

**Russian Bullion Market Forum**

# **Gold as an investment asset for Russian savers and investors**

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WORLD  
GOLD  
COUNCIL

*The market development organisation for the gold industry*



# Agenda

- Global gold investment demand
- Why do people invest in gold?
- Gold as an investment asset for Russian savers and investors



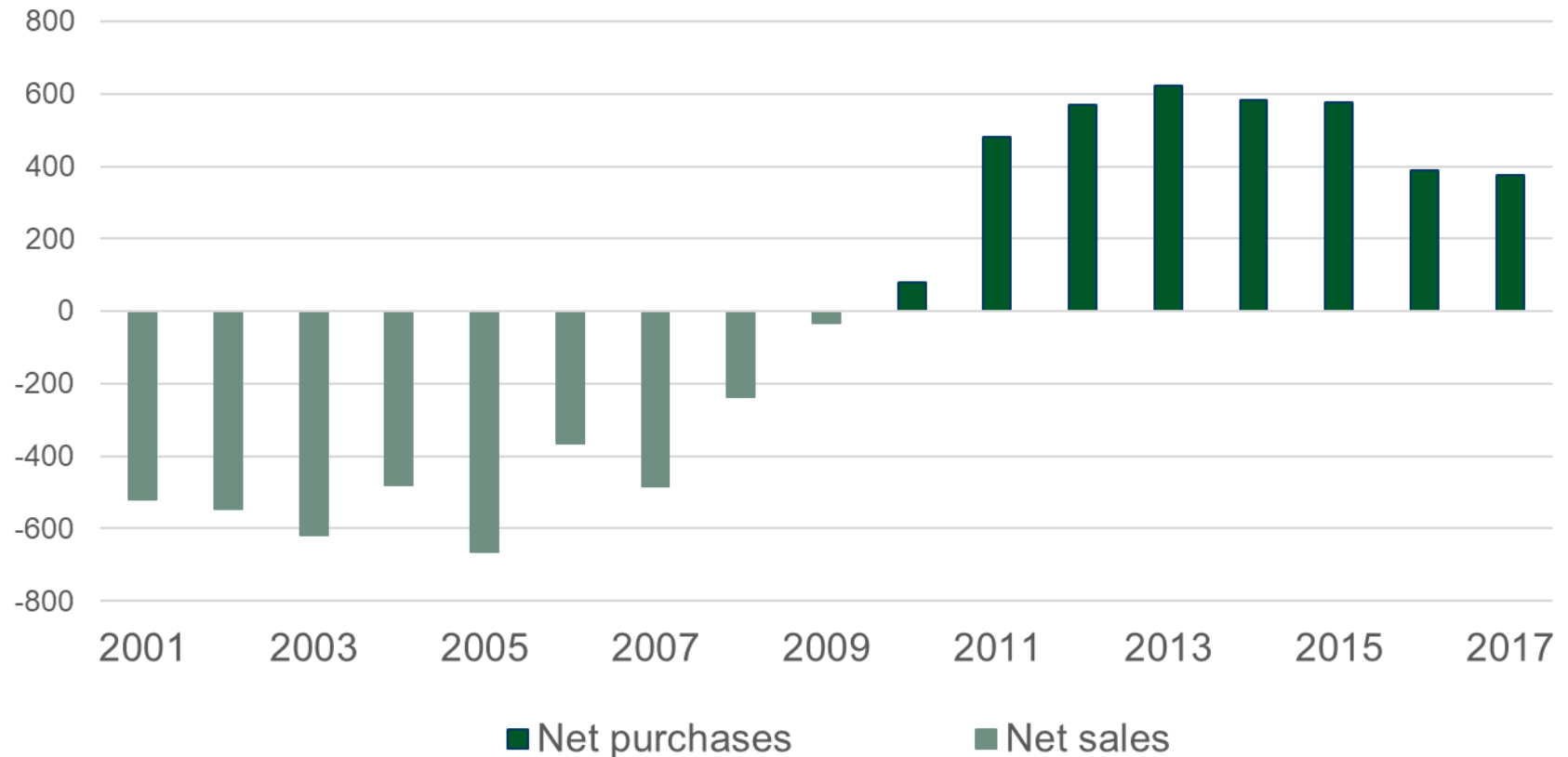
# Central banks



# Central banks are net buyers of gold

Central bank remain firmly on the gold purchasing pedal

*Tonnes*



Source: Metals Focus, GFMS, Thomson Reuters, World Gold Council



# A multicurrency reserve system and gold



# A multicurrency reserve system and gold

All recent gold purchases have been coming from countries with strong links to China or countries willing to diminish their exposure to USD



