Metals Focus

The Plumb Club

20th November 2025

Matthew Piggott, Director of Gold & Silver
Matthew.Piggott@metalsfocus.com

Gold's fundamentals

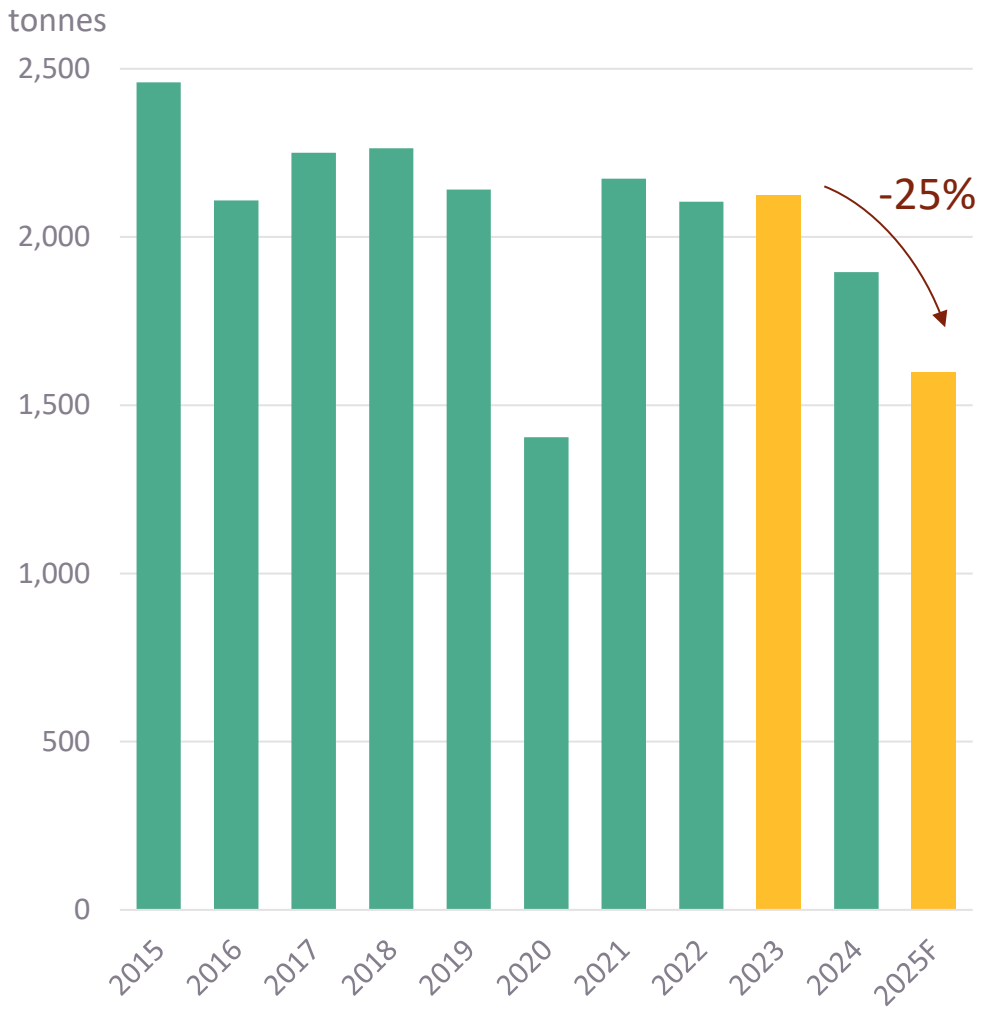
(tonnes)

SUPPLY	2020	2021	2022	2023	2024	2025F	
Mine Production	3,483	3,575	3,645	3,641	3,646	3,710	*Steadily growing, lack of cost pressures*
Recycling	1,293	1,136	1,136	1,234	1,368	1,427	*Rising, but by less than historically*
Net Hedging Supply	-	-	-	69	-	-	*Negligible*
Total Supply	4,776	4,711	4,782	4,945	5,013	5,138	*Rising, but by a restrained degree*
DEMAND							
Jewellery Consumption	1,405	2,175	2,106	2,124	1,891	1,627	*Heavily hit by strong price appreciation*
Industrial Demand	309	337	315	305	326	331	*Steady growth in electronics demand*
Net Physical Investment	910	1,196	1,226	1,212	1,191	1,277	*Growth has been restrained by liquidations, esp. in US*
Net Hedging Demand	37	5	7	-	54	45	*Negligible*
Net Central Bank Purchases	255	450	1,080	1,051	1,089	900	*Sustained, elevated purchasing globally*
Total Demand	2,916	4,164	4,734	4,692	4,553	4,180	*Falling rapidly, driven by sharp losses in jewellery*
Market Balance	1,860	547	48	253	461	958	*Growing surplus, absorbed by ETFs, institutional investors and high net worth individuals*
Gold Price (US$/oz)	1,770	1,799	1,800	1,941	2,386	3,220	

Source: Metals Focus

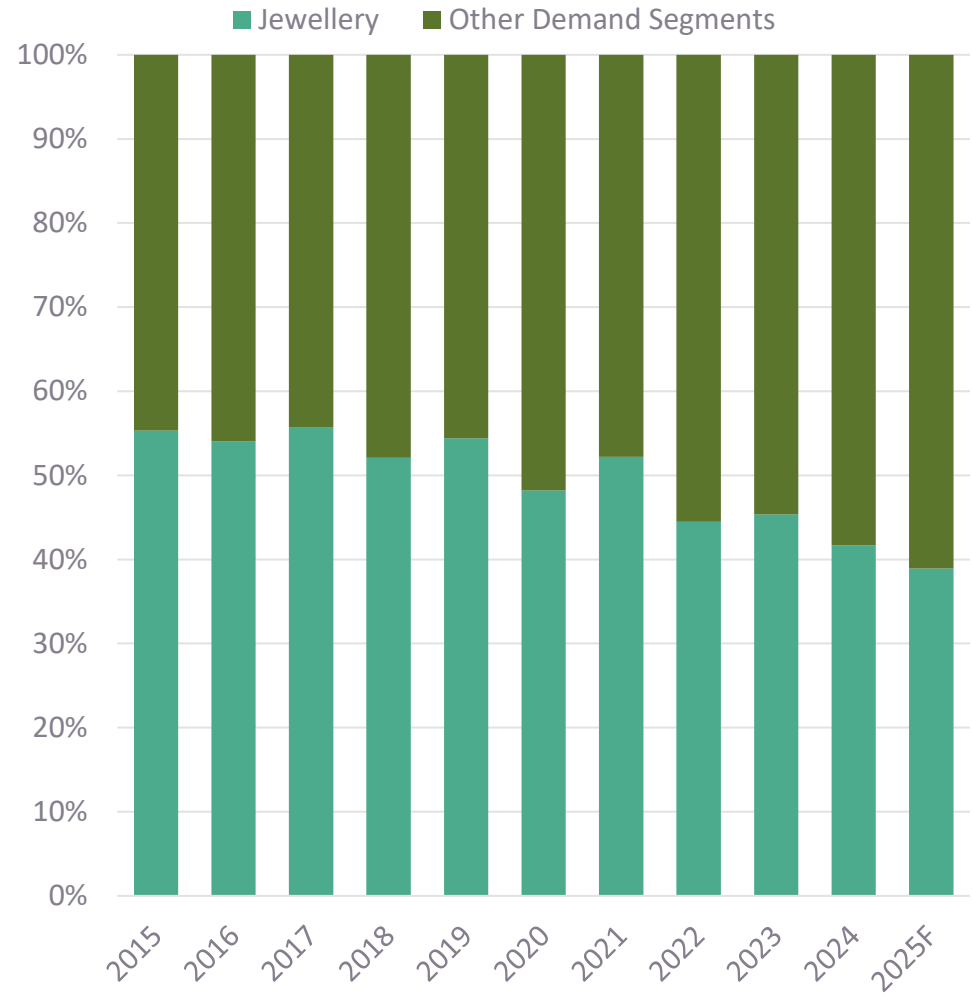
Gold jewellery's share of overall demand

