also prepared to provide our customers with new and innovative products, as demonstrated by our new collector coin editions. We also provide our customers with new solutions by introducing new production processes.

As a small, neutral country, Austria embraces music as the central theme of our investment coins, reflecting universal values such as culture, friendship and democracy. Beyond high-tech production and outstanding quality, we strive to convey a message which goes beyond the material value of our products. We see ourselves as ambassadors of these values.

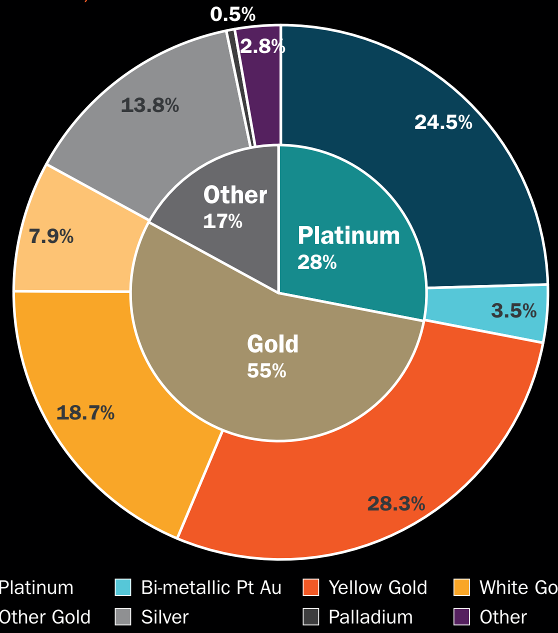
JAPAN: The Land of Platinum Jewellery

By Hisako Hankinson, President of Platinum Guild International K.K. and

Zhenzhen Liu, Director, Global Corporate Marketing, Platinum Guild International

For centuries, Japan was imagined as “Zipangu, the land of gold”, as described by Marco Polo. But today, Japan leads the globe in per capita consumption of platinum jewellery.

2024 Share of total jewellery sales by metal in Japan
(unit base)



Source: Yano Research Institute RTB 2024.

Japan’s platinum jewellery industry is among the world’s most mature and influential, built on decades of strong performance, premium market positioning and deep cultural resonance. As the definitive symbol of authenticity and lasting value, the Japanese appreciate its natural white colour, purity and understated luxury. Combined with its durability, rarity and enduring value — regardless of short-term metal price fluctuations — platinum continues to hold a unique and trusted place in Japan’s jewellery market.

While gold accounted for 55% of total jewellery unit sales in 2024 and platinum jewellery represented 28% of unit sales, in terms of retail sales, platinum punches above its weight with an impressive 43% share, highlighting its strong position in the premium segment.

Platinum’s dominance is particularly visible in the bridal jewellery segment, where 92% of engagement rings and 82% of wedding bands were made from platinum last year. These figures underscore platinum’s enduring symbolism of emotional commitment, making it the preferred choice for one of life’s most meaningful milestones.

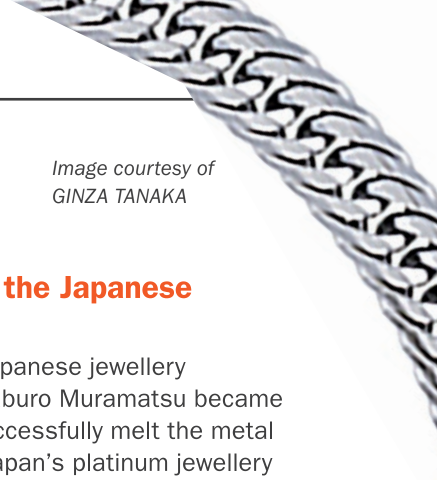
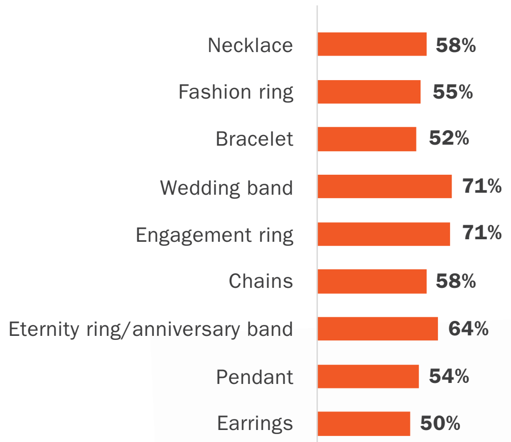


Image courtesy of GINZA TANAKA

Platinum is the favourite precious metal among female Japanese consumers

What kind of platinum jewellery would you prefer to purchase or receive?

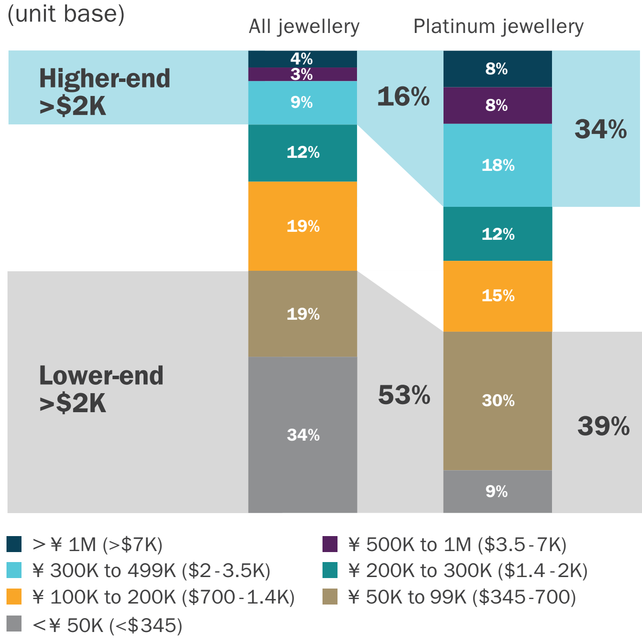


For this question, respondents chose from the following multiple choice options; platinum, yellow gold, white gold, rose gold and other.