*Purchases 2015-present*

Source: Metals Focus, World Gold Council

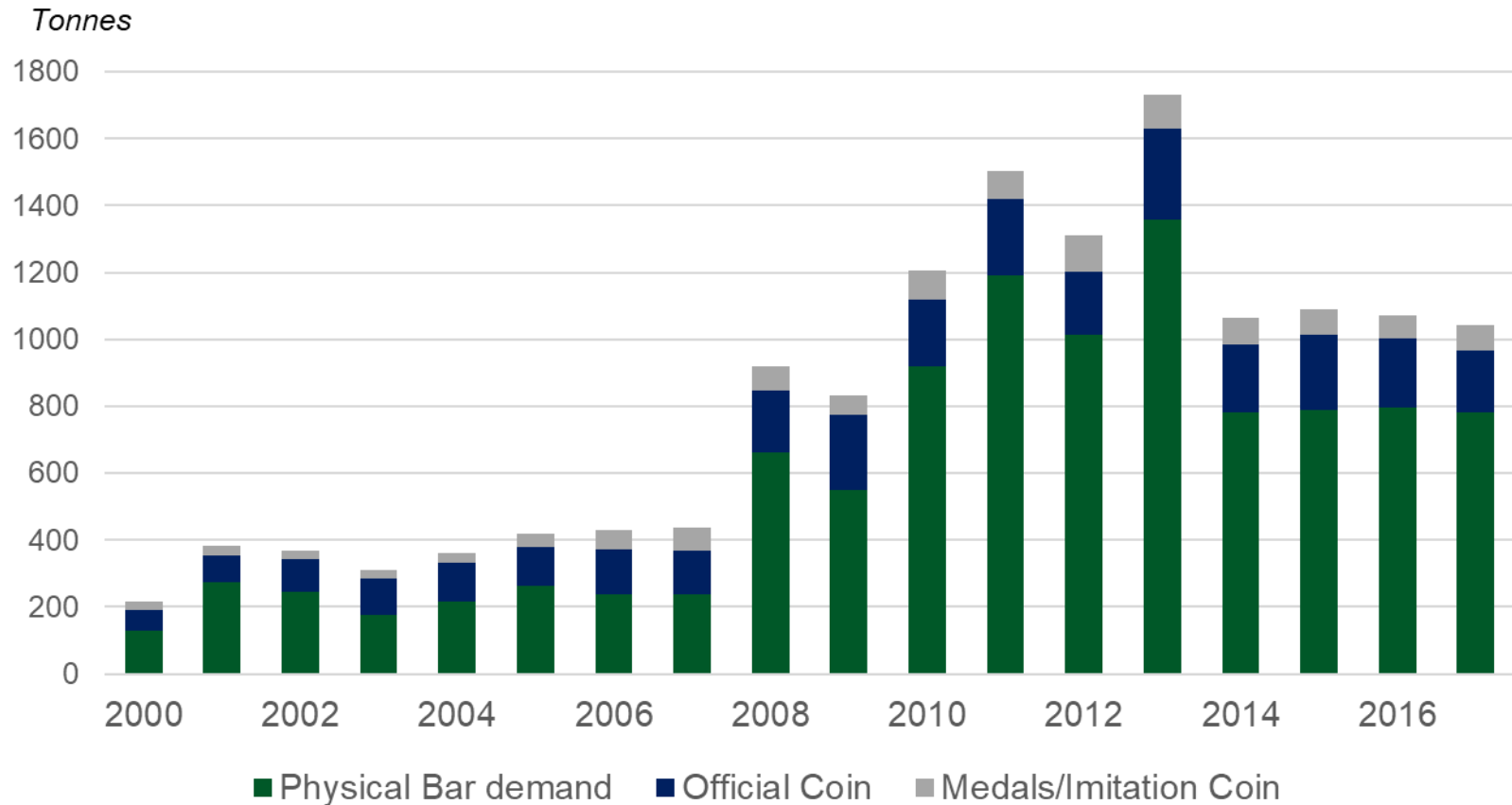
# Private investment





# Private investment demand

Bar and coin demand is structurally higher



Gold bars constitute about 75% of global private investment demand for physical gold