Total jewellery demand declining in recent years…



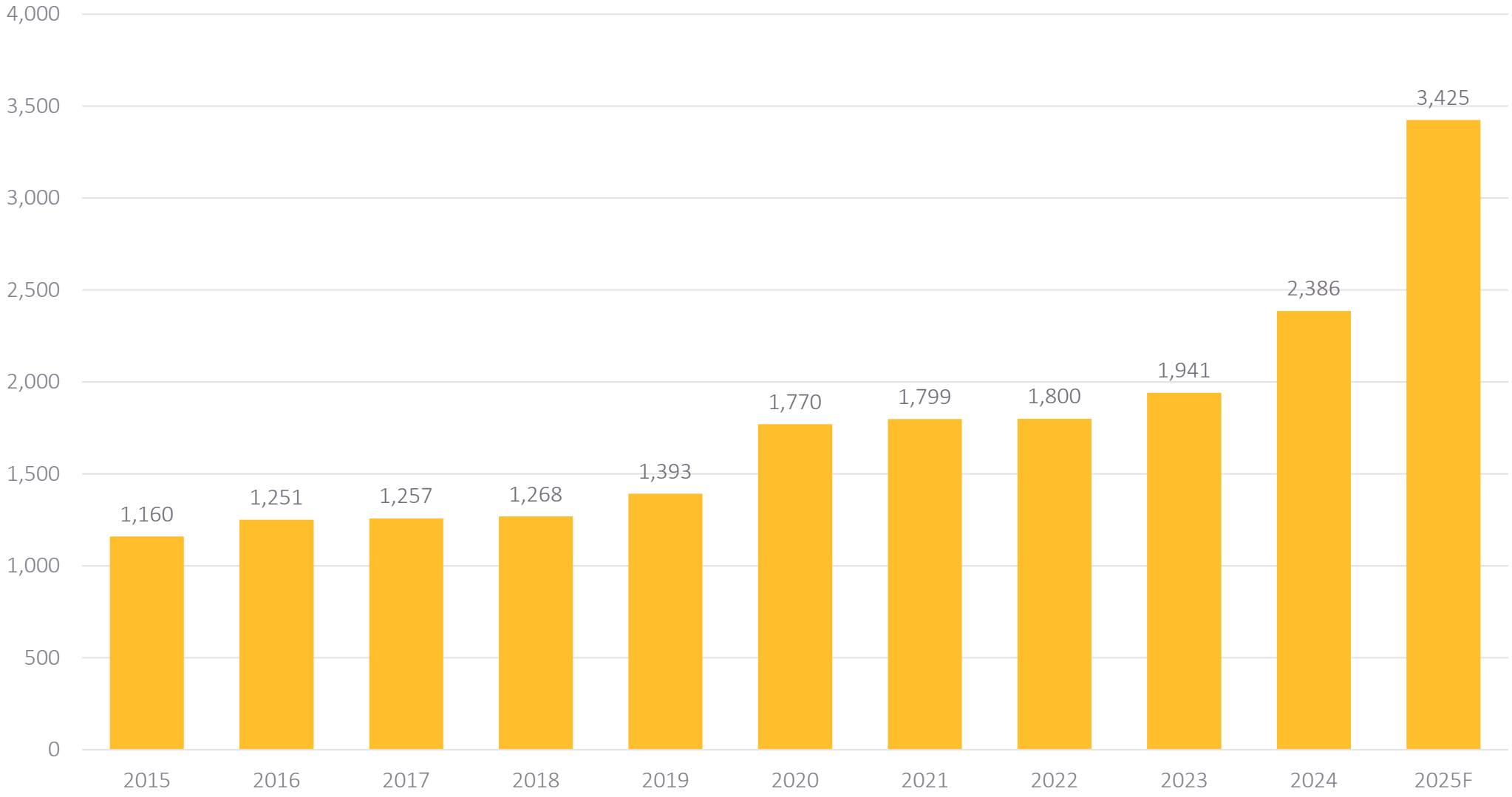
Source: Metals Focus

….leading to a declining share of total demand



Source: Metals Focus

Gold has been in a multi-year rally



Source: Bloomberg, data is annual averages, 2025 Metals Focus forecast.

Gold’s extraordinary min-max range this year

$1,766

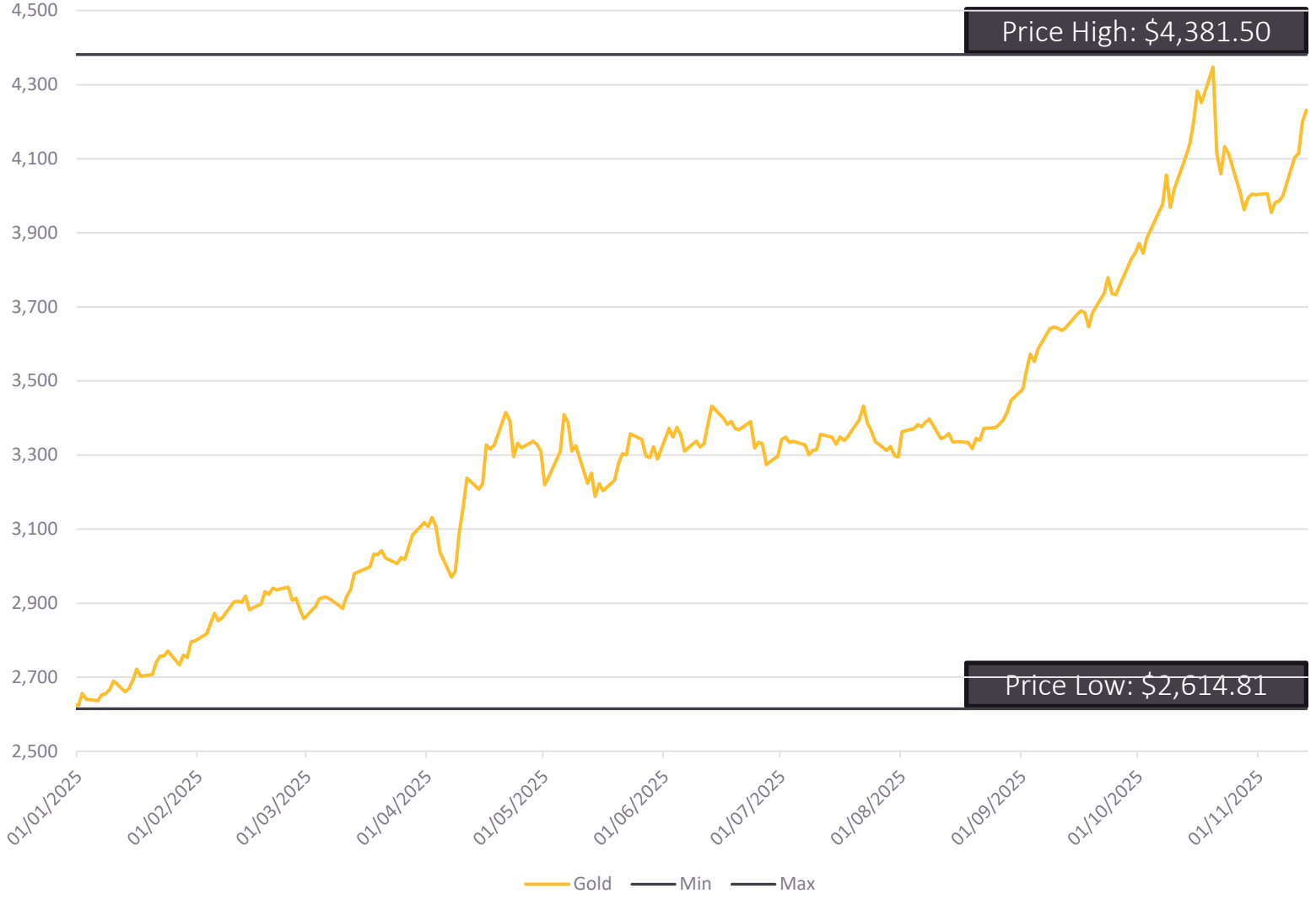
From the price low seen in early 2024 to the record high seen in October. ~43% of the current price

