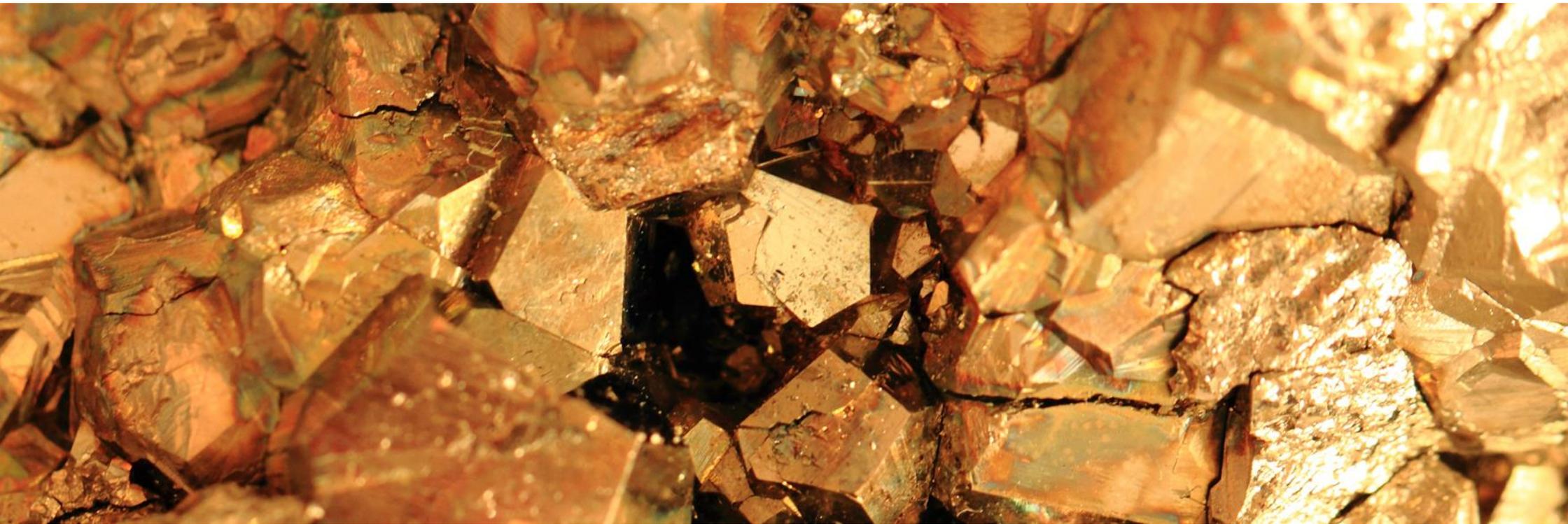


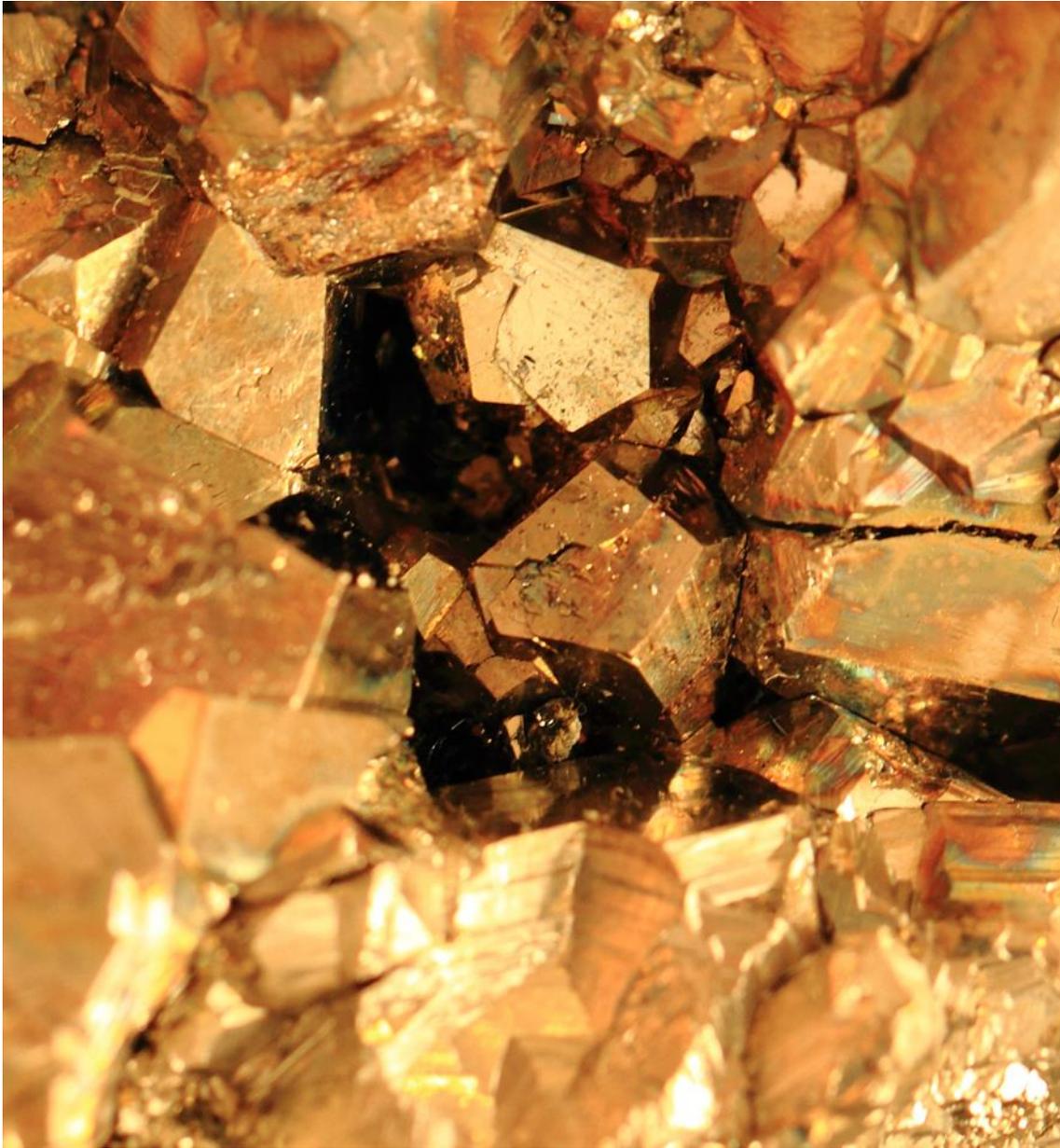
## ICBCS Gold Market Outlook

Julia Du - Senior Commodities Strategist

March 2026



**PUBLIC** *This is a marketing communication which has been prepared by ICBC Standard Bank Plc (“ICBCS”), its subsidiaries, including ICBC Standard Securities Inc., or branches (“the ICBCS Group”) and is provided for informational purposes only. The material does not constitute, nor should it be regarded as, investment research. It has not been prepared in accordance with the full legal requirements designed to promote independence of research and is not subject to any prohibition on dealing ahead of investment research.*