# India, China, US, Germany have been buying most



Gold will never lose its value  
over the long run

72%

59%

59%

43%

I trust gold more than the  
currencies of countries

63%

61%

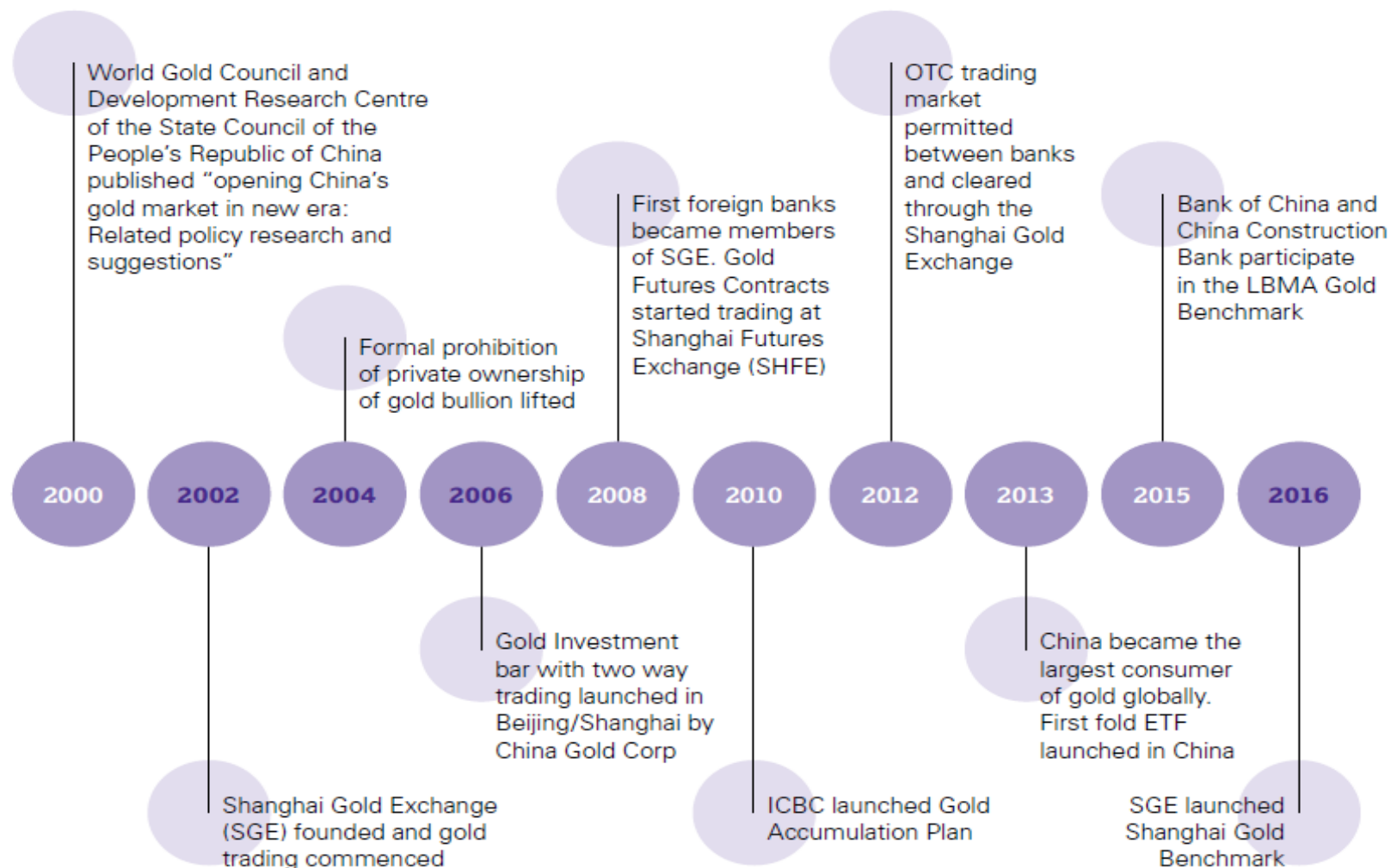
48%

49%

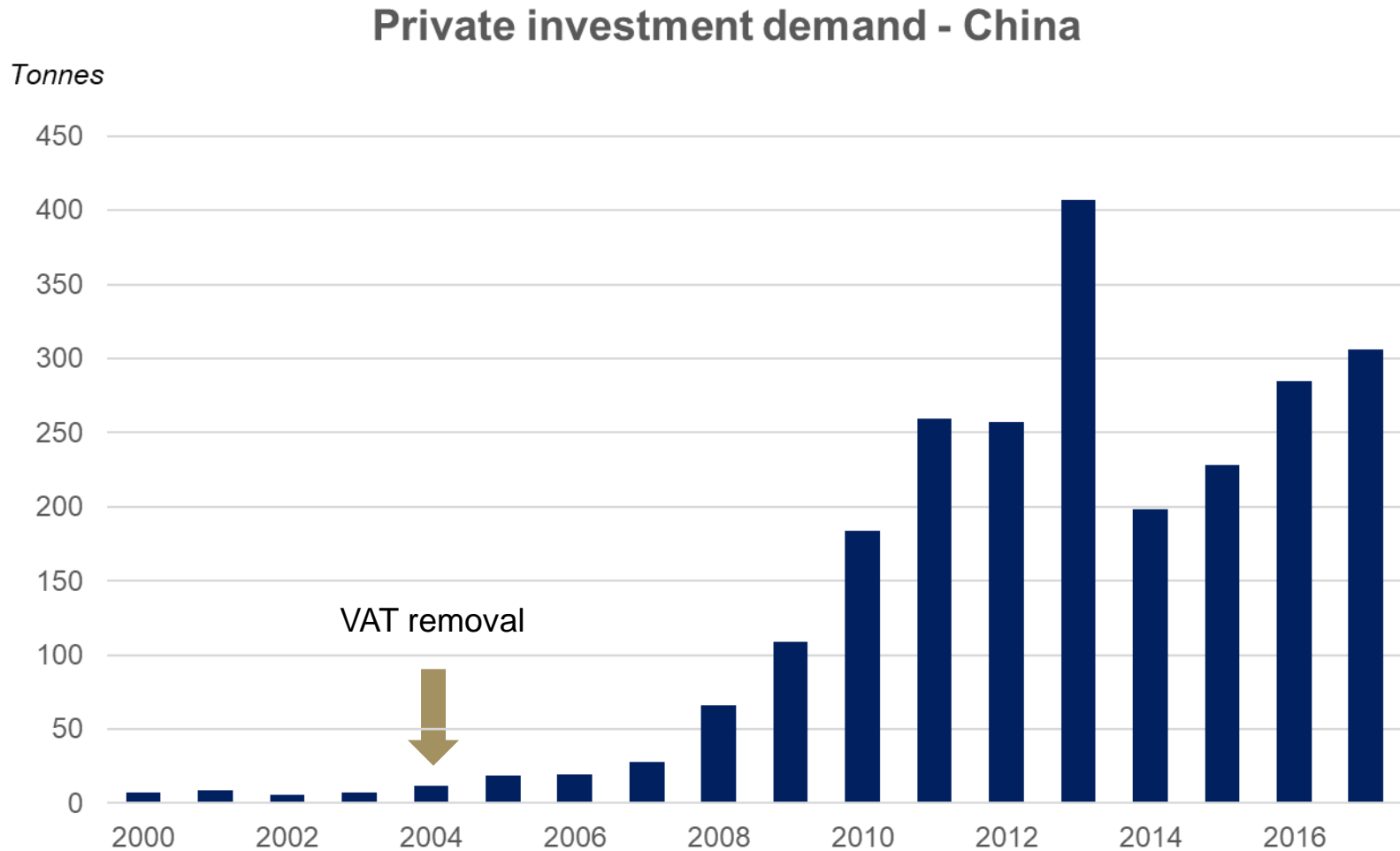
China



# The Chinese government regulatory and policy decisions have played a strong