Source: Cross-market consumer survey commissioned by PGI, Q3 2023. N=800.

Beyond the bridal segment, the phrase “Good jewellery is platinum jewellery” is a widely recognised sentiment across Japan’s consumers and industry. This is rooted in platinum’s unique ability to securely hold precious gems, enhance their brilliance with its white lustre and endure over time. The data substantiates this widespread recognition: in 2024, 34% of platinum pieces sold were priced above JPY 300,000 (US$2,000), compared to just 16% across the broader jewellery market.

2024 Share of total jewellery sales by price point in Japan
(unit base)



Source: Yano Research Institute RTB 2024.

Platinum Has Courted the Japanese for Over a Century

Platinum’s strong roots in Japanese jewellery began in 1891, when Mansaburo Muramatsu became the first in the country to successfully melt the metal – laying the foundation for Japan’s platinum jewellery industry. In 1893, Tokyo jeweller Tenshodo debuted a jewelled platinum clip, launching the first naturally white precious metal that, unlike silver, does not tarnish. Its brilliance and durability redefined luxury, positioning platinum as a modern alternative to traditional metals.

Image courtesy of Platinum Guild International

By 1910, Mikimoto’s platinum jewellery had become a status symbol among Japan’s elite, with the Imperial Family commissioning tiaras and state regalia in the metal. Platinum imports were liberalised in 1952 – preceding gold and diamonds – and by the late 1950s, its prestige was cemented nationwide when Crown Princess Michiko wore a platinum tiara during her televised Imperial wedding parade. In 1965, De Beers entered the Japanese market, introducing diamond engagement rings into traditional engagement gift exchanges and solidifying platinum as the preferred setting for diamonds amid rising consumer affluence.

Today, platinum remains central – especially in Japan’s high-end jewellery and bridal markets. Naturally white and resistant to tarnishing, platinum requires no plating and retains its lustre even in Japan’s humid climate and mineral-rich hot springs – making it ideal for quality-conscious consumers. Platinum jewellery continues to ensure hypoallergenic comfort and durability, with pieces frequently passed down as heirlooms.

Precision as a Signature: Japan's Jewellery Craftsmanship

Japan's reputation for precision extends into jewellery. Retailers serve as gatekeepers, ensuring each piece meets exacting standards before reaching consumers. This retail-manufacturer partnership upholds Japan's legacy of refinement and quality.

From hand-assembled artistry to machine-made excellence, platinum jewellery reflects technical mastery. Multifaceted Kihei chains, as illustrated on p19, embody machine precision, while rings, pendants and earrings showcase design restraint and enduring beauty. Whether bold or delicate, or for bridal or daily wear, Japanese platinum jewellery is crafted for a lifetime – mirroring a culture where craftsmanship commands deep respect.

Resilience and Renewal: The Post-Bubble Rebound

The burst of Japan's economic bubble in the early 1990s triggered a severe financial crisis, leading to prolonged contraction in the jewellery industry. Consumption tax hikes and rising metal prices further strained sales. Yet, platinum retained its prestige – anchored in bridal and high-end jewellery.

The market saw modest growth beginning with 2012's economic recovery, but it was the COVID-19 pandemic that sparked a revival. Consumers began to reassess jewellery's emotional significance, driving a surge in online purchases to counter challenges with in-store shopping. With Japan's market notably driven by self-purchase, PGI and retailers continued to tailor their messaging directly to female consumers – the primary decision-makers – accelerating recovery through focused outreach.

In parallel, Free Trade Agreements with the EU and UK spurred international brand growth, expanding consumer choice and elevating market sophistication. These shifts in consumer behaviour and evolving market dynamics propelled Japan's jewellery market into an upward trend from 2021, with its value surpassing JPY 1 trillion (US$7 billion) in 2022, and continuing to grow.

According to Metals Focus, platinum jewellery demand rose 11% year on year to 376Koz (11.7t) in 2024, outperforming gold, which declined by 7%. This momentum has been fuelled by strong consumer affinity, strategic in-store exposure and stock-building – further amplified by the widening price gap between platinum and gold. Looking ahead, the Japanese jewellery market is projected to maintain its growth trajectory in 2025, with platinum poised to play a pivotal role.

Platinum's Growing Dominance Over White Gold

Platinum's dominance in Japan's white metal jewellery market has become increasingly pronounced. In 2024, platinum accounted for nearly 30% of total jewellery unit sales, while white gold – typically a palladium-heavy alloy often plated with rhodium – fell below 20%. This trend reflects industry preferences, consumer demand and economic pressures, as escalating gold and rhodium prices – alongside the recovering palladium price – continue to reinforce platinum's competitive advantage.

New Growth Opportunities for Platinum Jewellery in Japan

Recent findings from PGI Japan's 2024 Usage & Attitude Survey reveal a striking insight: the single act of acquiring platinum jewellery – whether through gifting or self-purchase – dramatically transforms consumer behaviour and attitudes toward jewellery. Among national samples of consumers aged 16 to 59, those who had acquired non-bridal platinum jewellery within the past three years compared to those who had not, showed:

- **Nearly three times greater interest** in precious metal jewellery (83% vs. 30%)
- **Almost double the willingness to spend,** with an average acquisition budget of US$1,700 vs. US$900
- **More than five times the likelihood of sharing** the appeal and values of jewellery with family and friends (44% vs. 8%).

These findings substantiate PGI's strategic focus: driving even a single platinum acquisition can unlock deeper consumer engagement, increase spending and foster organic brand advocacy. It's not just about making a sale – it's about cultivating loyal platinum consumers.

This data-driven approach opens up powerful new avenues for growth:

- **Younger Women (20 to 34):** Often underserved outside bridal, this segment has the highest interest in jewellery and is increasingly investing in self-purchases. Branded platinum jewellery, such as "Platinum Woman", tailored to their style and budget preferences, converts interest into lasting affinity and repeat purchases.