$3,317

Year-to-date average price, up by 39% y/y.

~$4,100

Current spot, well above the year-to date average



Source: Bloomberg

Recent drivers of the gold price, fundamental and macro

Central Banks have been on a sustained period of purchasing, driven by a desire to diversify away from the US dollar into other reserve assets. Gold has overtaken the Euro to become the second largest reserve asset, second only to the US dollar.

Recycling has remained restrained relative to historical standards. In 2025 forecast to rise by just 4%.

Physical retail investment in small bars and coins has been surging in many jurisdictions, notably India and China. Some elements of the West, notably Germany in Europe, have also seen a strong recovery in net buying. However, the US market remains weak on a net basis.

US dollar weakness. As the dollar weakens, commodities priced in dollars become more expensive. Gold traditionally has an inverse relationship with the dollar, acting as a hedge against dollar weakness.

Concerns over the ever-increasing US debt levels, and US fiscal sustainability.

US interest rate cutting cycle. Rate cuts are a positive for gold, as they lessen the opportunity cost of holding a non-interest bearing asset.

Threat of stagflation in the US, with persistent inflation and slow economic growth plus growing unemployment. Fed must walk a fine line between economy and inflation.

Concerns over Federal Reserve independence and US trade uncertainty.

Source: Metals Focus

Platinum's fundamentals

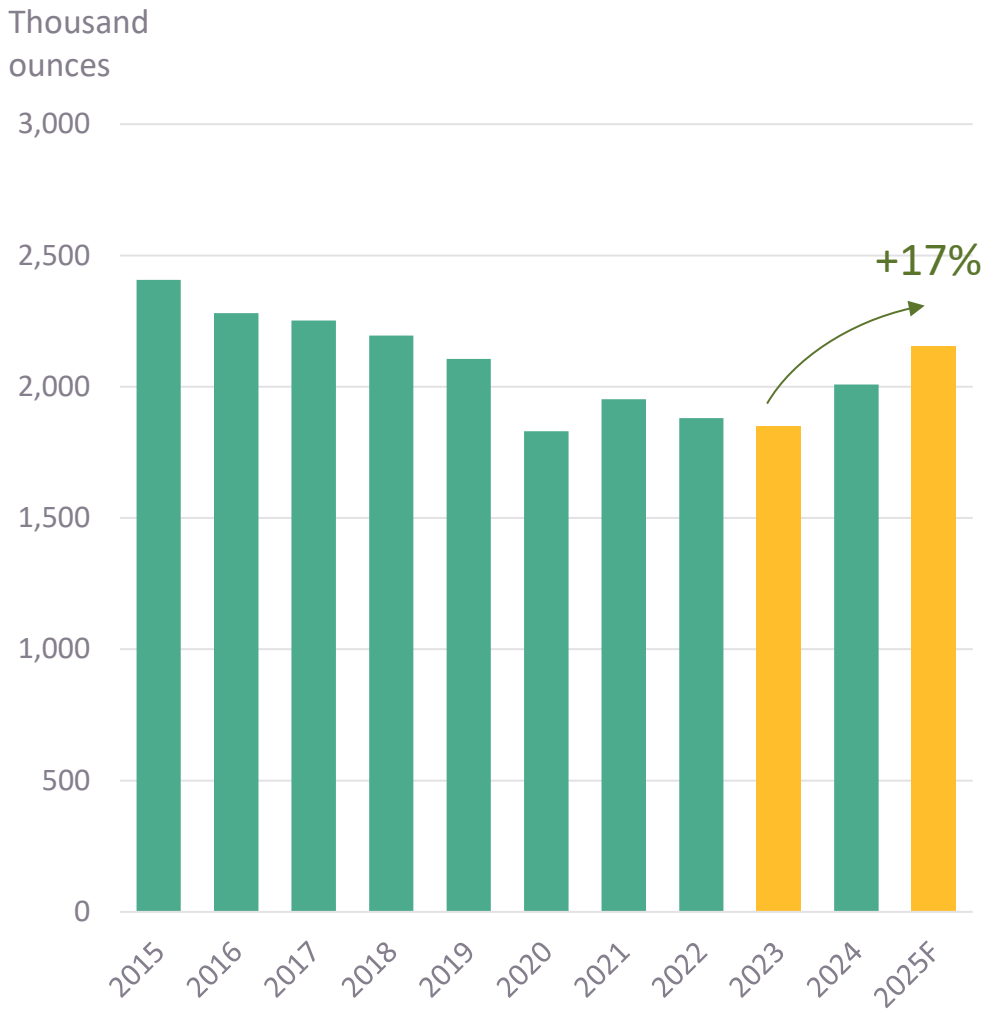
(thousand ounces)