role in the growth of the market



# The VAT removal opened up the gold investment market in China





# Germany

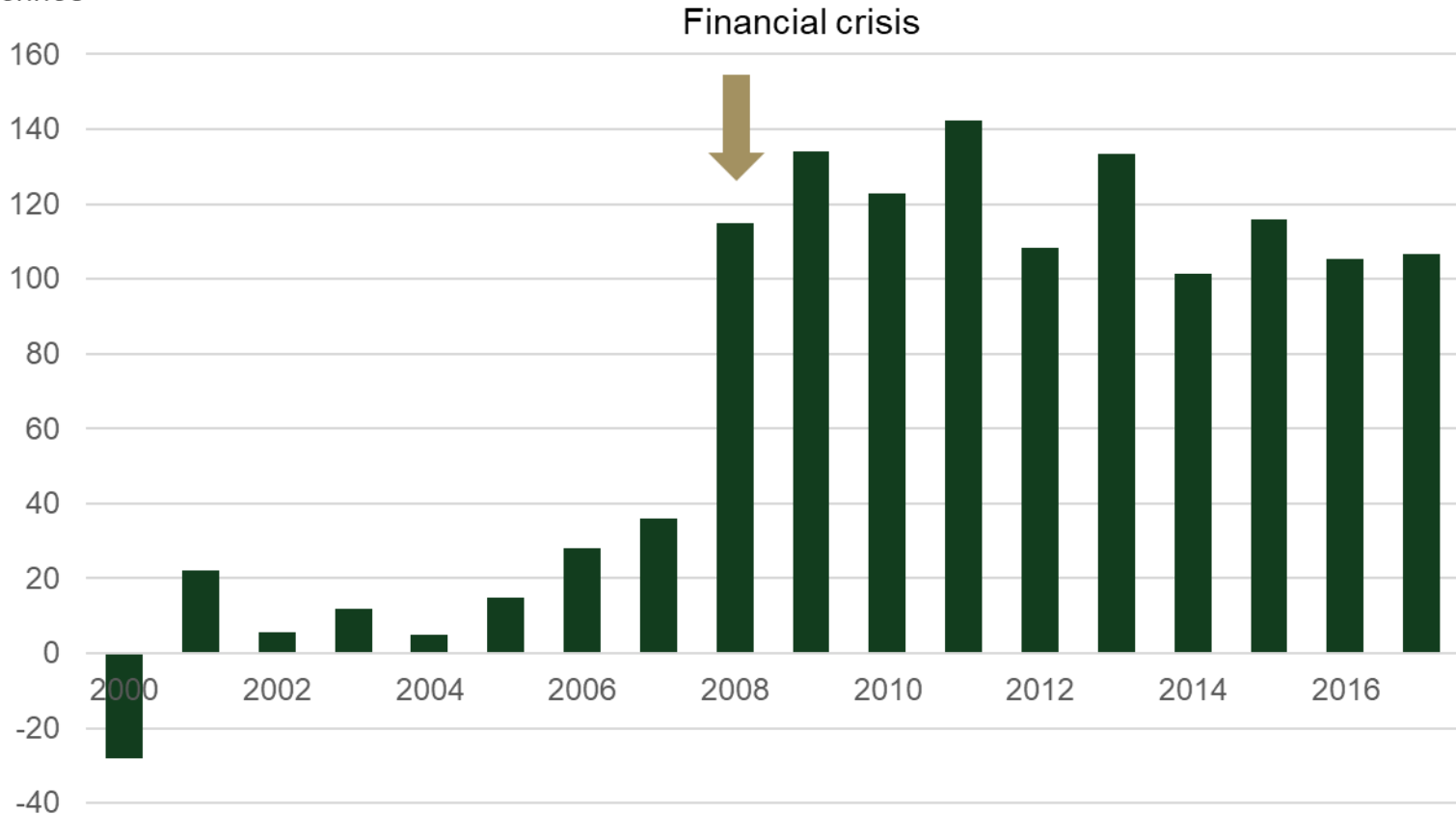




# Germany's golden decade

## Private investment demand - Germany

Tonnes

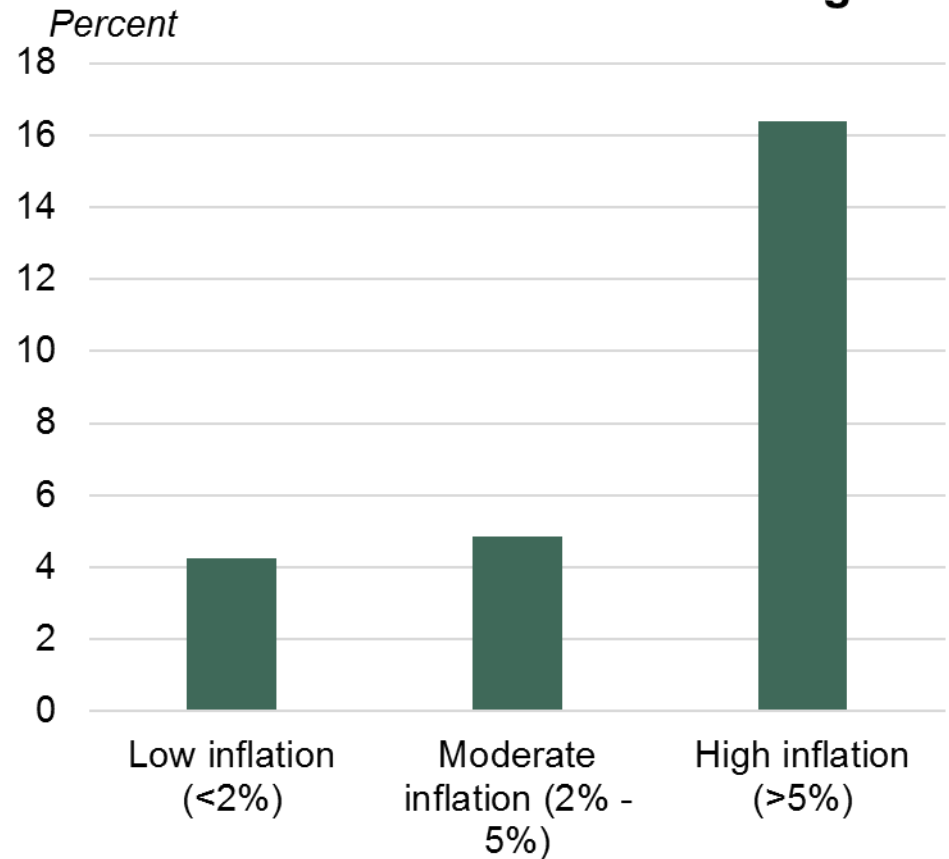


# Hyperinflation



*German hyperinflation 1921-1924*