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- **Unisex and Asset Jewellery:** As fashion becomes more fluid and consumers prioritise cost-performance, platinum is gaining traction through unisex styles such as Kihei chains. Priced by metal weight, these pieces offer everyday wearability and serve as wearable assets – blending style with intrinsic value.
- **Occasion-Based Marketing:** By aligning platinum's timeless position in commemorating life's most significant milestones, PGI continues to foster emotional connections that drive both initial acquisition and repeat purchases.

Japan's advanced platinum manufacturing and the widening price gap between platinum and gold present a compelling opportunity to convert gold jewellery purchases into platinum. Realising this potential requires sustained, industry-wide collaboration and investment – anchored in powerful storytelling, innovative product development and strategic marketing – to deepen platinum's emotional resonance with consumers.

As consumers continue to shift from product-driven to experience-driven spending, innovative marketing initiatives that build on Japan's rich legacy of platinum jewellery offer a powerful opportunity to drive demand.

Hisako Hankinson
President of Platinum Guild International K.K.

Hisako Hankinson is President of Platinum Guild International K.K., the Japanese arm of Platinum Guild International Ltd.

She is responsible for growing platinum jewellery demand in Japan, leveraging her deep marketing expertise and industry insight to drive innovative business strategies and consumer programmes – cultivating both current and next-generation platinum consumers.

Zhenzhen Liu
Director, Global Corporate Marketing, Platinum Guild International

Zhenzhen Liu has over 15 years of experience in marketing, sales, consulting and business development across multiple regions. In Platinum Guild International (PGI), she is currently based in Hong Kong and is responsible for its global corporate marketing with institutional stakeholders and media. She also oversees global market research and manages PGI publications such as Platinum Jewellery Business Review.

Prior to joining PGI, she was responsible for platinum group metals sales in Asia Pacific for Anglo American. Zhenzhen started her career in 2008, working for CRU International in London as a market analyst on chemicals and base metals, and later led the consulting business in China, working with commodity MNCs and financial institutions to provide strategic solutions on asset valuation, project financing and market entry.

Zipangu Revisited: Japan’s Rise and Retreat in the Global Gold Market

By Bob Takai, CEO of EEX Japan KK

Few may know that Kyoto is considered the birthplace of Japan’s precious metals refining. It wasn’t until the 15th century that Japan became one of the world’s top producers of gold and silver, with the Sado Gold Mine and the Iwami Silver Mine at the centre. Yet, due to limited technology, gold and silver couldn’t be extracted from copper ores; instead, the crude copper containing these precious metals was exported, at the price of copper.

This changed in the early 17th century, Edo period, when Riemon Soga developed *Nanban-buki*, a Western-style smelting method learned from Europeans. He launched a refining business in Kyoto under the name ‘Izumiya’ and partnered with his brother-in-law, Masatomo Sumitomo, who ran a bookstore and pharmacy in Kyoto. Together, they expanded copper refining, and Sumitomo later moved operations to Osaka. By the mid-Edo period, Sumitomo was refining about one-third of Japan’s copper. In 1690, the company opened the Besshi Copper Mine in Niihama, Ehime Prefecture in Shikoku, laying the foundation for what would become the Sumitomo business group.

Fast forward to 1971, when the US suspended the dollar's convertibility to gold, triggering a surge in gold prices. Geopolitical shocks – Middle East wars, oil crises, the Iranian Revolution and the Soviet invasion of Afghanistan – pushed the price of gold to over $800/oz in early 1980. Japan liberalised gold imports in 1973 and exports in 1978. With rapid economic growth and asset diversification, retail sales of gold bullion were deregulated, sparking Japan's first gold investment boom. Trading houses imported large volumes of gold as consignment stock from London and Zurich.

Sumitomo Corporation was Japan's first mover to engage in the gold trading business, with the establishment of the Precious Metals Department in January 1980. I was assigned to run the gold trading book as a junior trader, sitting next to the seniors. As a young university graduate, I had no clue as to what trading was all about. Little could I have imagined that I would be in the metals markets for the next 30 years!

In 1982, the Ministry of International Trade and Industry (later METI) established the Tokyo Gold Futures Exchange (later TOCOM). This led to the spontaneous emergence of the *Loco Tokyo* gold market for wholesale bullion trading. Previously, Hong Kong had been Asia's gold hub, but TOCOM's rise and the gold boom shifted the centre to Tokyo. In 1986, Japan imported over 600 tons of gold for commemorative coins marking Emperor Showa's 60th year on the throne. This was perhaps the peak of Japan's presence in the global gold market.

However, the 1990s brought economic collapse. Gold imports fell from 302 tons in 1990 to just 72 tons by 2000. The launch of the euro and European Central Bank gold sales depressed dollar gold prices, while a strong yen pushed domestic prices to under ¥900/gram – a 50-year low.

In the 2000s, the rise of the BRIC economies and gold miners unwinding hedges triggered a resource boom. Japanese investors embraced gold via accumulation plans and ETFs. TOCOM's gold futures open interest hit 500,000 contracts (500 tons) by 2005, marking a second gold boom. But after the 2008 financial crisis, Japan shifted from net importer to net exporter of gold. Much of the gold hoarded since the 1978 liberalisation began to flow back into the market.

China, meanwhile, rose to prominence. In 2002, the Shanghai Gold Exchange (SGE) was launched under the People's Bank of China to centralise domestic trading and encourage public gold ownership. With restrictions on foreign currency purchases, gold became a hedge against yuan depreciation. China has pursued gold accumulation as a national strategy — both through official reserves and private holdings.

In the 2020s, global instability – from COVID-19 to Russia's invasion of Ukraine and tensions over Taiwan – fuelled further price increases. In July 2025, the gold retail price hit a record ¥17,875/gram, driven by a weak yen and strong dollar.