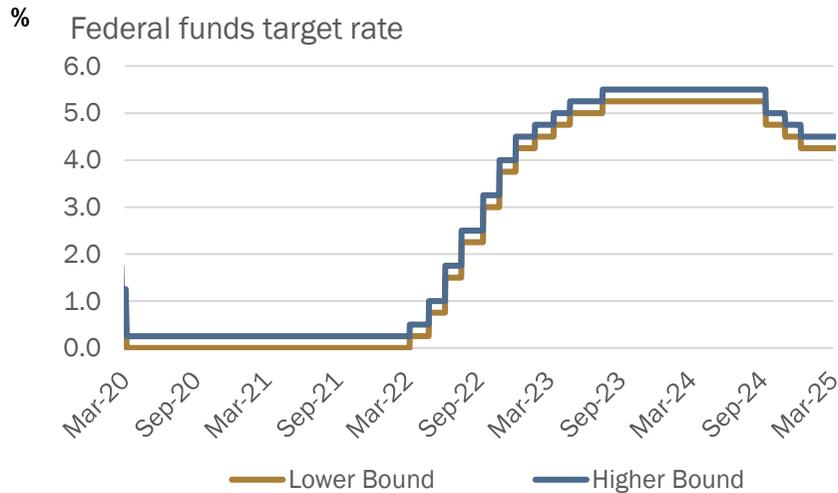


---

# **Global Economic Outlook**

---

# Energy Shock Delays Rate Cut Expectations and Strengthens the Dollar

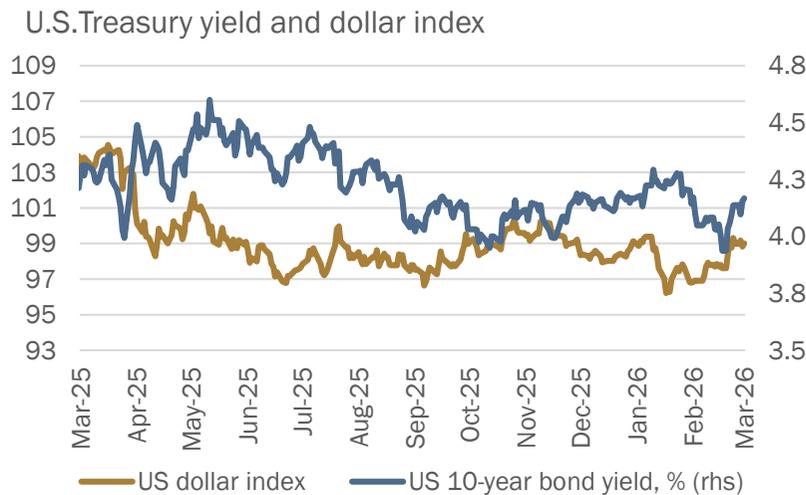


Source: Federal Reserve

## U.S. Interest Rate

- The Fed kept interest rates steady at the January FOMC meeting, stating that U.S. economic activity has been expanding solidly. This is the first time since July that the Fed paused its rate-cutting cycle, having lowered rates three times last year. The market is now pricing stable interest rates for H1 2026.
- Trump officially announced on January 30 that he would nominate Kevin Warsh as Chair of the Federal Reserve. Walsh emphasised the need for a “regime change” at the Fed, arguing that while fighting inflation, the Fed should shrink its balance sheet and advance structural reforms to create the conditions for lower interest rates. The rates market is taking a more cautious stance, with current pricing suggesting that the next rate cut is unlikely to come before June this year.

## US Dollar Index



Source: Bloomberg

## U.S. Treasury Yield and Dollar

- On 28 February, the U.S. and Israel launched a joint military operation against Iran, resulting in the death of Iran’s Supreme Leader, Ali Khamenei. In retaliation—and to increase pressure on the international community—Iran shut down the Strait of Hormuz, triggering a sharp surge in global energy prices. Brent and WTI crude both briefly spiked above \$120/bbl, while European natural gas prices more than doubled, significantly intensifying global inflationary pressures.
- The market reassesses the monetary-policy outlook, with consensus now shifting toward expectations that both the ECB and the Fed may delay rate cuts, and in some discussions, even revisit the possibility of rate hikes. These shifting expectations have contributed to a near-term strengthening of the U.S. dollar.

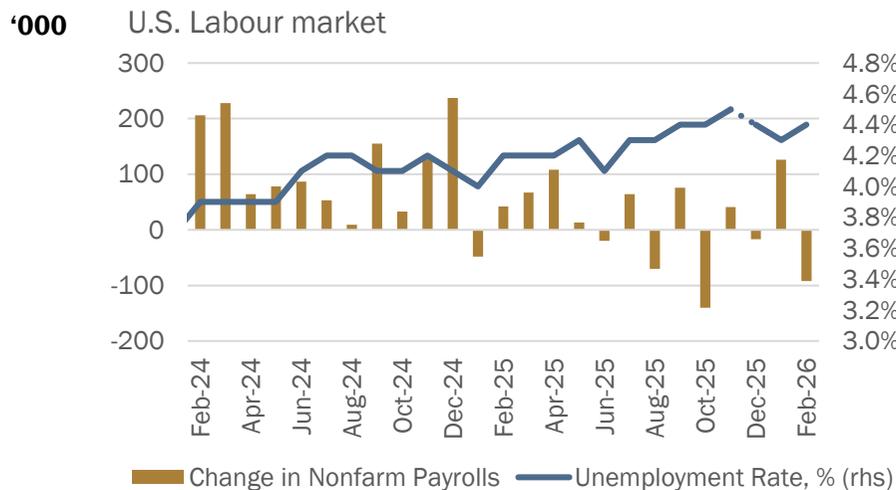
# Inflation Mild, Strike-Driven Job Losses, Fed Is Cautious on Rate Cuts



Source: Bureau of Labour Statistics

## U.S. CPI and Core CPI

- U.S. core inflation eased as expected in February; however, the Middle East conflict has pushed oil and gas prices higher in March. The near-term upward pressure from energy is almost certain to show up in the March inflation data.
- U.S. CPI rose 2.4% y/y in February, matching both expectations and the prior reading. On a monthly basis, CPI increased 0.3% m/m, in line with forecasts and slightly above January's 0.2%.
- Core CPI increased 2.5% y/y, unchanged from January and consistent with expectations. On a month-over-month basis, core CPI rose 0.2% m/m, easing from the 0.3% recorded previously.