## Real returns for gold



Real annual returns. Inflation measured as US CPI YoY

**Why do people invest in gold?**

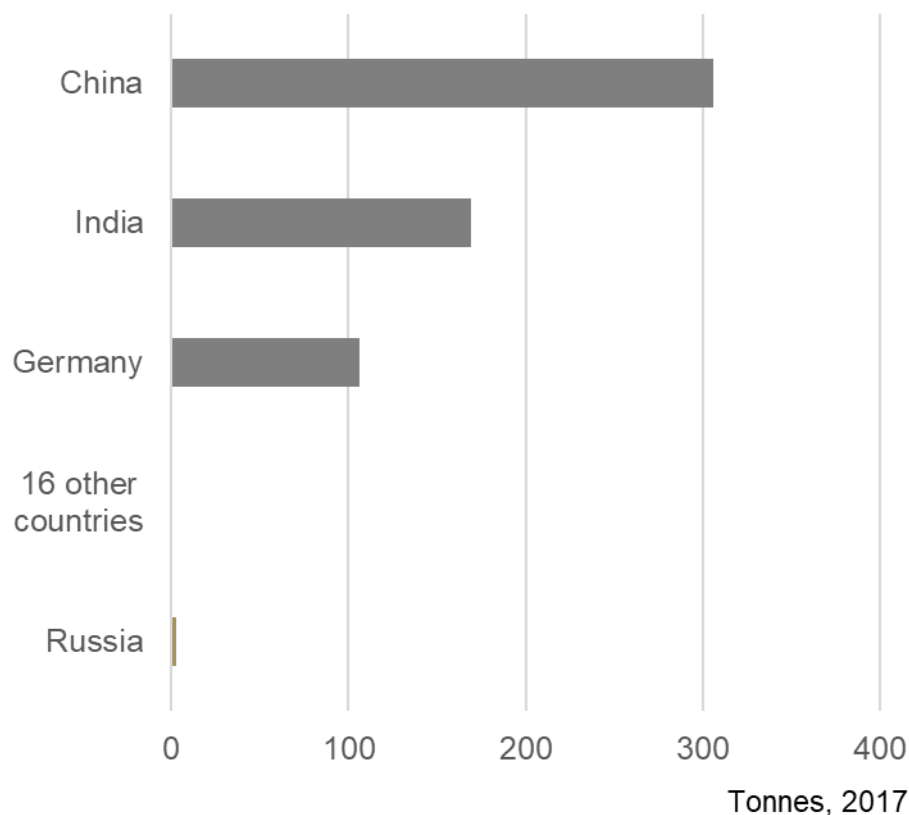


# Gold as an investment asset for Russian savers

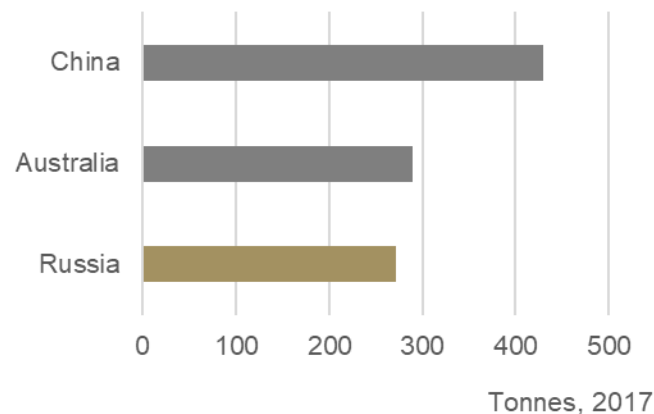


# Private demand in Russia has been low despite Russia being the largest official purchaser and one of the largest producers of gold globally