From a Japanese perspective, it's clear that the country no longer influences global gold pricing. Japan is no longer a big importer of gold bullion and is instead a net exporter of over 100 tons. TOCOM's open interest has diminished to 50,000 contracts (50 tons), 1/10 of its peak 20 years ago. Yet, the legacy of gold investment remains deep. It is estimated that nearly 100 tons of gold are hoarded through accumulation plans alone, and when ETFs are included, Japan remains one of Asia's largest gold-holding nations. Japan also continues to refine its craftsmanship in gold product manufacturing, maintaining a reputation for exceptional quality.

While it cannot match China's state-driven strategy, Japan continues to shine as Zipangu — a land of gold with enduring presence.

Bob Takai
CEO of EEX Japan KK

Bob started his career as a gold trader in 1980 and has spent 40 years with Sumitomo Corporation, a major Japanese trading house, in multiple leadership positions across the global commodities, financial and intelligence industries based in Tokyo, London and Washington DC. He joined European Energy Exchange (EEX) in 2020 to develop the power derivatives market in Japan. He is currently CEO of EEX Japan KK.

Responsible ASM Sourcing by the Good Delivery List

ENCOURAGING NEWS FROM THE PHILIPPINES

By Gregory Mthembu-Salter

For centuries, the artisanal and small-scale mining and trading of gold has been a good, and often the only, way for the world's poorest to connect to global markets — markets that are otherwise almost completely out of reach.

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With gold prices soaring well above US$3,000 per ounce, Artisanal and Small-scale Mining (ASM) has become more alluring than ever for the landless poor – from the Philippines and Ghana to the Democratic Republic of Congo, Tanzania, Mali, Mauritania, Peru, Ecuador, Colombia, Brazil, and every corner of the globe where gold is found. The sector's promise draws countless individuals in search of opportunity and a better life.

ASM Challenges

The woes of Artisanal and Small-scale Mining – conflict financing, growing links to organised crime, environmental destruction, money laundering, inhuman working conditions and child labour – have all been well and repeatedly documented.

The premise of LBMA's programme to bring more responsibly sourced Artisanal and Small-scale Mining gold into the Good Delivery List (GDL) is that there is much more to ASM than its problems. There are good volumes of legally and responsibly mined artisanal gold being produced around the globe. Wherever possible, Good Delivery List Refiners should refine that gold.

The Philippines: A Model for Responsible ASM Sourcing?

One country producing high volumes of legally and responsibly mined artisanal and small-scale gold is the Philippines. And one of LBMA's Good Delivery List's most successful responsible purchasers and refiners of artisanal and small-scale gold is the Bangko Sentral ng Pilipinas (BSP), the Philippines central bank and a GDL Refiner.

The BSP is legally mandated to buy all the country's artisanally mined gold, and in the past used to do so dutifully, but without being required to pay heed to responsible sourcing. With the advent of LBMA's responsible sourcing standards, the BSP introduced strict new buying criteria that have significantly reduced its artisanal and small-scale gold-buying volumes.

On the one hand, that is a win, since much of the gold that the BSP is no longer buying was illegally mined, so the bank has reduced its inadvertent financing of illegal mining. But on the other, in addition to all the illegal material, substantial volumes of ASM gold that are no longer being purchased by the BSP have, in fact, been legally and responsibly mined. And that gold, along with all the illegal material, is being smuggled out of the Philippines, disappearing uncounted and untaxed, mainly to China.

The BSP's challenge is to use LBMA's ASM Toolkit to enable it to source more of the country's responsibly mined small-scale gold, while at the same time mitigating the risk of purchasing illegal, problematic material.

Together with Dr Tom Salter, in late May and early June, I travelled to the Philippines and worked for a week with a high-level team from the BSP to find answers.

We all quickly established that there is, as we had thought, a lot of responsibly sourced ASM gold that the BSP is not buying but should be. Among the reasons are that the BSP only sources from mines with Small-Scale Mining Contracts (SSMC).

The SSMC Bottleneck

Applying for an SSMC is a slow and expensive process that very few mines have managed to complete, though many are trying. We examined whether and how the BSP could legally source from mines in the process of securing their SSMC, rather than just the very few which have completed it.

Our discussions revealed that the BSP does not source gold from any of the small-scale processing plants that are in government-designated Minerals Processing Zones (MPZ). This seems an anomaly, and the BSP undertook during our training to revisit the issue.

The BSP has recently accredited a significant new supplier of ASM gold, PJLI. PJLI is one of the Philippines' largest domestic conglomerates. The group includes a rural bank, a microfinance institution and a chain of pawnbrokers called Cebuana. It is Cebuana, which has 3,500 branches nationwide – compared to the BSP's five gold-buying stations – which has been accredited by the BSP to buy legally and responsibly mined ASM gold on its behalf. For now, the PJLI will only buy from mines already accredited by the BSP. Looking ahead, the PJLI is well positioned through the Cebuana network to identify other suitable mines, conduct its own supply chain due diligence and assist mining associations in meeting LBMA's ASM Toolkit requirements.

In addition, PJLI's microfinance company has begun financing ASM operators, both for short-term liquidity and longer-term pre-finance. This is significant since, globally, the lack of access to legal financing for ASMs has consistently been found to be a major constraint on the development and growth of responsible ASM mining.

Looking Ahead: Opportunities for Responsible Growth

The ASM gold mining story in the Philippines is by no means always pretty. There is a great deal of illegal mining and environmental malpractice. But there are also plenty of examples of better practice and, consequently, there is also responsibly mined ASM gold. Working with LBMA, the BSP is showing what can be done when a GDL Refiner and its suppliers commit to finding and sourcing that gold.