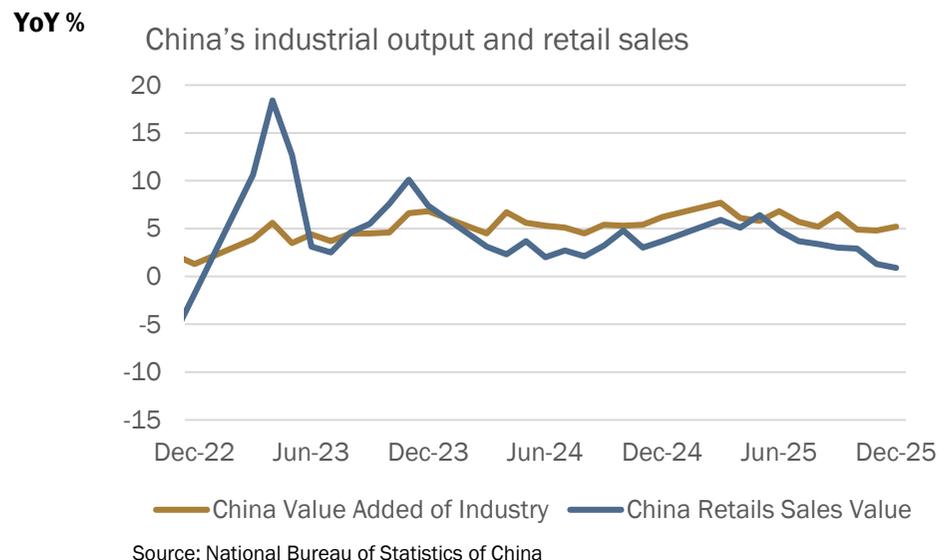


Source: Bureau of Labour Statistics

## U.S. NFP and Unemployment Rate

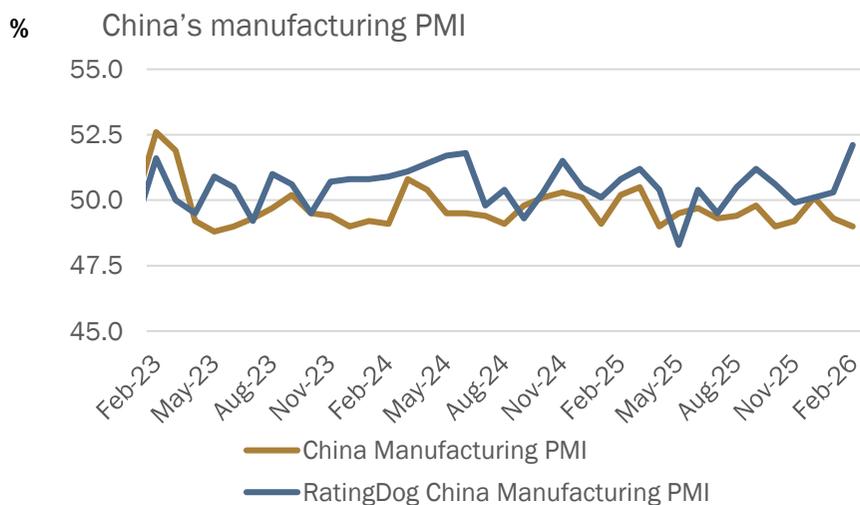
- U.S. employment data weakened notably in February, with headline figures pointing to a clear loss of momentum in the labour market. The soft print added to concerns following already fragile readings in prior months.
- Nonfarm payrolls fell by 92,000 in February, far below expectations for a 55,000 gain, reflecting job losses in the healthcare sector due to strike activity. The unemployment rate rose to 4.4% from 4.3%, against expectations for no change, marking one of the weakest monthly outcomes since 2020.
- At the same time, the BLS revised historical employment figures lower, reinforcing signs of a broader and more persistent cooling in labour-market conditions.

## China's Factory Activity Weakened in January amid Soft Demand



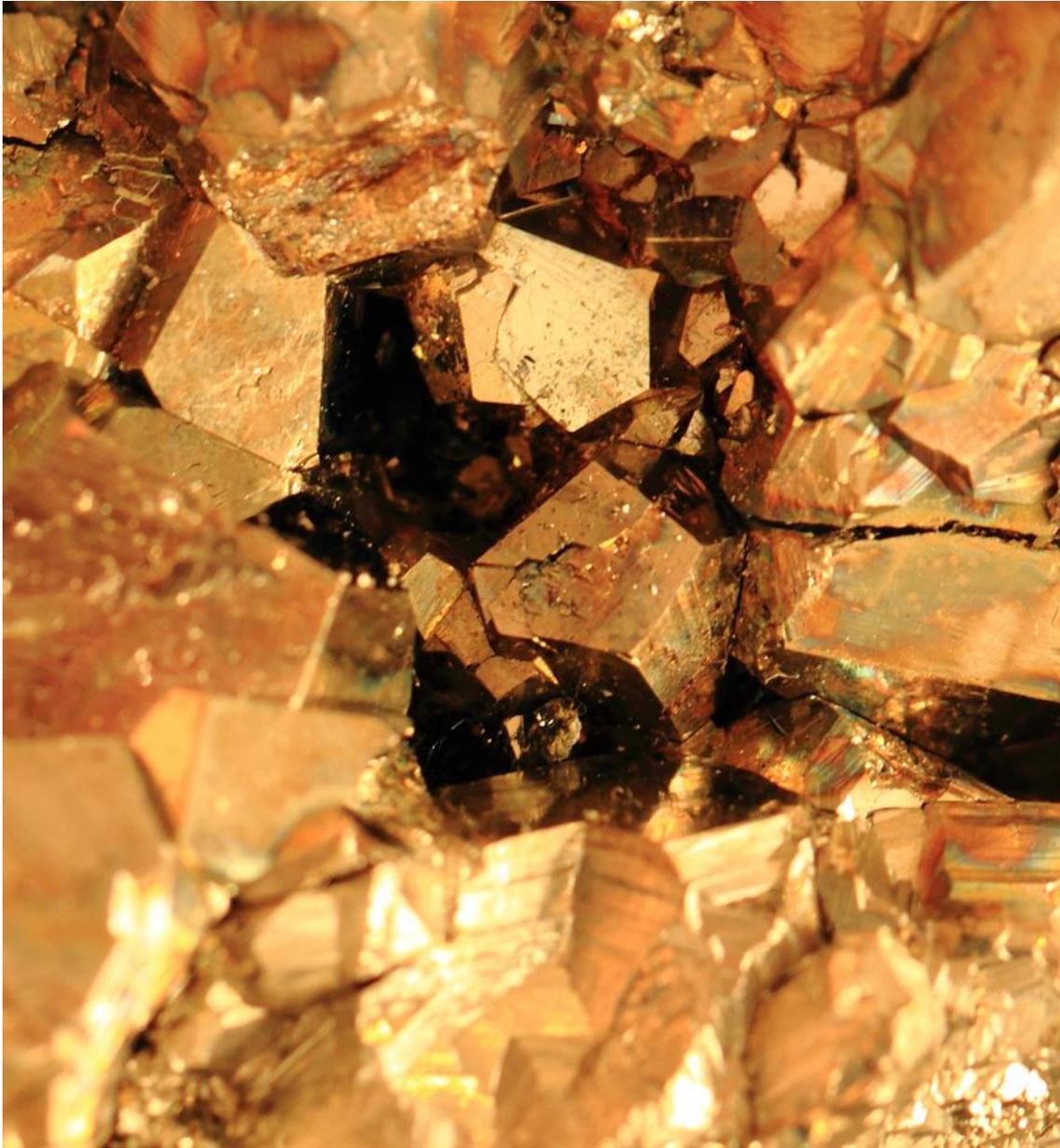
### China's Industrial Production and Retail Sales

- China's economy met its full-year growth target of 5% in 2025, but the sharp cooling in consumption and the decline in investment have cast a shadow over China's economic outlook in 2026.
- Industrial production rose 5.2% y-o-y in December, beating expectations of 5.0% and accelerating from November's 4.8%. Retail sales grew just 0.9% y-o-y, missing forecasts of 1.0% and slowing from 1.3% in November, marking the weakest pace since late 2022.
- Fixed-asset investment contracted 3.8% last year, worse than economists' forecast for a 3.1% drop. Investment in property development continued to decline as a real estate crisis dragged on.