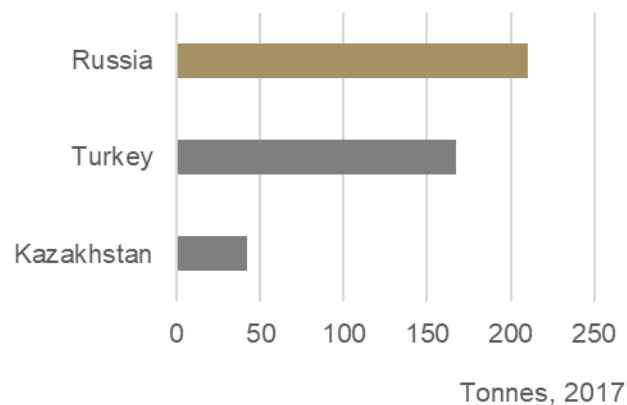
Private investment demand



Production



Central bank demand





# Investor survey



Representative survey

Most of the Russian savers and investors have never invested in gold

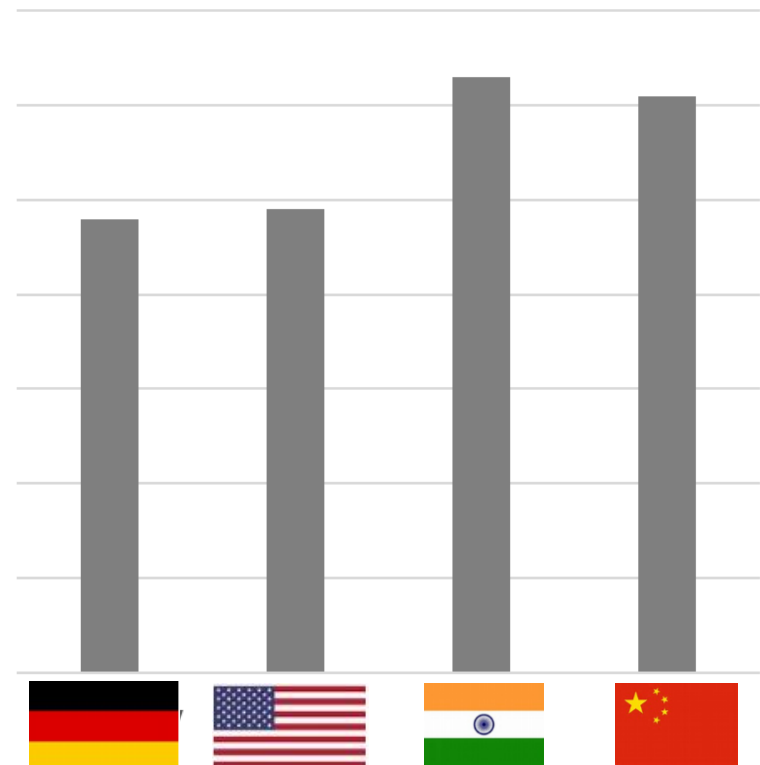
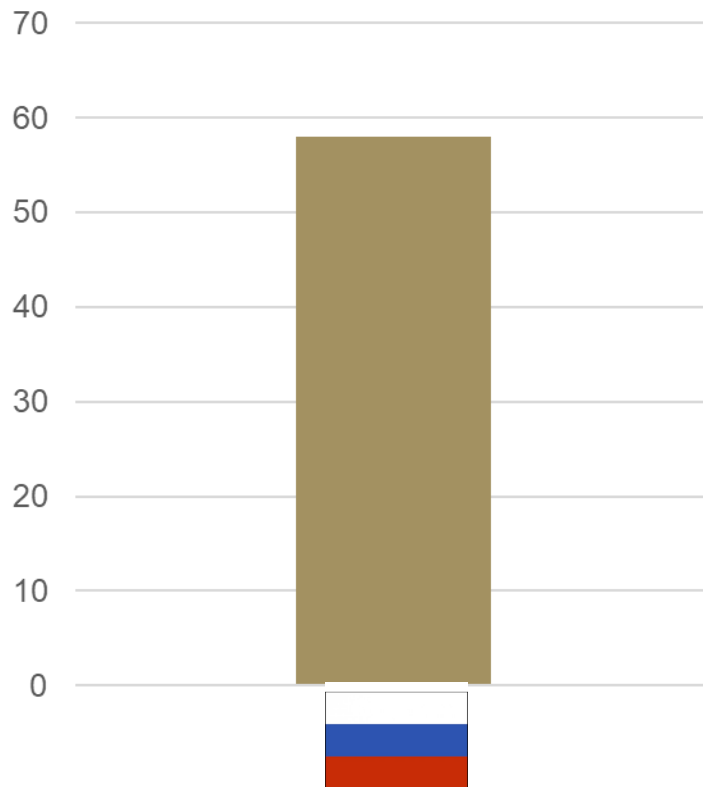
Focused survey