SUPPLY	2020	2021	2022	2023	2024	2025F	
Mine Production	4,990	6,293	5,523	5,606	5,779	5,365	*Declining in recent years from cost pressure*
Recycling	2,041	2,107	1,811	1,515	1,516	1,619	*Heavy reductions in autocatalyst recycling*
Total Supply	**7,031**	**8,400**	**7,334**	**7,121**	**7,295**	**6,984**	*Falling supply due to cost pressures on mining and contracting autocat recycling.*
DEMAND							
Autocats & Fuel Cells	2,198	2,463	2,766	3,208	3,109	3,020	*Growth, but now decline as focus on ZEVs rather than ICE*
Jewellery	1,831	1,953	1,880	1,850	2,008	2,155	*Growth trend, winning market share, Au:Pt Premium*
Chemical	639	660	672	839	625	575	*Falling demand in paraxylene capacity, silicone and fertilizer manufacturing*
Other Industrial Uses	1,364	1,744	1,495	1,550	1,798	1,331	*Shrinking demand from the glass sector outweighs others*
Physical Investment	593	349	259	322	194	336	*Robust growth as a spillover from gold investment*
Total Demand	**6,624**	**7,169**	**7,072**	**7,770**	**7,734**	**7,417**	*Falling demand in recent years, but up over the last five, pushing the market from a surplus to a deficit.*
Market Balance	**407**	**1,231**	**261**	**-648**	**-439**	**-433**	*A market in deficit satisfied by above-ground stocks*
Platinum Price (US$/oz)	883	1,090	961	965	956	1,250	

Source: Metals Focus

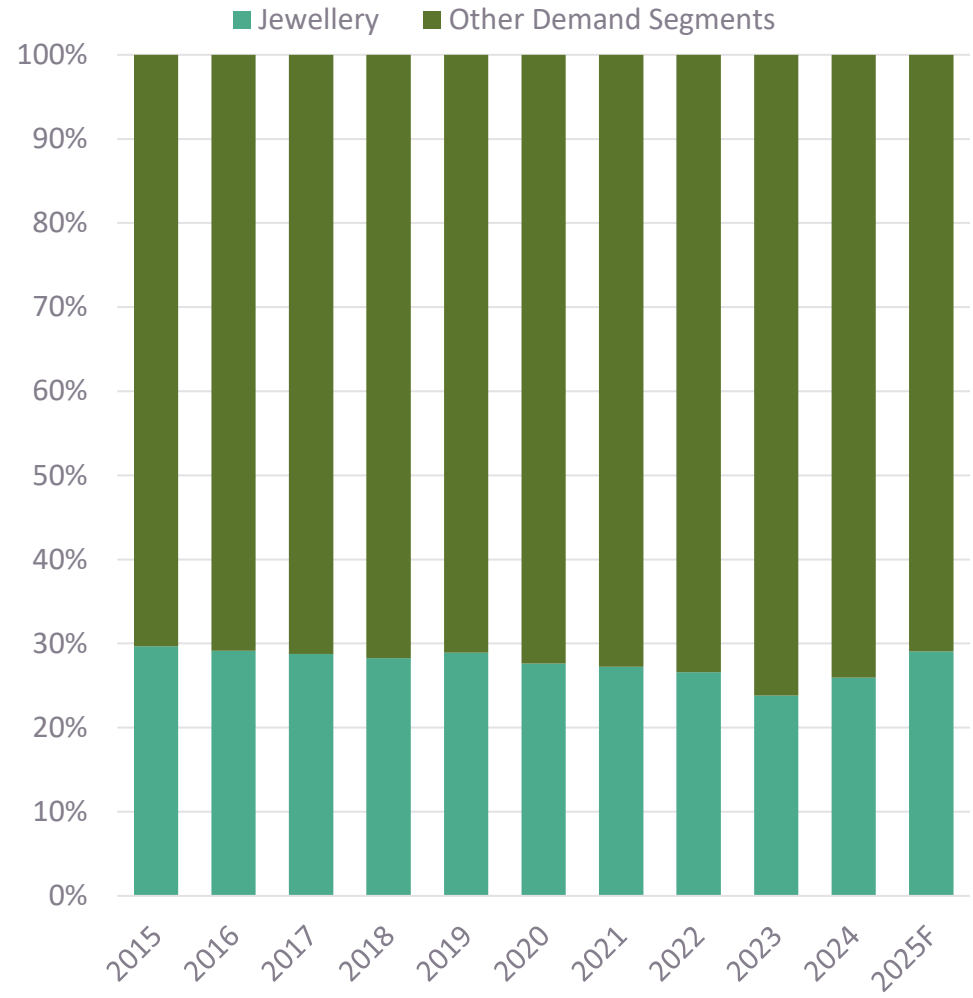
Platinum jewellery's share of total demand

Trend reversal results in growing platinum jewellery demand



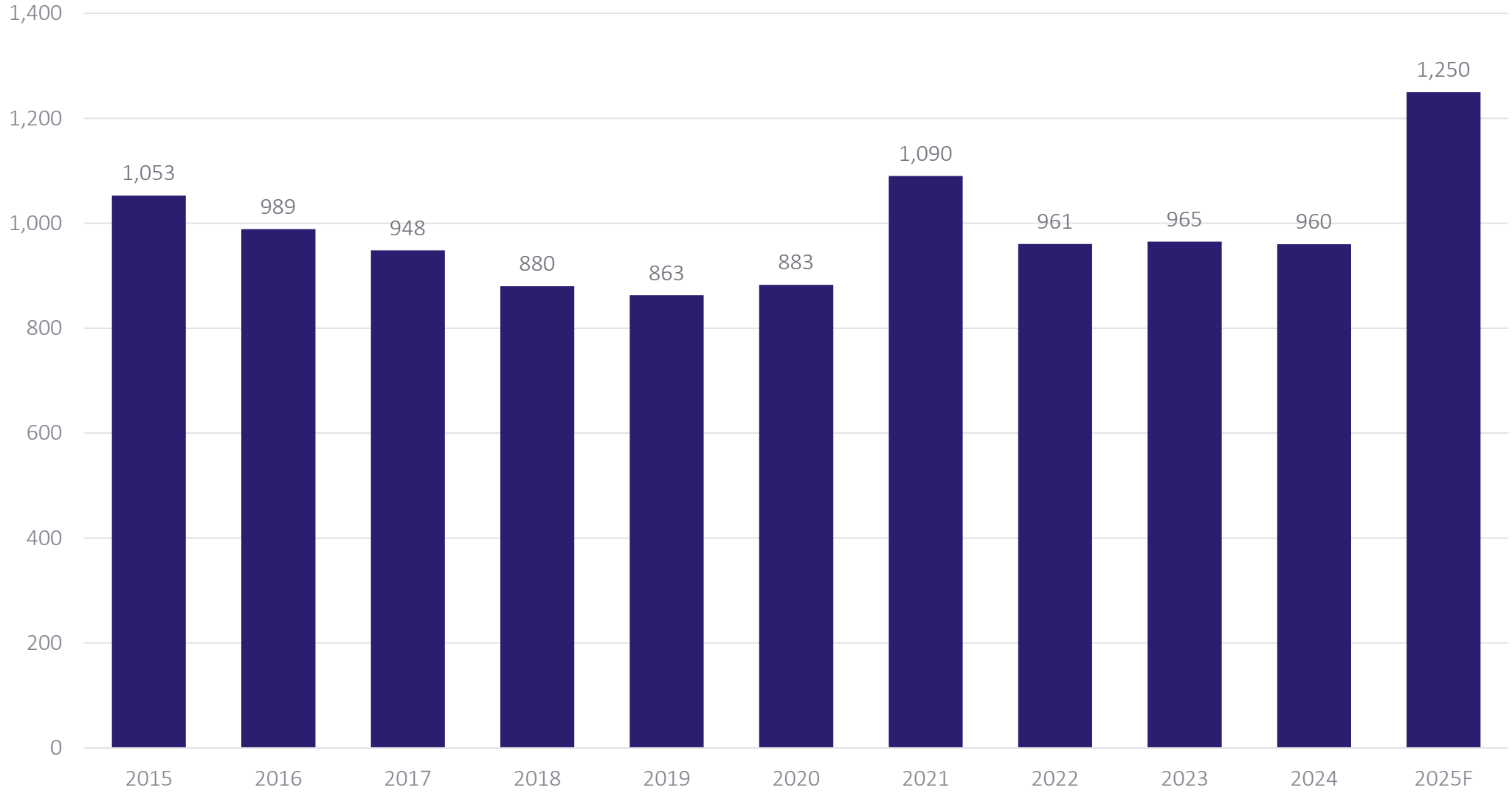
Source: Metals Focus

But overall share remains stable over the long term



Source: Metals Focus

Platinum has only recently seen sharp price appreciation



Source: Bloomberg, data is annual averages, 2025 Metals Focus forecast.