### China's Manufacturing PMI

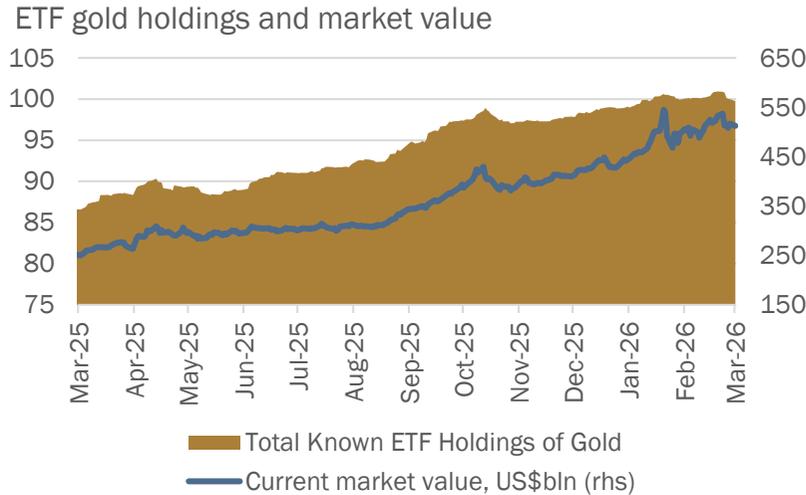
- China's manufacturing sector remained soft in the first two months of 2026, with overall activity still under pressure. Seasonal disruptions around the Lunar New Year and subdued domestic demand kept the recovery momentum weak.
- The official manufacturing PMI fell to 49.3 in January and edged down to 49 in February, marking two straight months below the 50 threshold as production and new orders struggled to recover.
- Private-sector indicators showed improvement. The RatingDog China General Manufacturing PMI rebounded sharply to 52.1 in February, the strongest reading since late 2020, driven by a notable pickup in new export orders as external demand strengthened.



# Gold Market Analysis

# Strong February ETF Inflows; PBOC Extends 15-Month Gold Buying Streak

Million troy ounce

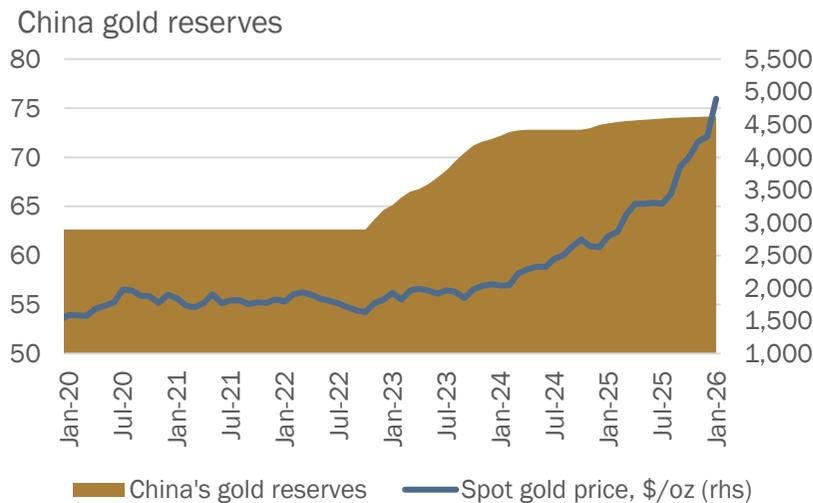


Source: Bloomberg

## Strong ETF Inflows Extend Gold's Momentum Through February

- Global gold ETFs saw another strong month in February, marking the ninth consecutive month of inflows as investors continued to increase allocations amid elevated geopolitical risks and shifting macro conditions. Total holdings rose by 26 tonnes to a new all-time high of 4,171 tonnes, while rising gold prices pushed global AUM to a record US\$701bn.
- Regional flows diverged: North America dominated global demand, Asia sustained its positive trend, and Europe stood out as the only region to record net outflows. Overall, global inflows reached US\$5.3bn in February—cementing the strongest two-month start to a year on record for physically backed gold ETFs.

Million troy ounce



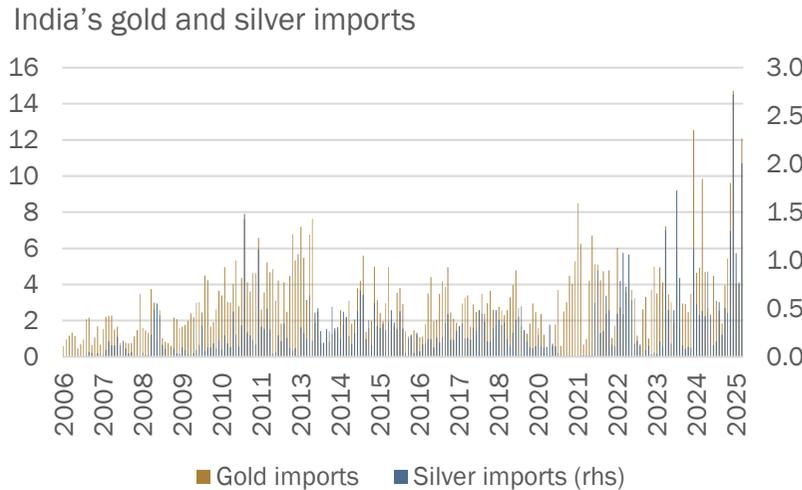
Source: Bloomberg; The People's Bank of China

## China's Central Bank Extended Its Gold-Buying Streak to 15 Months

- In January 2026, the People's Bank of China added 40,000 troy oz of gold to its reserves, extending its gold buying streak to 15 months. By the end of January, China's total gold holdings had risen to 74.19 million troy oz; the value of China's gold reserves increased to \$369.58 billion from \$319.45 billion a month earlier.
- The PBOC's small-scale gold purchases over several months help with asset diversification without causing price volatility. Besides, Chinese regulators have advised financial institutions to rein in their holdings of US treasuries amid risks and market volatility. This will reinforce investors' preference for the precious metal as a safe, reliable asset in geopolitical turmoil.

# Indian Gold Imports Near Record Highs; Dubai Gold Sold on Discount

Billion dollar

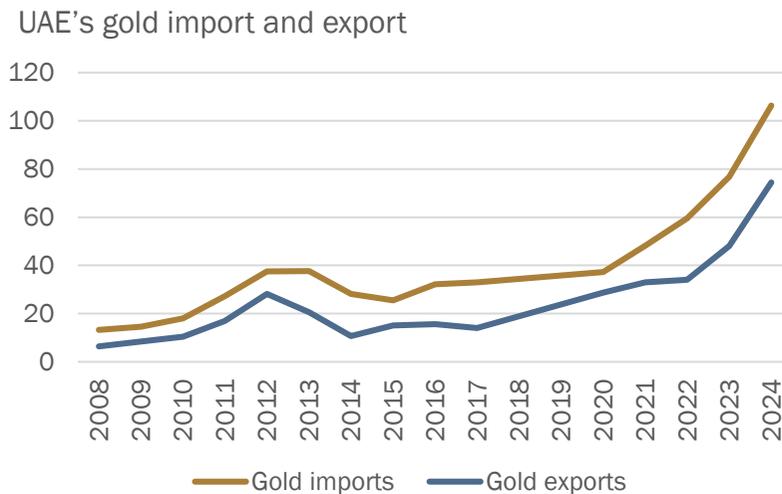


Source: Reserve Bank of India

## Strong Physical Demand In India And China Fuels The Gold Price Surge

- Strong physical bullion demand from India and China drove the sharp rally in gold prices in the second half of 2025 and into January 2026. World Gold Council data show that gold jewellery demand in both countries fell sharply – down 24% and 25% Y/Y – as soaring prices suppressed jewellery purchases. However, physical gold investment surged, with bar-and-coin demand rising 17% Y/Y in India and 28% Y/Y in China.
- India's import data further underline this strength, showing near-record inflows of gold and silver through January. The country imported more than USD 12 billion worth of gold during the period – the third-highest monthly total on record – while silver imports surged above USD 2 billion.