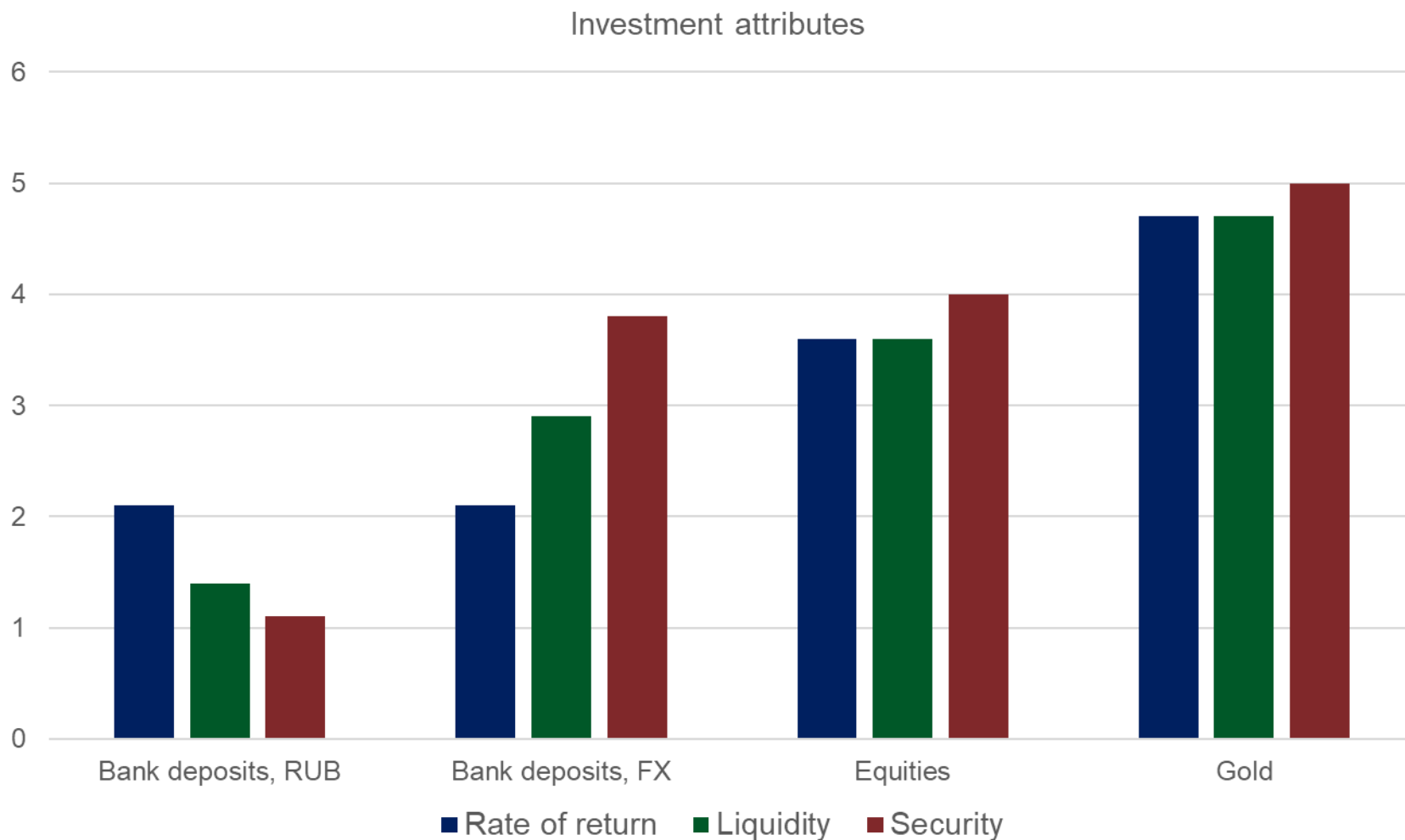


# Almost 60% trust gold more than foreign currencies

I trust gold more than foreign currencies



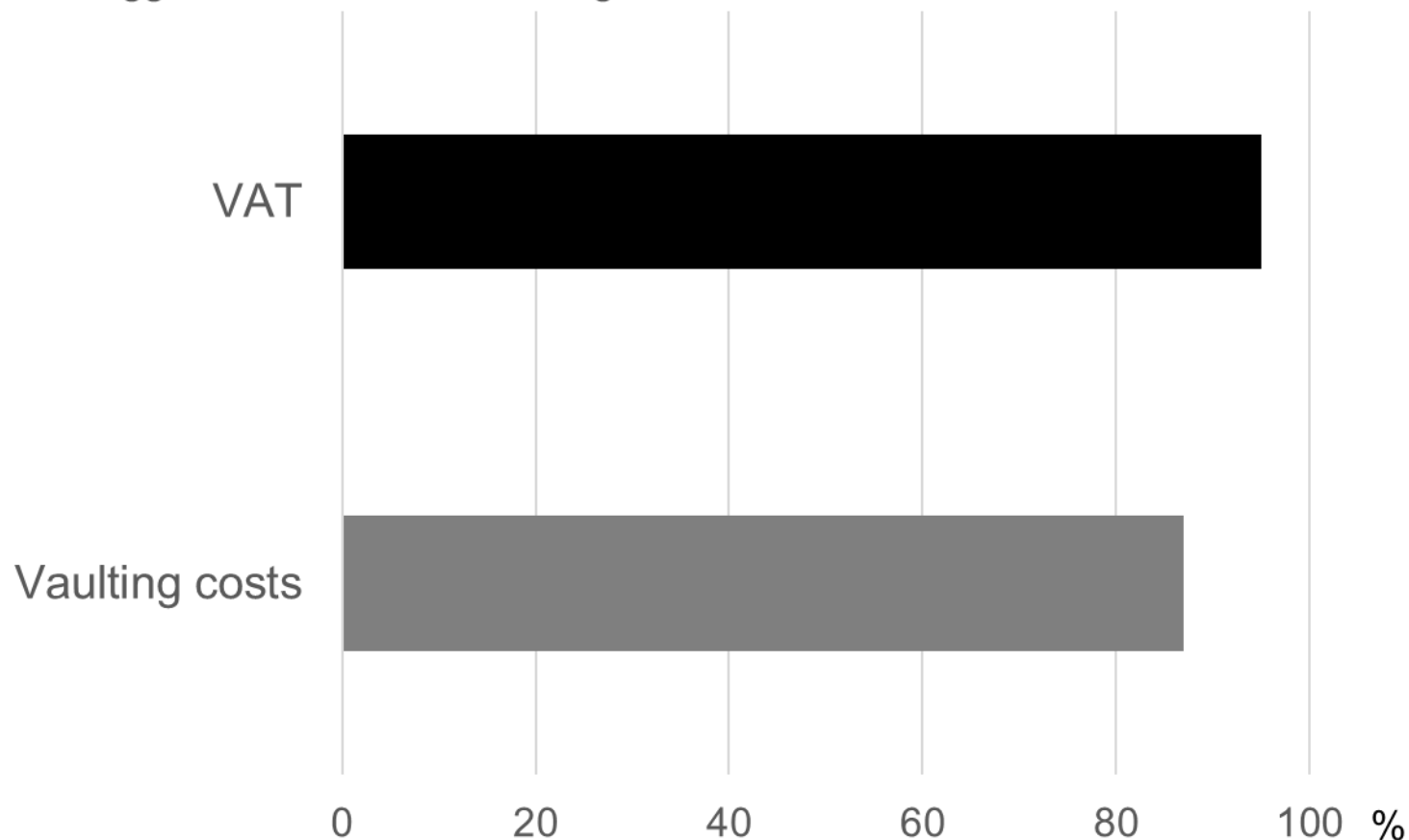
# People perceive gold as a safer, more liquid and profitable asset than other investment options