Platinum also has had a huge min-max range this year

$835

From the price low seen in April 2024 to the record high seen in October.
~53% of the current price

$1,207

Year-to-date average price, up by 26% y/y.

~$1600

Current spot, well above the year-to date average, and nearly double the low

Source: Bloomberg

Recent drivers of the platinum price, fundamental and macro

Falling mine production results in constrained supply of PGMs to market. Recent years have seen significant pressure on costs and margins from #1 platinum producer South Africa.

Forecasts for EV production growth have failed to meet expectations, concurrent with an increase in hybrid vehicles. Overall vehicle production growing slowly, threatened by trade barriers.

Jewellery buying and speculative investment demand in China. Initial jewellery purchases driven by weakness in gold jewellery consumption in China and a switch of retailer inventory from gold to platinum. Higher imports encourage speculative investment.

Price incentives have not been high enough to encourage significant volumes of autocat recycling in recent years.

ETPs, given the price rises, can unlock above ground stocks held in London and Zurich.

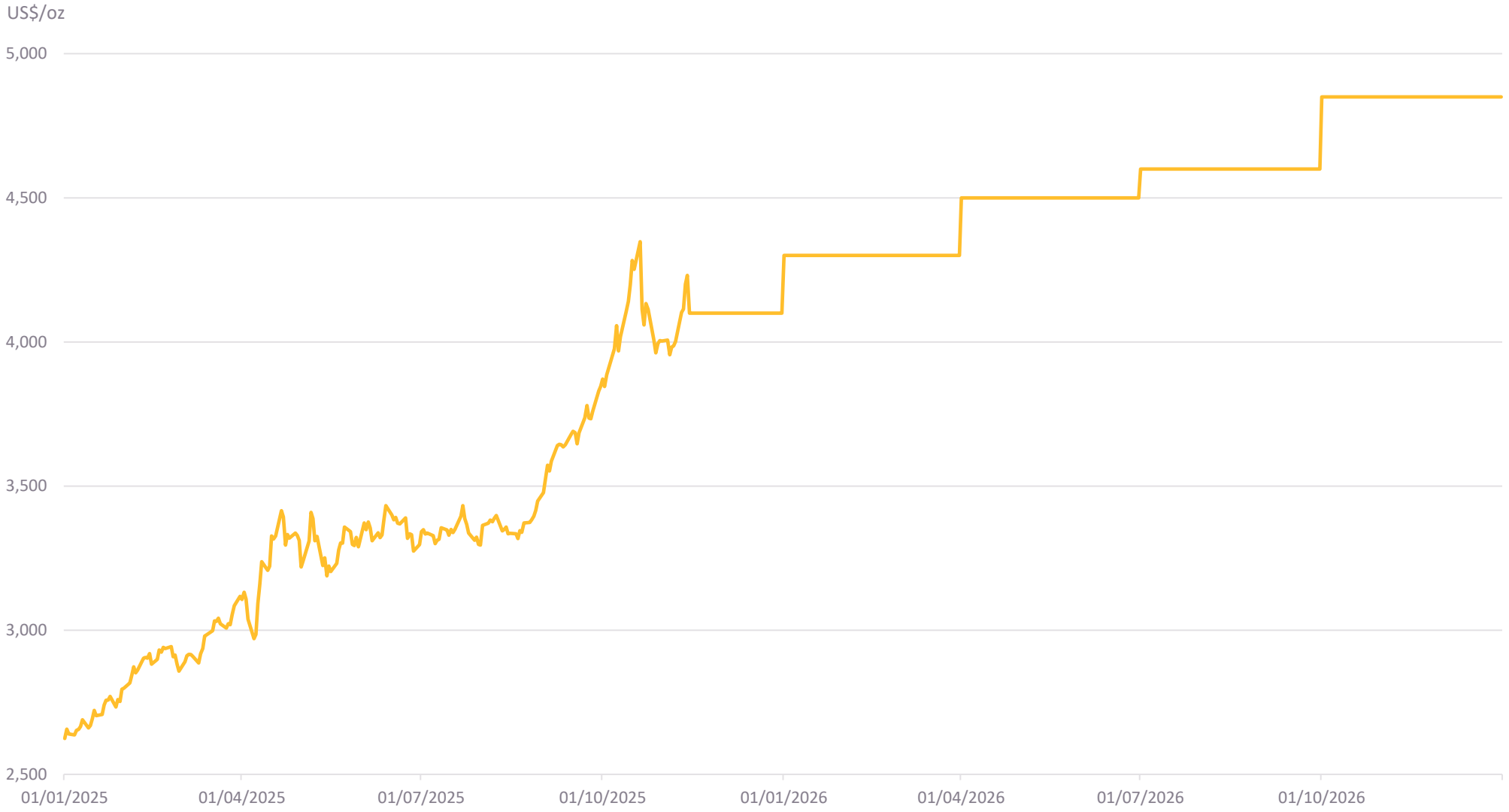
US interest rate cutting cycle. Platinum benefits from the lower opportunity cost of holding non-yielding assets.

Investment overspill from gold, as an associated precious metal.

Concerns over Federal Reserve independence and US trade uncertainty. Trade barriers lead to defensive stockpiling and push lease rates up.