Billion dollar



Source: United Arab Emirates National Bureau of Statistics

## Dubai Gold Sold On Discount As War Disrupts Air Traffic

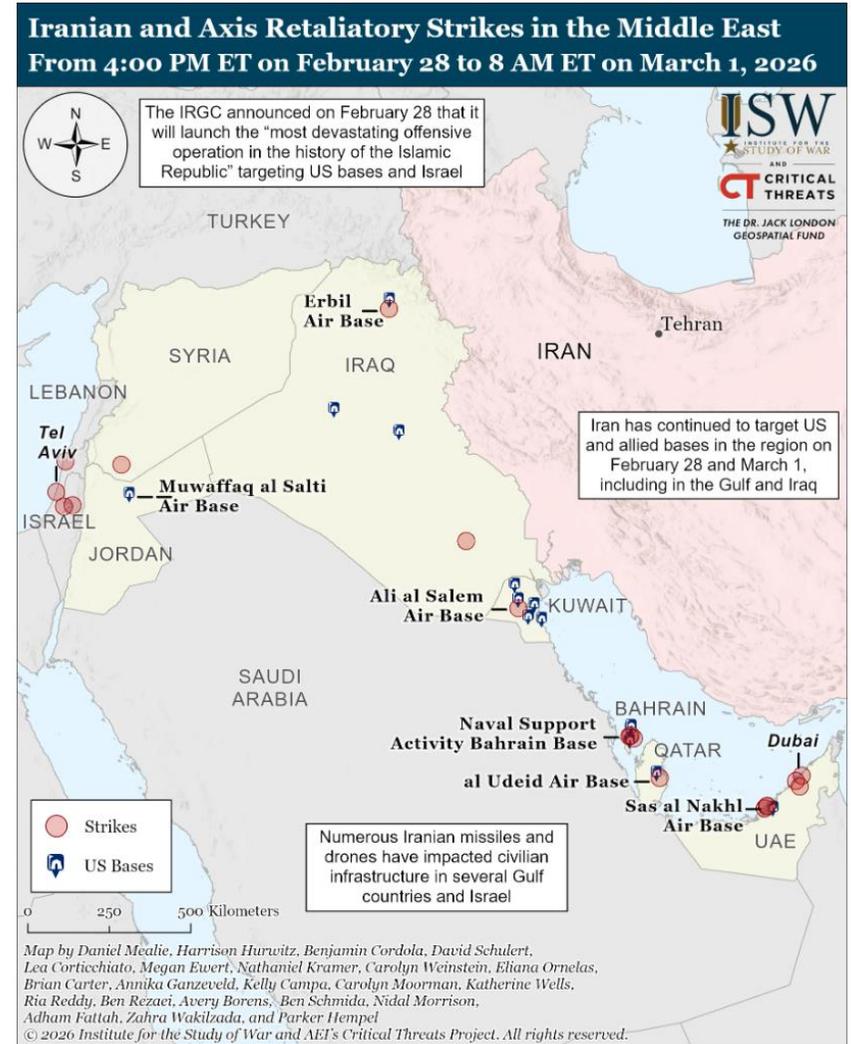
- The UAE – and Dubai in particular – serves as a major global hub for gold refining and export. It is a key distribution centre supplying buyers across Asia, while also acting as a transit point for shipments originating from Switzerland, the UK, and several African countries
- The widening conflict in the Middle East severely restricted air traffic, preventing Dubai from moving gold to India and other major Asian markets. With shipping and insurance costs surging, buyers are reluctant to place new orders; sellers are unwilling to pay indefinitely for storage and funding, forcing them to offer Dubai-based bullion at steep discounts of up to \$30 per ounce to the London benchmark.

# U.S.–Israel Joint Military Action Sparks a New Middle East Conflict

PUBLIC



Source: The Institute for the Study of War (ISW)



Source: The Institute for the Study of War (ISW)

## Mojtaba Khamenei's Appointment Intensifies U.S.–Iran Tensions

### Background & Identity

- Born 1969; second son of Ali Khamenei
- Holds Hojjatoleslam (mid-tier Shi'a clerical rank), below Ayatollah
- Formative years shaped by the Islamic Revolution and Iran–Iraq War
- Long-time “gatekeeper” in the Supreme Leader's office: controlled access, personnel, and message flow
- Widely regarded as a behind-the-scenes power broker across politics and security



**Mojtaba Khamenei**

### Ties to Core Power Structures

- Deep links to the IRGC and conservative Qom clerical networks
- Reported loyalty from younger hardline IRGC/Basij factions
- Upon appointment, IRGC, General Staff, SNSC, senior leaders swiftly pledged allegiance
- Despite domestic controversy over perceived “hereditary succession,” power consolidated rapidly

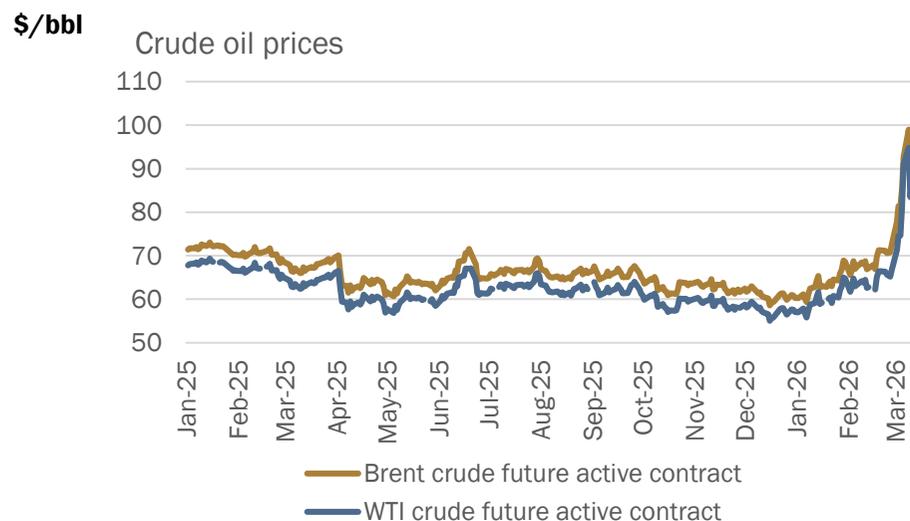
### U.S. & Israeli Reactions

- Sanctioned by the U.S. in 2019 for wielding authority without elected office
- President Donald Trump called the selection “unacceptable,” questioning legitimacy and durability
- Israeli officials warned they would target any successor to the late leader
- External pressure rhetoric tightened internal cohesion in Tehran and reinforced the narrative of national resilience