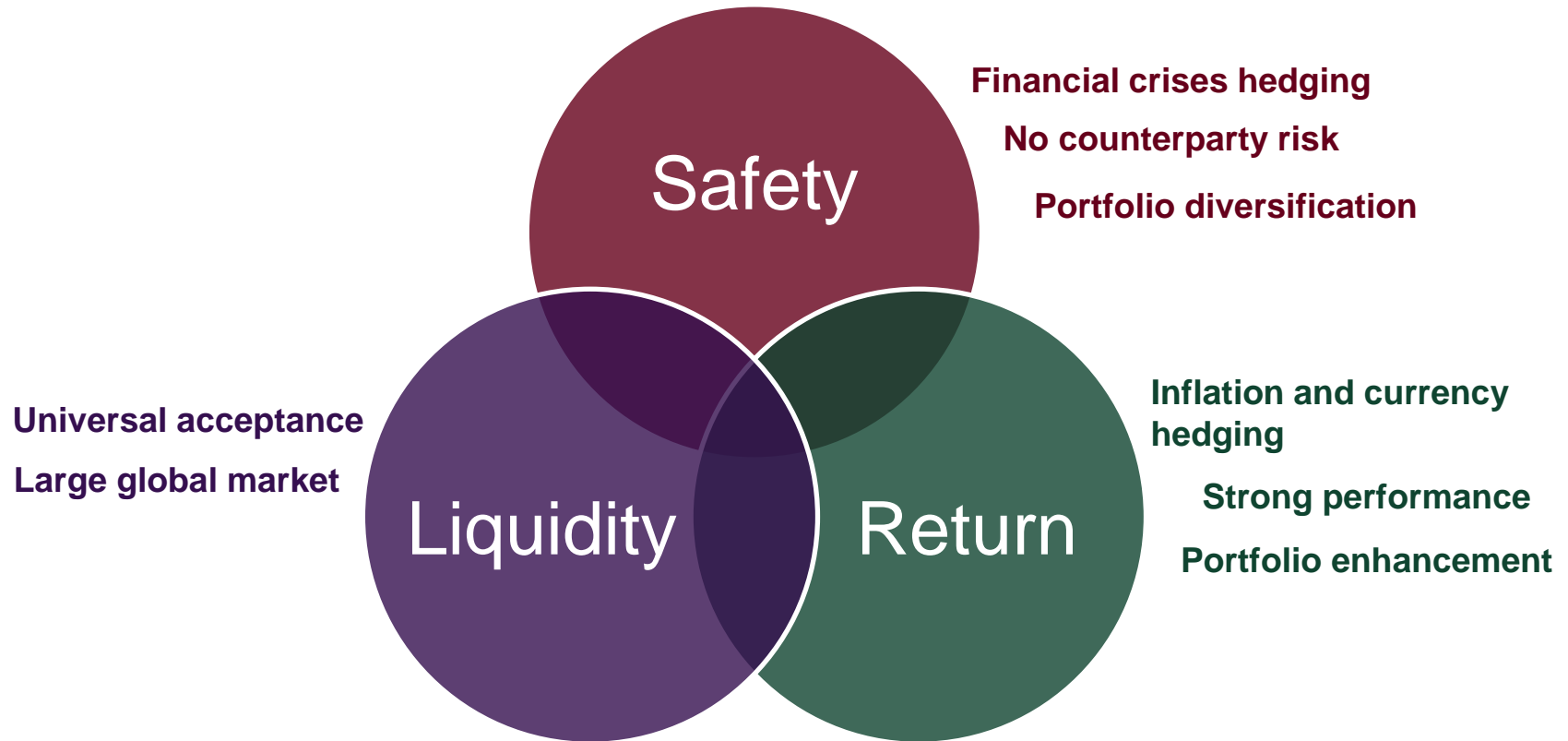
# Barriers to investing in gold

95% of investors perceive the requirement to pay VAT as the biggest barrier to invest in gold

The biggest barriers to invest in gold



# Gold's investment attributes



# Thank you

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