Source: Metals Focus

The coming 12 months - Gold



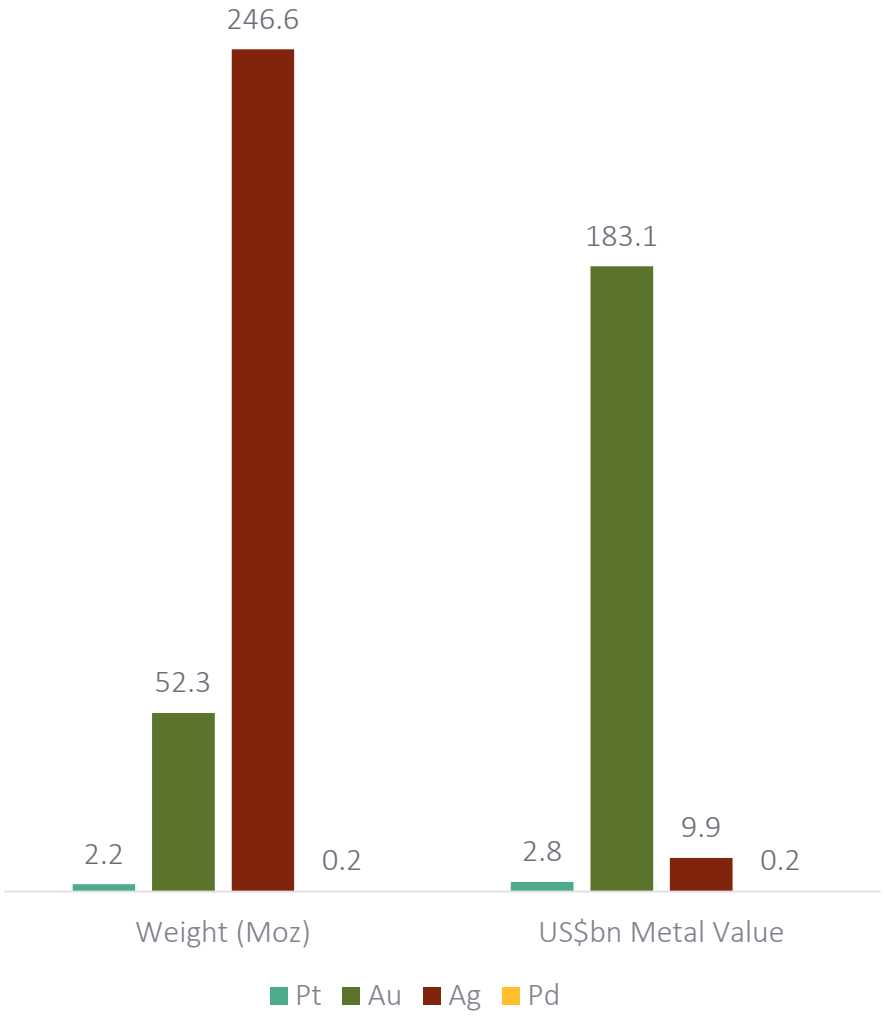
Source: Bloomberg, Metals Focus

The coming 12 months - Platinum

Source: Bloomberg, Metals Focus

Relative size of these markets, fine metal weight and value

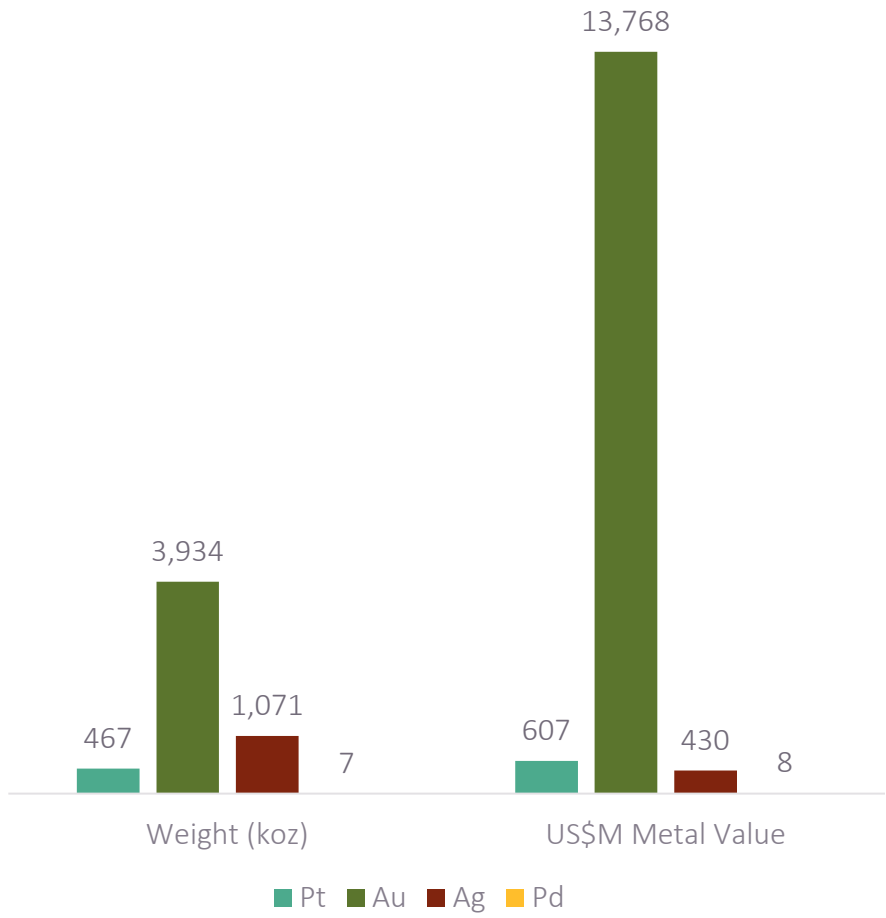
2025 global precious metal jewellery - relative market sizes



Source: Metals Focus, Calculated at $1,300 Pt, $3,500 Au, $40 Ag, $1,100 Pd

US-specific jewellery demand

Total US jewellery and watch consumer spending: ~$100bn



Source: Metals Focus. Calculated at $1,300 Pt, $3,500 Au, $40 Ag, $1,100 Pd

Contained metal value eats into margins….

- Yellow gold
- 9K
- 0.75 g Earrings, 1.5g pair.
- Retail Price $370, kept constant
- Shrinking Margin available for fabricator/wholesaler if price point is kept the same.
- Overall markup over metal price shrinks from ~700% to ~350%.
- In this example that is ~$33 less margin for retail, labour and fabrication, eaten up by the metal cost. That's a 10% decline.

Gold Price	Price per g	Metal Value	Retail Price	Fab/Lab /Margin	Metal %
$2,600	$83.59	$47.02	$370	$323	12.7%
$2,800	$90.02	$50.64	$370	$319	13.7%
$3,000	$96.45	$54.25	$370	$316	14.6%
$3,200	$102.88	$57.87	$370	$312	15.6%
$3,400	$109.31	$61.49	$370	$309	16.6%
$3,600	$115.74	$65.11	$370	$305	17.6%
$3,800	$122.17	$68.72	$370	$301	18.5%
$4,000	$128.60	$72.34	$370	$298	19.5%
$4,200	$135.03	$75.96	$370	$294	20.5%
$4,400	$141.46	$79.57	$370	$290	21.5%

….or shifts price points upwards

- Same parameters:
- Keeping margin constant in terms of dollars
- Working backwards from metal price to retail price with the same overall margin in $ for fabrication, labour and retail, the price point for the jewellery rises above the $400 level. Margin may need to be trimmed to keep the $ retail price at a psychological level (eg: $399).
- Nevertheless, the overall markup percentage for this jewellery will reduce, from ~700% down to ~400%.
- Shifts in metal value of this scale can therefore push price brackets for even high margin items.

Gold Price	Price per g	Metal Value	Retail Price	Fab/Lab /Margin	Metal %
$2,600	$83.59	$47.02	$370	$323	13%
$2,800	$90.02	$50.64	$374	$323	14%
$3,000	$96.45	$54.25	$377	$323	14%
$3,200	$102.88	$57.87	$381	$323	15%
$3,400	$109.31	$61.49	$384	$323	16%
$3,600	$115.74	$65.11	$388	$323	17%
$3,800	$122.17	$68.72	$392	$323	18%
$4,000	$128.60	$72.34	$395	$323	18%
$4,200	$135.03	$75.96	$399	$323	19%
$4,400	$141.46	$79.57	$403	$323	20%

What about lower margin/higher metal weight items?