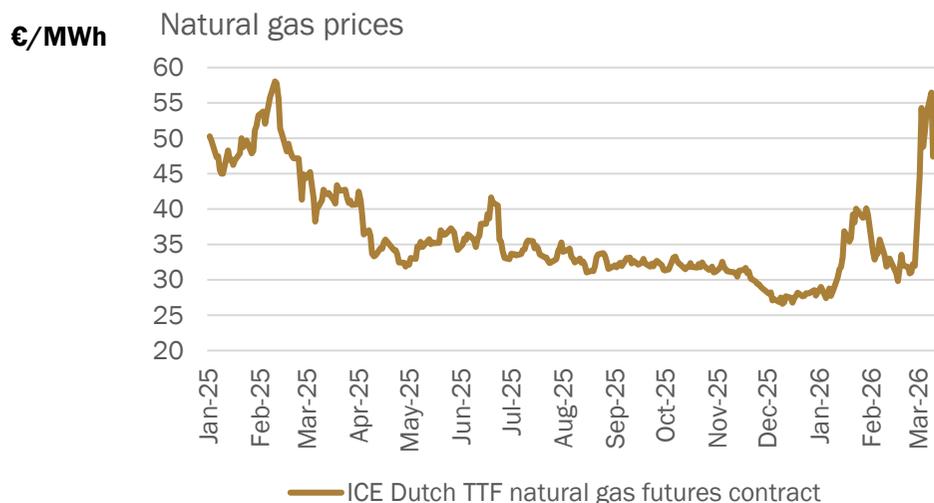
### Implications for the U.S.– Iran Conflict

- Leadership vacuum avoided; system moves into unified hardline governance
- Lower odds of near-term moderation or negotiations; resistance doctrine reaffirmed
- Firm retaliatory posture likely (missiles, drones, proxy militias); high miscalculation risk
- Close alignment with IRGC, which polices the Strait of Hormuz → ongoing shipping disruption risk
- Conflict likely to evolve as a hybrid war

## Iranian War Triggers Sharp Surge in Energy Prices, Intensifying Inflation



Source: Bloomberg



Source: Bloomberg

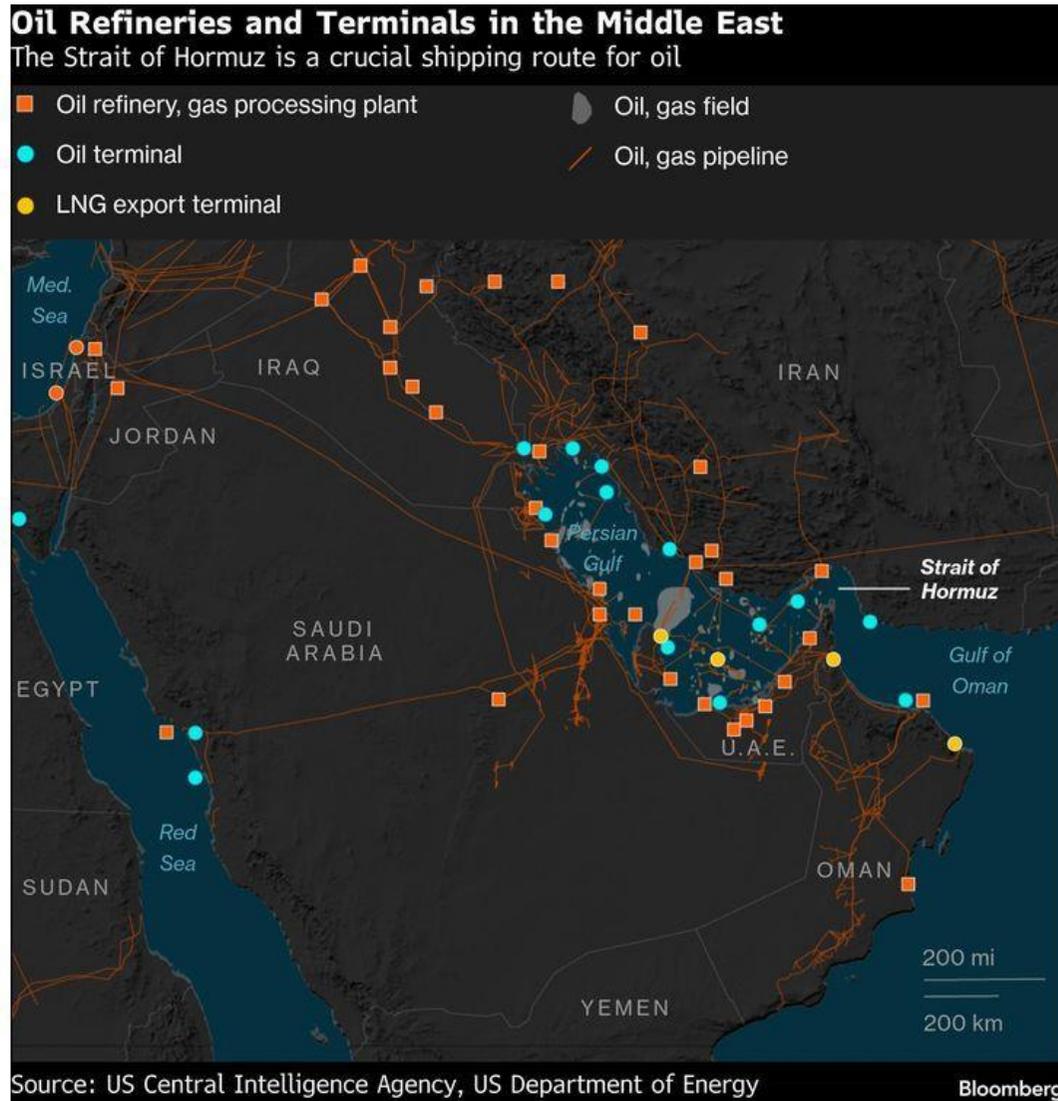
### Iran’s Closure of the Strait of Hormuz Drives Oil Prices Significantly Higher

- Iran has tightened control over the Strait of Hormuz in retaliation for U.S. and Israeli military actions and to increase pressure on the international community. The closure has left Gulf producers unable to move crude out of the region, forcing many to cut output once storage reached capacity. Oil prices surged sharply, with Brent and WTI briefly hitting \$120/bbl.
- Prices later eased after Trump may consider relaxing sanctions on Russia and as the G7 discussed a coordinated release of SPR, but crude remains elevated. The sustained price spike has intensified global inflation pressures, pushing investors to delay expectations for the Fed’s rate cut to September. The stronger U.S. dollar has added downside pressure on gold.

### Qatar LNG Shutdown Deepens Global Natural Gas Supply Shock

- As the world’s second-largest LNG exporter, Qatar relies almost entirely on seaborne routes, making the closure of the Strait of Hormuz a direct choke point for its outbound cargoes. The situation deteriorated further when QatarEnergy announced a full shutdown of its Ras Laffan facility—the world’s largest LNG production hub—after it was struck during Iran’s attacks.
- Europe now faces an additional challenge as LNG cargoes are increasingly diverted to Asia, leaving European storage vulnerable and pushing regional gas prices to surge more than twofold. Some industry analysts note that, if Europe seeks a substantial boost in gas supply, one “extreme option” would be to resume imports of Russian natural gas.

# Blockage Of Hormuz Is Forcing Energy Giants To Cut Production



2 Mar 2026

Ras Tanura Refinery (Saudi Arabia) was closed after intercepted drones caused a fire at Saudi Arabia's largest refinery.

Ras Tanura Refinery

Ras Laffan LNG complex (Qatar) was fully shut after Iranian drone strikes hit key LNG facilities.

Ras Laffan LNG Complex

4 Mar 2026

Iraq's Rumaila, West Qurna-2 and Maysan fields were forced to halt output as storage tanks reached full capacity

Iraq Oil Fields

10 Mar 2026

Ruwais Refinery (UAE) was shut down after a drone strike triggered a fire in the Ruwais Industrial Complex.

