

## **The 9th China Gold & Precious Metals Summit Took Place In Early December**

The 9th China Gold & Precious Metals Summit 2014, jointly endorsed by the China Gold Association and the Shanghai Gold Exchange and organized by IGVision International Corporation, was held in Shanghai China during December 3-4, 2014.

Convening nearly 250 top professionals from mining companies, refiners, central banks, bullion banks, mints, exchanges, bullion dealers, trading houses, brokerage firms, jewelers, money managers, consultancies, service providers, trade associations, and policymakers, the event highlighted metal prices, supply/demand picture, investor sentiment, mining strategy, monetary policy trends, Chinese and Indian physical gold demand, and global macroeconomic environment in the context of a lower price environment, muted physical gold buying out of Asia, a remaining risk of ETP liquidation, a strengthening U.S. dollar and U.S. recovery, a looming rate hike by the Fed and potentially looser ECB policy.

As regards the concerns over the Chinese gold demand, chairman of the Shanghai Gold Exchange Xu Luode told the conference that the gold market in 2014 is still a CHINA YEAR. According to the China Gold Association, Chinese gold output stood at 428 tonnes in 2013. The country's gold production in the first three quarters of 2014 has achieved a 15% year-on-year increase however, which implies China is bound to produce more gold than the previous year. Also, China has imported over 1,100 tonnes of gold by November this year and the whole year's bullion import is estimated to reach 1,200 - 1,300 tonnes, a number only next to the year of 2013.

Meanwhile, president of the China Gold Association & general manager of China National Gold Group Corp. Song Xin said, with China surpassing India as the biggest gold consuming nation in the world, China has become the world's top producer, consumer, importer and fabricator of the precious metal. Since the beginning of 2014, China's jewellery demand for gold is still rising steadily despite a fall in the consumption of investment bars and coins.

In terms of fears of sluggish trades on the Shanghai Gold Exchange amid a lower price environment, the SGE chairman Xu Luode said the total turnover on the exchange in 2014 is expected to reach RMB 6 trillion, in which the trading for gold takes up RMB 4.2 trillion, with the trading volume for gold to stand at 17,000 tonnes and for silver to reach 430,000 tonnes. Since the launch of the SGE's international gold trading platform in mid September, the trading volume has reached 70 tonnes so far, with the turnover standing at RMB 16.5 billion.

Xu Luode said, for the SGE's international board, the exchange is planning to have an extra 20-30 members take part in the gold trading in addition to the existing 40 members the following year. The trading and investment vehicles for silver on the board is also within consideration.

Xu also said the trading venue, having owned 8000+ institutional investors plus more than 7 million retail investors as its members, is looking to add equity brokerage firms to its participant structure and is also investigating the possibility of getting investment trusts, fund managers and insurance companies involved in the years ahead.

Sponsored by First Asia Merchants Bullion Limited, Thomson Reuters, IKOI Srl, FlexTrade Systems Inc., Royal Capital Precious Metals, Kaloti Group, and Rand Refinery Limited, this year's Summit also featured a 'Dubai Pavilion' set up by a group of exhibitors composed of DMCC, Al Etihad Gold, Brinks Global Services, Professional Traders, Gulf Gold Refinery, Kaloti Precious Metals, and PANIS Group.

Other eminent speakers for the conference included:

Albert L. H. Cheng, Managing Director, Far East, World Gold Council

Michael DiRienzo, Executive Director, The Silver Institute

Wang Jianhua, President, Zijin Mining Group Co., Ltd.

Lu Dongshang, President, Shandong Zhaojin Group Co., Ltd.

Jeffrey M. Christian, Managing Partner and founder, CPM Group LLC

Rhona O'Connell, Head of Metals Research and Forecasting, Thomson Reuters GFMS

Neil Meader, Director, Metallis Consulting Limited

Robin Bhar, Head of Metals Research, Societe Generale CIB

Walter de Wet, Head of Commodities Strategy, Standard Bank

Victor Thianpiriya, Precious Metals Strategist, ANZ

Edward Meir, Commodities Consultant, INTL FCStone

Nikos Kavalis, Director, Metals Focus Ltd

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