- Higher margin items have more options for the retailer and fabricator to adjust to higher metal prices. Absorb dollar cost, adapt design to reduce weight or labour/fab cost, adjust price points as marketing allows.
- Lower margin items, for example a 100% markup basic item (eg: chain, bangle), have less flexibility and are more impacted by price. Eg: 100g 14K chain in the example to the right.
- The price increase pushes the retail price up significantly as these pieces are priced closer to weight. At $4,400 your price is 35% higher, metal makes up a bigger proportion of your price % (63% rather than 50%, and the margin implied shrinks from a markup of 100% to 59% over metal value.
- This kind of escalation blows through multiple price points, due to the higher weight. Even more if you preserve your % markup.
- We arrive at the conclusion that plain mass-market jewellery, that is lower margin in nature and more exposed to metal cost, will suffer more in this market in terms of unit sales.
- High design, luxury branded and high-end jewellery will be somewhat insulated from these price pressures.

Gold Price	Price per g	Metal Value	Retail Price	Fab/Lab /Margin	Metal %
$2,600	$83.59	$4,876	$9,752	$4,876	50%
$2,800	$90.02	$5,251	$10,127	$4,876	52%
$3,000	$96.45	$5,626	$10,503	$4,876	54%
$3,200	$102.88	$6,001	$10,878	$4,876	55%
$3,400	$109.31	$6,377	$11,253	$4,876	57%
$3,600	$115.74	$6,752	$11,628	$4,876	58%
$3,800	$122.17	$7,127	$12,003	$4,876	59%
$4,000	$128.60	$7,502	$12,378	$4,876	61%
$4,200	$135.03	$7,877	$12,753	$4,876	62%
$4,400	$141.46	$8,252	$13,128	$4,876	63%

Move to lower carat?

- 999 — 999
- 990 — 990
- 916 — 22 carat
- 750 — 18 carat
- 585 — 14 carat
- 375 — 9 carat

A 300g chain offered in 10,14,18K gold, white, yellow and rose:

Purity	g Gold	@Gold Price	Metal Value	Retail Price	Margin
10K	125	$2,500	$10,047	$15,000	$4,953
14K	175	$2,500	$14,066	$18,000	$3,934
18K	225	$2,500	$18,085	$22,500	$4,415

- Margins can be greater at lower carats through the setting of the price point.
- Not all markets accept all purities, for either hallmarking where required, or among consumer acceptance. This is a key barrier.
- India – growing acceptance of 18K jewellery in the North. 22K pieces becoming lighter weight. In the South, reluctance to accept 18K among consumers.
  Gov approved 9K hallmarking in July, with collections now launched.
- In China, 24K gold sales decline, restructure of industry to higher margin products, light-weight designs, incorporate alternative materials (gems, semi-precious, diamonds, wood), declining 18K gold sales.
- In the US, there are active 18K, 14K and 10K markets
- Lower carat designs can be made lighter weight as well, due to the better structural stability of alloys at lower carat. There are limitations to lightweighting softer, higher gold carats.

Lease rates have also impacted cost structure

- Leasing predominantly is an indicator of liquidity in the market – the availability of metal to be utilized or deployed in that market. Elevated rates are a sign of supply chain tightness or distress.
- In platinum supply chains, elevated lease rates has been an issue for any consumer of metal or its derivative forms both in jewellery and industrial chains.
- Leasing is a way of borrowing metal to avoid the capital outlay to finance the whole volume. It allows for less capital to be tied up in metal. The key components of the lease rate are the interbank lending rates, and the forward curve.
- These costs will be passed along the chain from a wholesaler to a fabricator. For example, a fabricator borrowing 100 oz of platinum over one month.

$$Ounces * Price_{Period\ Av} * Rate * \frac{Days}{360}$$

$$100 * \$1{,}300 * 4\% * \frac{30}{360} = \$433$$

$433/100 = $4.33 per oz ($0.14/g).

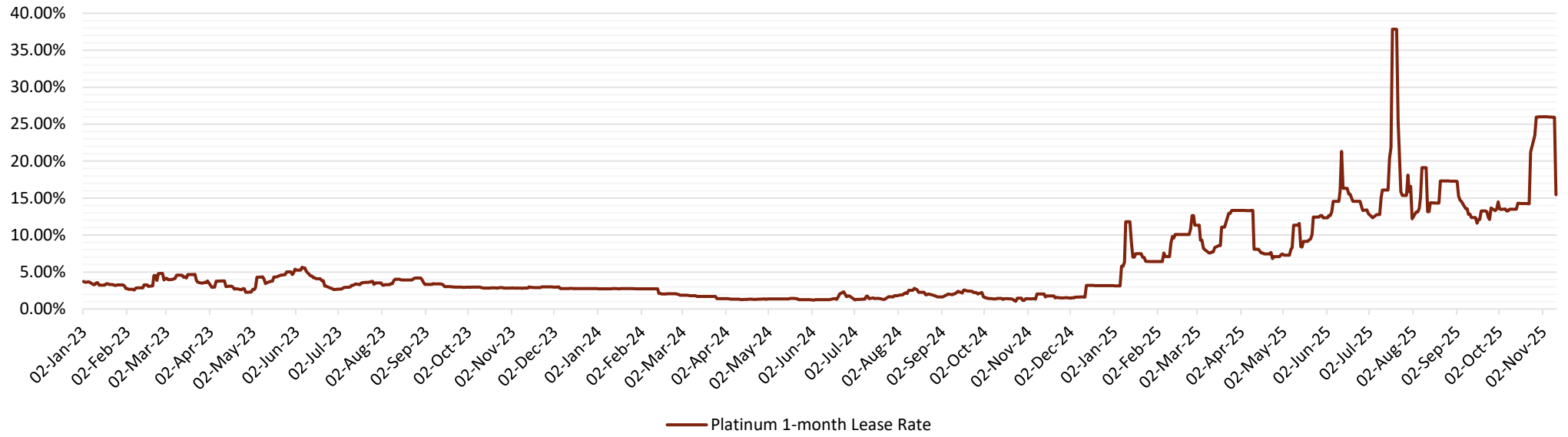
$41.80/g metal becomes $41.94/g metal, less than 0.4% higher.

This higher price then gets labour/fabrication added, and the wholesale margin applied.

Source: Metals Focus

But lease rates are not 4% in platinum….