Ruwais Refinery

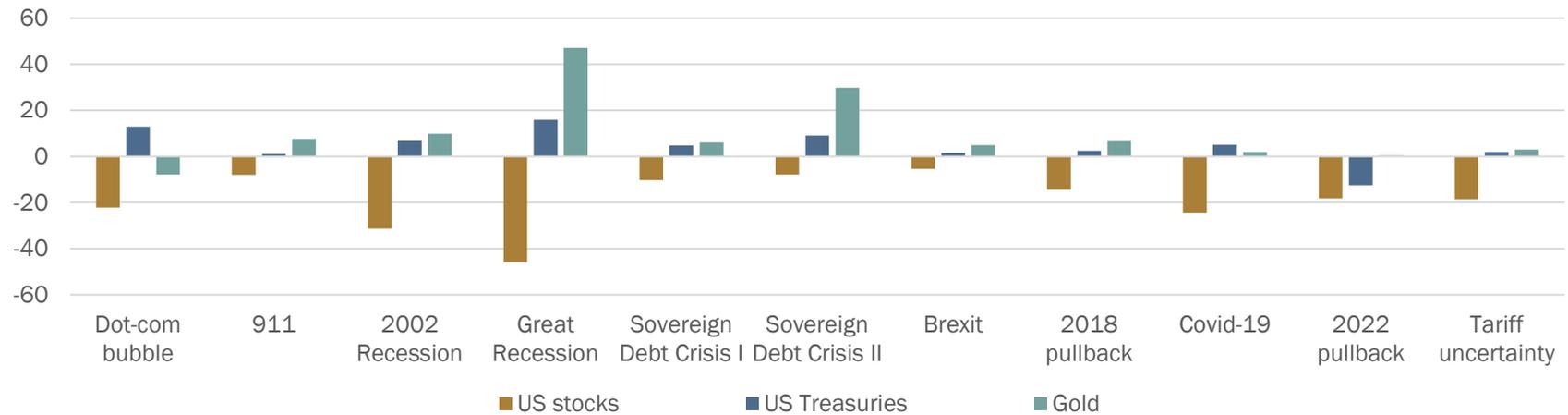
Source: Various sources

# Gold Shines as Safe Haven Amid Crisis; Global Holdings Hit a 48-Year High

PUBLIC

CAGR%

Stocks, bonds and gold performance during various crises



Source: Bloomberg, ICE Benchmark Administration, World Gold Council

Mil Fine Troy oz

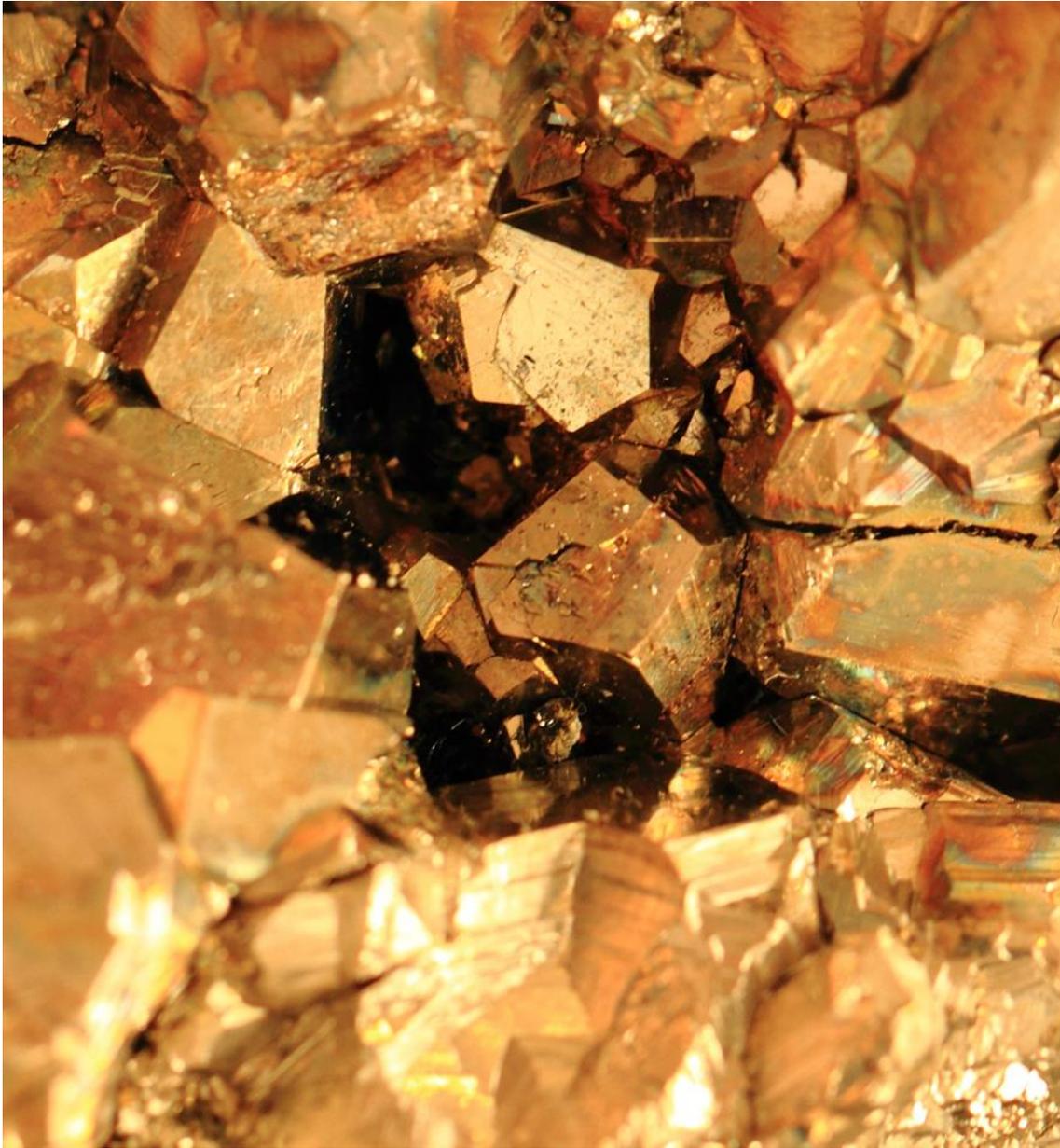
IMF World reserve gold holdings



Source: Bloomberg; International Monetary Fund

## Gold’s Defensive Role Drives Strong Official and Investor Demand

- Historical experience shows that during major crises, equities and bonds often struggle to provide stable returns, while gold typically delivers positive performance and helps cushion overall portfolio losses. This resilience has strengthened investor interest in allocating to gold in today’s environment of elevated uncertainty.
- At the same time, central banks have continued to build their gold reserves since the 2008 financial crisis, with post-pandemic purchases pushing official holdings to their highest level in nearly 48 years. These inflows reflect a long-term strategic motive—reserve security and diversification away from the dollar—making central-bank demand relatively insensitive to price levels.