Gregory Mthembu-Salter
Director, Phuzumoya Consulting

Gregory Mthembu-Salter is the director of Phuzumoya Consulting, which specialises in political economy research and analysis. Since 2022, Gregory has worked with LBMA to increase the amount of artisanal and small-scale gold responsibly sourced by the Good Delivery List. He is a former member of the UN Group of Experts on DR Congo, and has worked extensively around the world on natural resource governance. He is also an author, and his first book, Wanted Dead and Alive: The Case for South Africa's Cattle, with a foreward by SA president Cyril Ramaphosa, was published in 2019.

Spotlight on Indigo Precious Metals

Indigo Precious Metals joins LBMA as an Affiliate Member

5 QUESTIONS 5 ANSWERS

What were the reasons for you wanting to join LBMA and what do you see as the key benefits of membership?

At Indigo Precious Metals, we remain steadfast in our mandate to uphold the highest standards of integrity, transparency, and market best practice – applying our deep expertise in pricing analysis and market portfolio strategy solely for the benefit of our clients and wealth management partners.

Joining LBMA acknowledges our multi-decade track record in the global precious metals market and aligns us with an organisation universally recognised for advancing industry standards, safeguarding market integrity, championing the sector, and delivering innovative solutions. Membership provides direct access to invaluable market intelligence, engagement with leading market participants, and a platform to contribute to discussions shaping regulation and market evolution. It also reinforces our credibility with institutional investors, family offices, and private clients who regard LBMA Membership as a mark of trust and quality.

Tell us about your company's role in the precious metals market?

Indigo Precious Metals specialises exclusively in the physical bullion market – gold, silver, platinum, palladium, and rhodium – with core expertise in portfolio design, secure vaulting, and supply-chain solutions tailored to high-net-worth individuals, family offices, and institutional investors. We operate a fully allocated, segregated bonded storage model, ensuring clients retain outright legal ownership of their metals at all times. Beyond retail and institutional transactions, we deliver market research, macroeconomic analysis, and execution strategies to optimise precious metals allocations within diversified portfolios.

What's the background and history of the company?

Founded in Singapore, with strong affiliated operations in Australia, London, and Switzerland, we have built a professional, transparent, and client-focused approach to bullion investment and portfolio performance. Our leadership blends decades of senior experience in global banking and fund management with deep specialist knowledge of the precious metals supply chain. Over the years, we have developed close relationships with leading refineries, LBMA-accredited vault operators, and wholesale trading partners, enabling competitive pricing, efficient logistics, and secure custody.

What factors do you expect to impact your business in the short to long term?

In the short term, we expect continued volatility driven by geopolitical tensions, monetary policy shifts in response to the global debt crisis, and supply disruptions in mining and refining. Tight physical availability in platinum, the PGM complex, and silver is likely to cause market dislocations – presenting both risks and opportunities.

Looking longer term, we anticipate structural changes in the global financial system – currency debasement, evolving central bank frameworks, yield curve control, and greater recognition of precious metals as a core portfolio asset – to remain powerful drivers of demand. ESG considerations in mining, regulatory changes, and the digital transformation of the metals market will further influence our operating landscape.

What are your future plans for the business?

Our strategy is to expand our global footprint and deepen services for institutional and private clients by:

- Enhancing digital trading and onboarding platforms;
- Integrating AI across our internal systems to elevate our client services;
- Strengthening partnerships with refineries, vaulting facilities, and wholesale distributors;
- Expanding research capabilities for deeper market insight;
- Educating clients and the wider market on wealth preservation and portfolio enhancement through precious metals.

As the macroeconomic environment evolves, we will remain at the forefront of innovation, client service, and industry best practice, ensuring Indigo Precious Metals continues to be a trusted, bespoke portfolio advisor and leader in physical bullion investment.

FROM VOLATILITY TO VALUE:

Industry's Pivot to Thrifting and Recycling Silver

By Elvis Chou
Metals Focus

Precious metals are not just a safe haven for investors, they are the indispensable lifeblood of modern industry. From automobiles and electronics to medical devices, their presence is ubiquitous. However, with the volatility of global supply chains and a growing environmental consciousness, the efficient use and recycling of these valuable resources have become an urgent priority for the industry.

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Navigating Price Surges

Over the past few years, precious metal prices have experienced sharp increases, with gold and silver seeing significant gains. Following the COVID-19 pandemic, central banks worldwide implemented extensive monetary easing policies. This, combined with escalating geopolitical tensions and trade conflicts, led to the strong need for safe-haven assets. Gold prices first surpassed US$2,000/oz in 2020. After a period of consolidation, the bullish trend resumed in 2023, with prices surpassing the US$3,000/oz mark this year and setting a new all-time high of over US$3,500/oz in April.

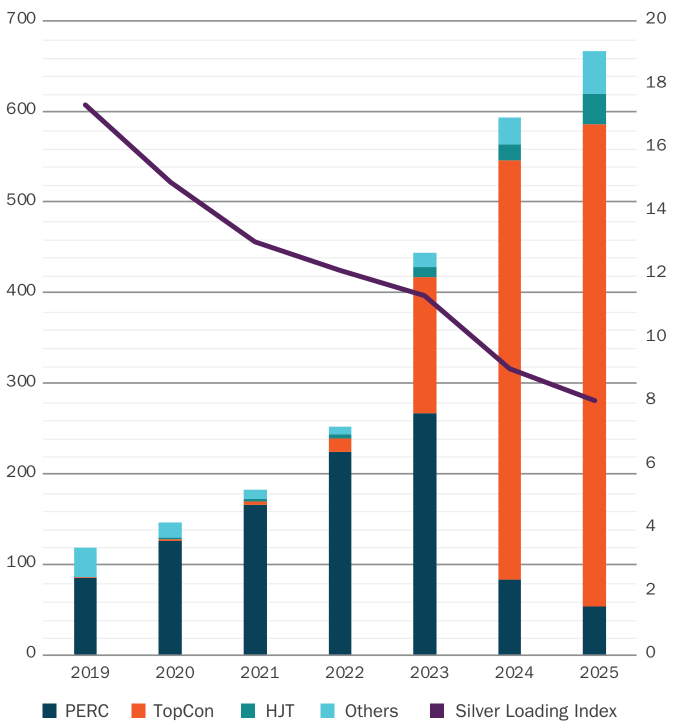
Similarly, silver has followed this upward trajectory, with its recent performance being even stronger. In July, silver prices hit a 14-year high, closing at US$37.01/oz – more than double the metal's 2019 price. This dramatic increase in silver's price has placed considerable pressure on the cost-sensitive electronics industry, forcing manufacturers to accelerate the implementation of thrifting and substitution measures to mitigate the impact on profit margins.