- Our 4% 1M rate (2024 generally saw rates between 1% and 3%) has been replaced with escalating and higher volatility lease rates
- At 20% lease rates, our 14 cents addition to the $/g price **is now 70 cents**, or 1.7% higher $/g price at $1,300 Pt
- The effect is compounded with any increase in metal price
- At $1,700 Pt, and 20% lease rates, our 14 cents addition **is now 91 cents**, and metal is now effectively $54.66/g vs $41.80/g



Source: Bloomberg, Metals Focus

Au-Pt premium rising

Source: Bloomberg, Metals Focus

Substitution: required Au:Pt price ratios for 18K alloy parity

18K White gold alloy (Pd)

- 18k White gold – 75.1% Au, 13% Pd, 11.9% Ag
- Density 16.2 g/cm^3
- Prices:
  - Au: $4,200/oz
  - Pd: $1,500/oz
  - Ag: $53/oz
- $107.88/g metal content
- **One cm^3 of metal = $1,748**
- Margin for comparable size ring (5 g):
  - Retail: $1200
  - Metal Cost $539
  - Available margin $661

Pt 950 (Ru 50) alloy

- Pt 950 Ru50
- Density 20.7g/cm3
- Prices:
  - Pt: $1,600
  - Ru: $910
- $50.33/g metal content
- **One cm^3 of metal = $1,042**
- Margin for comparable size ring (6.4 g):
  - Retail: $1,200
  - Metal Cost $322
  - Available margin $878 (**+33%** margin solely on metal)

At the above Au, Pd, Ag and Ru prices, we achieve price parity for the same volume of metal at Pt $2,110, rendering it a “cheaper” alloy at pt prices below this. On paper, a Pt 950 alloy could substitute an 18K white gold alloy here. Au:Pt ratio required = ~1.55.

If we look to account for the additional fabrication and labour charges for working platinum, and we assume eg: a $100 charge for gold, then the pt alloy is still margin positive even if we assume the fabrication charge is 3x that of gold.

Source: Metals Focus

Required Au:Pt price ratios for 14K alloy content price parity

14K White gold alloy (Pd)

- 14k White gold – 58.6% Au, 9.5% Pd, 32.2% Ag
- Density 15.8 g/cm^3
- Prices:
  - Au: $4,200/oz
  - Pd: $1,500/oz
  - Ag: $53/oz
- $83.85/g metal content
- **One cm^3 of metal = $1,325**
- Margin for comparable ring (5 g):
  - Retail: $1,000
  - Metal Cost $419
  - Available margin $581

Pt 950 (Ru 50) alloy

- Pt 950 Ru50
- Density 20.7g/cm3
- Prices:
  - Pt: $1,600
  - Ru: $910
- $50.33/g metal content
- **One cm^3 of metal = $1,042**
- Margin for comparable ring (6.6 g):
  - Retail: $1,000
  - Metal Cost $330
  - Available margin $670 (**+15%** margin solely on metal)

The above achieves price parity on metal content at $2,048/oz Pt. Au:Pt ratio required: ~2.05

Source: Metals Focus

Required Au:Pt price ratios for alloy content price parity

14K White gold alloy (Ni)

- 14k White gold – 58.6% Au, Balance Cu, Ni, Zn
- Density 12.9 g/cm^3
- Prices:
  - Au: $4,200/oz
  - Cu, Ni, Zn negligible value

- $79.13/g metal content
- **One cm^3 of metal = $850 (Pt alloy was 920)**
- Margin for comparable ring (5 g):
  - Retail: $1000
  - Metal Cost $396
  - Available margin $604

The above achieves price parity on metal content at $1,567/oz
Pt. Au:Pt ratio required: ~2.68

Pt 950 (Ru 50) alloy

- Pt 950 Ru50
- Density 20.7g/cm3
- Prices:
  - Pt: $1,600
  - Ru: $910

- $50.33/g metal content
- **One cm^3 of metal = $1,042**
- Margin for comparable ring (8 g):
  - Retail: $1000
  - Metal Cost $404
  - Available margin $596
    (-1% margin solely based on metal prices)

Source: Metals Focus

Au:Pt Ratio to continue to rise on average

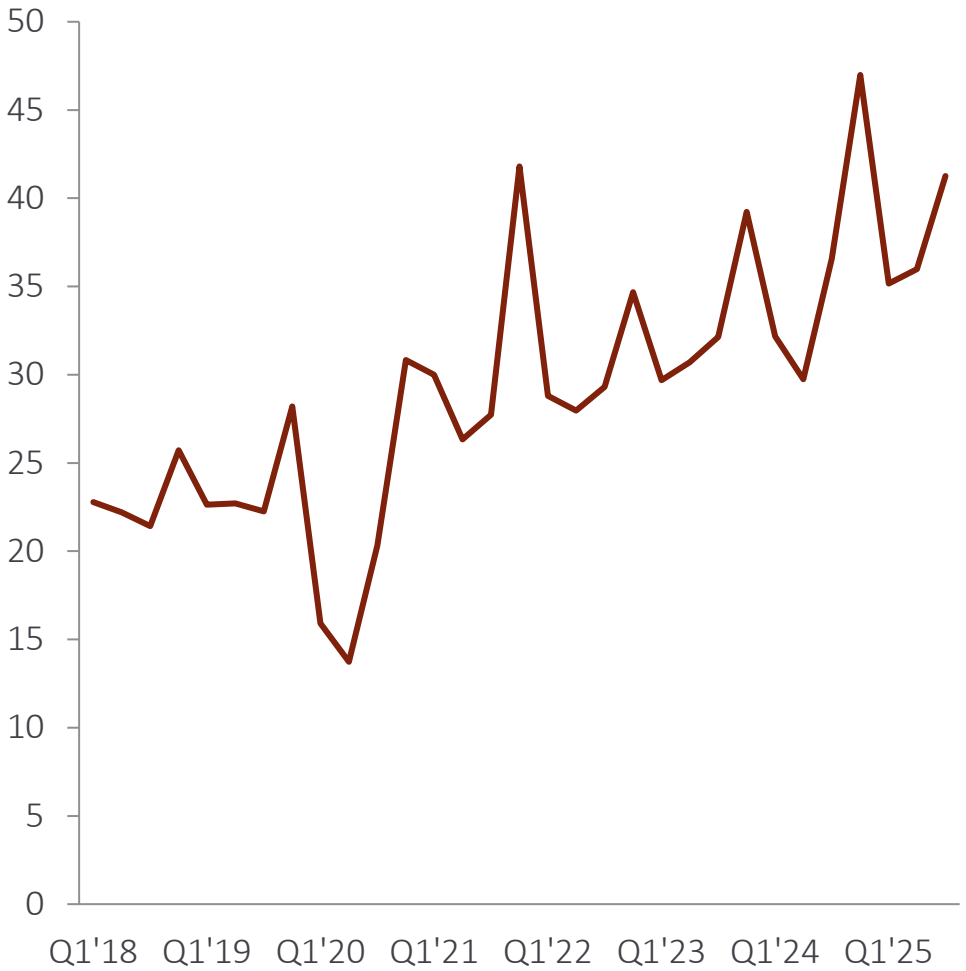
Source: Bloomberg, Metals Focus

Lastly…overall spend on that metal is growing worldwide.

Platinum Metal Jewellery Consumption, Value Terms

Source: Metals Focus

Gold Metal Jewellery Consumption, Value Terms



Source: Metals Focus

METALS FOCUS

For information about our products and services please contact:

Address
6th Floor, Abbey House
74-76 St John Street
London, EC1M 4DT
UK

Tel: +44 20 3301 6510
Email: info@metalsfocus.com
www.metalsfocus.com
Bloomberg Metals Focus
Launch Page: MTFO
Bloomberg chat: IB MFOCUS