---

# Gold Price Outlook

---

## Gold Edges Higher; Macro Tailwinds Keep the Long-Term Outlook Bullish

### Factors Influencing Gold Price Outlook

#### Bullish

- The U.S. and Israel's military actions against Iran resulted in the death of Iran's Supreme Leader, sharply escalating U.S.–Iran tensions and boosting safe-haven demand.
- Gold-backed ETF holdings continue to increase amid rising geopolitical risks.
- Gold remains above key moving averages, with technical indicators signalling strong short-term upside momentum.
- China's consumption and investment continue to weaken; manufacturing momentum remains soft, and sluggish domestic demand is weighing on sentiment and reinforcing safe-haven interest.
- The sharp downside surprise in February's nonfarm payrolls and the rise in the unemployment rate increased the urgency for the Federal Reserve to cut rates before mid-year.
- The IMF expects global GDP growth to slow to 3.1% in 2026, as higher U.S. tariffs add to global uncertainty.
- Despite recent volatility, most institutions remain bullish on gold for 2026 and expect further upside.
- Given the U.S.'s large and continuously expanding debt burden, the Fed is still likely to begin its rate-cut cycle in the second half of 2026.
- Global central banks will continue increasing gold reserves for strategic, long-term risk-management purposes; the PBOC has added gold for 15 consecutive months, reinforcing structural demand.

#### Bearish

- Iran's closure of the Strait of Hormuz pushed energy prices sharply higher, adding to global inflation pressures, delaying rate-cut expectations, and supporting a stronger dollar—all of which weigh on gold.
- Gold's rapid rally earlier triggered margin-requirement hikes by exchanges, cooling speculative demand in the short term.
- The sharp gold sell-off at the end of January caused some risk-averse investors to cut exposure and avoid chasing prices higher, lifting short-term bearish sentiment.
- Trump's nomination of the more hawkish Kevin Warsh as the next Fed Chair suggests rate cuts may proceed more cautiously.
- Over the past two months, loco London vaulted gold stocks have risen significantly, indicating some easing in near-term supply tightness.

# Disclaimer

This presentation has been prepared by ICBC Standard Bank Plc (“ICBCS”), its subsidiaries, including ICBC Standard Securities Inc., or branches (“the ICBCS Group”) and is provided for informational purposes only. The material does not constitute, nor should it be regarded as, investment research. It has not been prepared in accordance with the full legal requirements designed to promote independence of research and is not subject to any prohibition on dealing ahead of investment research.

**No Advice:** This document is for the general information of institutional and market professional clients of the ICBCS Group and should not be considered to be investment advice. It does not take into account the particular investment objectives, financial situation or needs of individual clients. It is not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities, commodities or other financial instruments, or to participate in any particular trading strategy, nor shall it, or the fact of its distribution, form the basis of, or be relied upon in connection with, any contract relating to such action. Additional information with respect to any security, commodity or other financial instrument, referred to herein may be made available on request.

**No Representation/Warranty:** The information presented in this document (and opinions based on this information) was obtained from sources that the ICBCS Group considers reliable, but we do not warrant or represent (expressly or impliedly) that it is accurate, complete, not misleading or as to its fitness for the purpose intended and it should not be relied upon as such. The information and opinions were produced by the ICBCS Group as per the date stated and may be subject to change without prior notification. Opinions expressed represent current opinions as of the date appearing on this document only. Insofar as possible, the ICBCS Group endeavours to update the material in this document on a timely basis, but regulatory compliance or other reasons may prevent us from doing so.

**Conflicts of Interest:** The ICBCS Group or our employees may from time to time have long or short positions in securities, commodities, warrants, futures, options, derivatives or other financial instruments referred to in this document. The ICBCS Group does and seeks to do business with companies covered in this document. As a result, investors should be aware that we may have a conflict of interest that could affect the objectivity of this document. Investors should consider this document as only a single factor in making their investment decision.

**Non-Disclosure:** Neither this document, its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of the ICBCS Group. All trademarks, service marks and logos used in this document are trademarks or service marks or registered trademarks or service marks of the ICBCS Group.

**No Liability:** The ICBCS Group accepts no liability for loss, either directly or indirectly, arising from the use of the material presented in this document, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to the ICBCS Group

**Investment Risks:** The services, securities and investments discussed in this document may not be available to, nor suitable for, all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources, and if necessary, should seek professional advice. It should be noted that investment involves risk, including, but not limited to, the risk of capital loss. Past performance is no guide to future performance. In relation to securities denominated in foreign currency, movements in exchange rates will have an effect on the value, either favourable or unfavourable, of such securities. Some investments discussed in this document may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realised. Those losses may equal your original investment. Indeed, in the case of some investments, the potential losses may exceed the amount of initial investment, and in such circumstances, you may be required to pay more money to support those losses. Income yields from investments may fluctuate and, in consequence, initial capital paid for such investments may be used as part of that income yield. Some investments may not be readily realisable and it may be difficult to sell or realize those investments, similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed.

In the **UK**, this document is distributed by ICBCS, 20 Gresham Street, London EC2V 7JE which is authorised by the Prudential Regulation Authority (“PRA”) and regulated by the PRA and the Financial Conduct Authority (“FCA”), and is provided to Professional Investors only.

In **Singapore**, ICBC Standard Bank, Singapore Branch is regulated by the Monetary Authority of Singapore. This document is intended solely for customers who qualify either as Accredited Investors, Expert Investors, or Institutional Investors (with each of these terms being defined in the Securities and Futures Act (2001)). Recipients in Singapore should contact an ICBCS, Singapore Branch representative in respect of any matters arising from, or in connection with this material.

In the **United States**, this will be a macroeconomic marketing communication (e.g. a communication that excludes any reference to individual securities) and will NOT constitute a research report under U.S. law, and will NOT be a product of the research department of ICBC Standard Securities Inc. (“ICBCSSI”) or any of its affiliates. ICBCS is acting through its agents, ICBCSSI, and ICBC Standard Resources (America) Inc. All are affiliates of ICBCS. ICBC Standard Resources (America) Inc. is registered as a Commodity Trading Advisor, Commodity Pool Operator and Introducing Broker with the NFA. ICBCSSI is a member of FINRA and SIPC. Neither are banks, regulated in the United States by the New York State Department of Financial Services, Federal Reserve Board, nor insured by the FDIC.

In **Canada**, any offer or sale of the securities described herein will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada or, alternatively, pursuant to a dealer registration exemption.

In **other jurisdictions, including certain EEA Member States**, where the ICBCS Group is not already registered or licensed to provide services and trade financial instruments on a cross-border basis, such activities will only be effected in accordance with applicable legislation, which will vary from jurisdiction to jurisdiction and may require that the activities are provided in accordance with applicable exemptions from registration or licensing requirements or on a reverse solicitation basis.

Copyright 2026 the ICBCS Group. All rights reserved.

## Research Disclaimer for China

This market report is intended solely to introduce the general investment environment of the commodities discussed within and does not constitute an offer to any institutions in the People's Republic of China (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan) (the "PRC"). This report or the information contained herein has not been approved by or registered with any relevant governmental authorities in the PRC. PRC institutions are responsible for obtaining all relevant government regulatory approvals/licences themselves, including, but not limited to, any which may be required from the National Financial Regulatory Administration (NFRA), the China Securities Regulatory Commission (CSRC), the People's Bank of China (PBOC), and other regulatory bodies (as the case may be), and for complying with all applicable PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

ICBC  Standard Bank

**ICBC Standard Bank Plc | Financial Markets and Commodities**  
20 Gresham Street | London EC2V 7JE, United Kingdom  
[www.icbcstandard.com](http://www.icbcstandard.com)