In response to rising costs, the electronics industry has made significant strides in optimising its use of precious metals. The photovoltaic (PV) industry stands out for its silver-saving initiatives. As the largest single industrial application for silver, accounting for over 30% of industrial offtake, the PV sector has a profound influence on the global supply chain. Despite record-high solar installations last year, which pushed the industry's silver demand to over 6,000 tons, the sector is actively reducing its per-unit silver consumption through continuous technological advancements and cost-saving efforts.

Solar Innovation

Since 2010, the solar industry has drastically reduced its average unit silver loadings by over 90%, with manufacturers continuously pushing for greater technology and efficiency. For example, when TOPCon cells – now a market mainstream – were first introduced in 2019, they required more than 25mg of silver per watt. By the end of last year, that figure had plummeted to just 9mg/W, with similar advancements seen in other solar cell technologies. This remarkable progress is the direct result of several key innovations:

- **Zero Busbar (0BB) Technology:** The evolution from SMBB (Super Multi-Busbar) to 0BB design optimises the cell structure, reducing silver paste consumption and increasing the light-receiving area.
- **Refinements of Printing Techniques:** The adoption of LECO (Laser Enhanced Contact Optimisation) and other process upgrades allows for finer lines and more precise printing.
- **Silver-Coated Copper Paste Formulations:** The use of lower-cost silver-coated copper paste effectively substitutes pure silver paste while maintaining high conductivity and performance.



Source: Metal Focus

Through aggressive thrifting and substitution, the PV industry has significantly enhanced its silver-use efficiency, with an estimated 600 to 900 tons of silver projected to be saved in 2025. This will help balance the supply deficit in the global silver market. In the long run, this will not only lower production costs but also provide the electronics industry with more resilient production strategies to manage price volatility.

Recycling: Turning Old Tech into New Opportunity

The recycling sector for silver has also benefitted from the metal's sustained price increase. Industrial silver scrap has shown consistent growth, rising from 2,942 tons in 2019 to 3,452 tons in 2024. The recovery of spent ethylene oxide catalysts has been a primary driver of this steady expansion in industrial recycled silver.

However, as the solar industry grows rapidly, a massive number of solar panels will be decommissioned over the next few decades, creating a substantial market for recycling. While PV recycling currently faces technical and cost challenges – with specialised methods for efficiently separating valuable metals such as silver and copper from materials such as glass and plastics not yet fully commercialised – it undeniably represents a critical emerging source of silver supply.

Given ongoing trade disputes and tariff challenges, competition among countries to secure key raw materials and advanced technologies is likely to intensify, leading to greater price volatility for precious metals. In response, the industry is proactively leveraging technological innovation to achieve resource conservation and recycling. This is not merely a strategy to manage cost pressures but a crucial step toward promoting sustainable development. This 'thrifting, substitution and recycle' movement will have a profound and lasting impact on the future of the precious metals supply chain.

Elvis Chou
Metal Focus

Elvis has 27 years' experience in the semiconductor, specialty materials and precious metals industry. He leads the field research on precious metals jewellery and investments across South-East Asia and East Asia, and is responsible for the global industrial analysis for Metals Focus. He previously worked in precious metals recycle and refining management and product sales for Solar Applied Materials and new product development in Materion.

Facing Facts

Gold's Remarkable Rally and Shifting Investment Trends in Asia

By Debajit Saha Research Lead, Metals, London Stock Exchange Group

Over the past 18 months, gold has experienced a remarkable surge in price, drawing heightened interest from investors worldwide. As market volatility increased, gold emerged as a preferred alternative asset to safeguard portfolios traditionally dominated by equities and debt instruments.

Despite the sharp price rise last year, gold-backed ETFs underperformed, while physical gold investment gained momentum – particularly in key markets such as India and China. Interestingly, jewellery demand declined, likely due to elevated prices and shifting consumer priorities.

This year marked a dramatic shift in sentiment, especially following the return of US President Donald Trump to the White House. His aggressive stance on tariffs and the resulting uncertainty triggered widespread speculation, prompting investors to seek refuge in gold.

In response, global ETFs saw a significant revival, adding nearly 400 tonnes in the first half of the year alone. This surge sent a clear signal: gold remains a resilient asset capable of weathering diverse market challenges and geopolitical shocks.

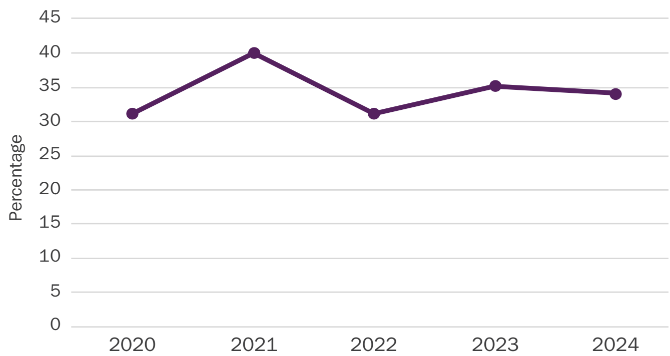
Changing investment behaviour in Asia

Gold ETFs have long been a mature investment product in developed markets. However, in physical gold hubs such as Asia, trading volumes have traditionally remained low, as investors tend to favour tangible gold over exchange-traded alternatives. This trend is beginning to shift. In the first six months of this year, China and India collectively accumulated over 100 tonnes of gold through ETFs – a notable development that signals a transformation in investor behaviour and growing acceptance of financial gold products in traditionally physical markets.

China and India collectively represent around 34% of global gold demand, positioning them as the most influential physical gold markets in the world. This demand is primarily driven by purchases of jewellery, bars and coins, reflecting a deep-seated cultural reverence for gold. In both countries, gold is cherished not only as a symbol of wealth and beauty but also as an auspicious element central to religious rituals and social customs. This centuries-old relationship with gold continues to endure and is expected to remain strong.

Despite rising gold prices, demand has shown remarkable resilience, underpinned by robust economic growth. As purchasing power increases and younger generations enter the workforce, the perception of gold is evolving. This 'new pedigree' of investors increasingly views gold not just as a traditional ornament but as a strategic asset – valued for its ability to provide portfolio stability and long-term financial security.

China-India share of total gold demand



Source: LSEG Metals Research

China

The assets under management (AUM) in gold-related investment products in China, including gold ETFs and other structured gold funds, are estimated to be over US$16.5 billion. In China, multi-asset funds that include gold typically allocate 5% to 15% of their portfolio to gold or gold-related instruments, depending on the fund's strategy and market outlook.

While the Chinese equity market has shown notable improvement over the past year, the Shanghai Composite Index remains nearly 40% below its all-time high. The index peaked at around 6,000 points in 2007, during a period of rapid economic expansion when GDP growth exceeded 10% annually. However, the 2008 global financial crisis triggered a sharp correction, pulling the index down to nearly 2,000 points.

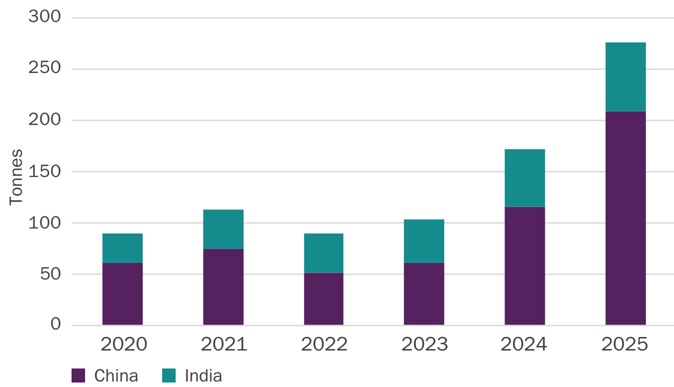
Since then, despite China's economy expanding significantly in size and complexity, the equity market has only partially recovered. This prolonged period of subdued returns on investment (ROI) has led investors to reassess their strategies and increasingly turn to alternative assets to diversify and stabilise portfolios.

The ongoing tariff tensions with the US have further amplified concerns about long-term external disruptions. In response, asset managers are actively seeking instruments – such as gold and other non-correlated assets – that can offer resilience amid uncertainty.

India

Until 2020, gold ETFs in India were largely considered niche products, primaril y favoured by seasoned investors. Although electronic trading systems had long made market access easy, retail participation remained limited due to a lack of awareness. Physical gold continued to dominate investor preference – a trend that persists even today. However, the landscape began to shift as asset management companies introduced innovative products that made gold investing more accessible. This helped broaden investor interest and paved the way for wider adoption of gold-backed financial instruments.

Gold ETF Holdings



Source: LSEG Workspace

As of June 2025, the total assets under management (AUM) in Hybrid Mutual Funds comprising gold – primarily through Multi-Asset Allocation Funds – in India is estimated to be around US$5 billion. These funds invest in a mix of equity, debt and gold ETFs, offering diversified exposure and risk-adjusted returns. These funds typically maintain a minimum of 10% exposure to gold, though the exact allocation may vary based on market conditions and fund strategy.

According to data from the Association of Mutual Funds in India (AMFI), an industry body, there has been a steady rise in retail folios within Multi-Asset Allocation Funds, indicating growing investor awareness about the benefits of diversification – particularly through gold. Many of these funds have delivered five-year annualised returns in the range of 8% to 10%, with relatively lower volatility due to their diversified exposure across equity, debt and gold. The sharp rally in gold prices, coupled with recent declines in equity indices, has prompted retail investors to increasingly favour hybrid funds that include gold, as a strategy to better manage market risk.

Conclusion

While Asia boasts the largest physical gold market globally, its financial gold market remains relatively underdeveloped compared to those of the West. However, the region presents immense growth potential, fuelled by rapid economic expansion and a digitally savvy younger generation. Asset managers are increasingly turning to diversification strategies to protect investor interests. Beyond traditional powerhouses such as China and India, alternative assets such as cryptocurrencies and tokenised gold are gaining traction across Asian markets. For instance, SBI Holdings – Japan's largest financial firm – has filed for a gold-crypto hybrid ETF, allocating over 50% of the fund to gold to offset crypto volatility.

This kind of product innovation reflects a growing appetite for digital assets, with gold serving as a stabilising force amid heightened market fluctuations.

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Spotlight on Texas Precious Metals

Texas Precious Metals joins LBMA as an Affiliate Member

5 QUESTIONS 5 ANSWERS

What were the reasons for you wanting to join LBMA and what do you see as the key benefits of membership?

We have enjoyed meteoric growth in revenue and depository holdings over the past 15 years, expanding beyond retail to service the bullion banks, refineries, custodians, and larger brokers/dealers. Our joining LBMA was a necessary progression for enhancing communication and collaboration in global trading.

Tell us about your company's role in the precious metals market?

We are a vertically-integrated precious metals operation that offers online retail and wholesale trading, in-house logistics, and retail and commercial segregated storage in our world-class, 54,000 square foot depository. In addition to gold, platinum, and palladium, our depository now holds more than 100M ounces of silver for over 30,000 clients.

What's the background and history of the company?

Founded in 2011 as a subsidiary of Kaspar Companies (a family-run business established in 1898), Texas Precious Metals (TPM) has grown to become one of the largest retailers of bullion in the United States.

What factors do you expect to impact your business in the short to long term?

Our depository expansion into offshore markets, partnerships with global brands like UFC and Professional Rodeo, our streaming media platform YallStreet.com, as well as new ventures supporting capital markets, will further stimulate our growth.

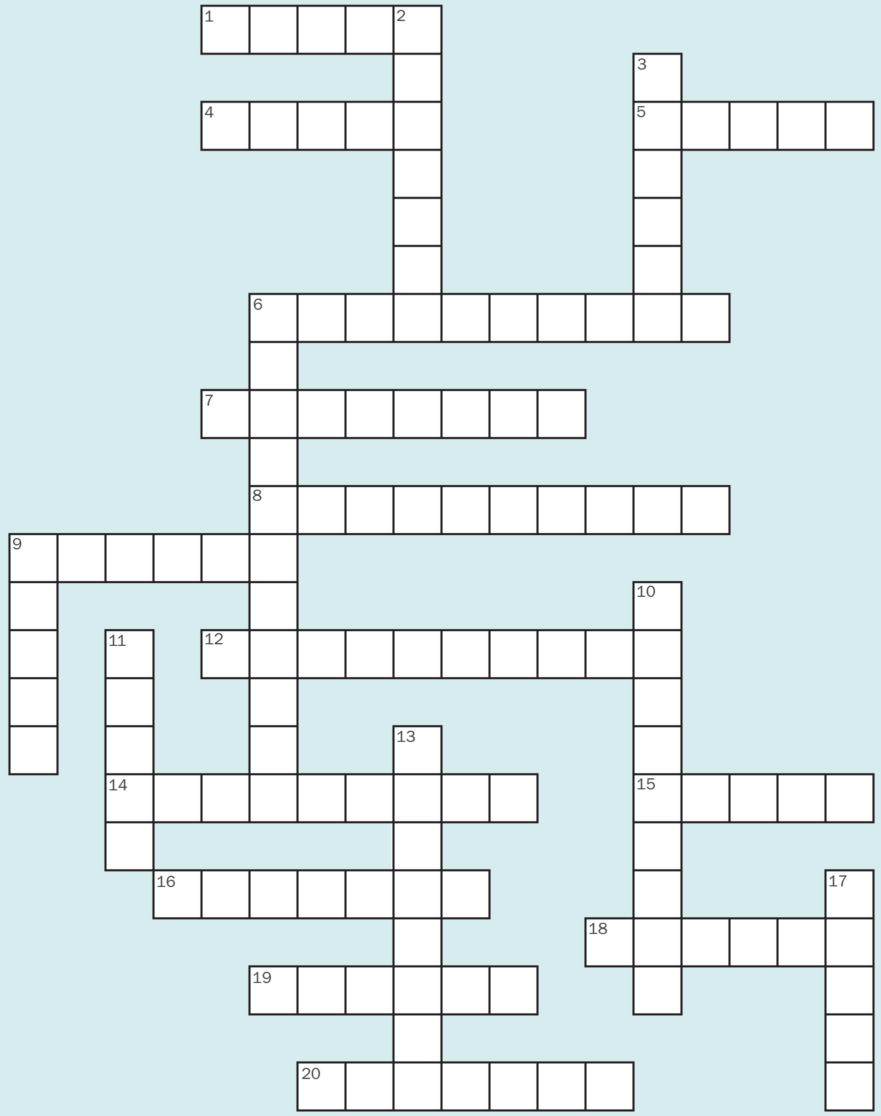
What are your future plans for the business?

Texas is now the eighth-largest economy in the world and is emerging as a major financial centre. With initiatives such as NYSE Texas and the planned Texas Stock Exchange (2026), we see clear momentum shifting from New York toward Texas.

Our facilities currently hold over 100 million ounces of silver, with annual growth of more than 30 million ounces. This positions us to play a central role in the ongoing geographic shift in the metals market.

Looking ahead, we anticipate either an expansion of COMEX beyond New York or the emergence of a new regional competitor - a "TEXMEX" network of depositories in the southern and western United States. We are positioning our business to be at the forefront of either outcome, ensuring that our infrastructure, partnerships, and capacity can support the industry's next phase of growth.

Conference Crossword



ACROSS

1 Largest gold consumer in the world
4 Country in the ancient world that valued silver much higher than gold
5 The world's first gold coins were produced here
6 The last currency to align its value with gold
7 Type of gold found in riverbeds and sifted through rushing water
8 Tree in which scientists have found gold particles
9 Reflective surface which used to include silver
12 James Bond movie and song by Shirley Bassey
14 In 2024 the country with the 3rd highest gold mine production
15 Location of the world-famous pavilion that is covered in gold leaf
16 Greek word for gold (romanised)
18 Leaves from which golden wreaths are made to crown winners
19 Historical and popular culture profession associated with treasure
20 Persian ruler under whom gold emerged as standardised currency

DOWN

2 Greek goddess who rides a silver chariot
3 During the Renaissance, the golden coin of Florence
6 Technique with which silver is used in drawings on an abrasive surface
9 Figure in mythology cursed with the ability to turn things to gold with touch
10 One of the largest robberies in British history, over £26 million worth of gold and jewels stolen
11 Civilisation that believed gold to be 'tears of the sun'
13 Often referred to as 'the golden city' or 'golden one'
17 Ancient Greek philosopher who explained the rarity of gold as punishment for greed of man

Crossword Answers

Across:
1 China
4 Egypt
5 Lydia
6 Swiss Franc
7 Alluvial
8 Eucalyptus
9 Mirror
12 Goldfinger
14 Australia
15 Kyoto
16 Chrusos
18 Laurel
19 Pirate
20 Croesus

Down:
2 Artemis
3 Florin
6 Silverpoint
9 Midas
10 Brinks Mat
11 Incas
13 El Dorado
17 Plato