

# SPDR® Gold ETF Dashboard

Insights  
SPDR Gold  
Strategy Team

July 2021

## Important Risk Disclosure

- SPDR® Gold Trust (the “Trust”) is an exchange traded fund designed to track the price of gold (net of Trust expenses).
- The value of the gold held by the Trust is determined using the LBMA Gold Price PM. For further information and risks regarding the LBMA Gold Price PM, please refer to the offering documents found on [ssga.com](http://ssga.com)\*.
- Investment involves risks, in particular, investing in one single commodity asset class. Fluctuation in the price of gold may materially adversely affect the value of the Trust. Investors may lose part or all of their investment.
- The trading price of the SPDR Gold Shares may be different from the underlying NAV per share.
- The Trust may not be suitable for all investors. Investors should not invest based on this marketing material only. Investors should read the Trust’s prospectus, including the risk factors, take into consideration of the product features, their own investment objectives, risk tolerance level, etc. and seek independent financial and professional advices as appropriate prior to making any investment.

## What Happened to Gold in Q2 2021

Bullion rallied 4.26% in Q2 2021<sup>1</sup> as global gold-backed ETFs added US\$2.2 billion, reversing two straight quarters of net outflows. Gold prices opened the quarter at US\$1,691/oz and peaked at US\$1,903/oz on June 6 ahead of the Federal Reserve meeting.<sup>2</sup> While the Fed kept both its benchmark interest rate and bond buying program unchanged, central bank officials surprised some market participants with their hawkish outlook by signaling there could be two rate hikes in 2023. Gold rolled over to end the quarter at US\$1,755/oz as the shift in tone may lead to a quicker path to normalization than originally anticipated.<sup>3</sup>

Net gold purchases by central banks globally continues year to date. The World Gold Council estimated that the official sector added 150–200 tons of gold in the first four months of the year. Hungary and Thailand added 63 tons in March and 43 tons in April, respectively. In fact, Hungary and Thailand’s monthly purchases this year rank only behind Poland’s single monthly purchase record of 100 tons in November 2019.

## Key Facts

Ticker	Fund Size	30-Day Bid-Ask Spread	30-Day Average Daily Volume
SPDR® Gold Shares	US\$59.3B	US\$0.01	US\$1.7B

Source: Bloomberg Finance L.P., & State Street Global Advisors, as of June 30, 2021.

**Looking Ahead** With the global economy recovering at a faster clip than expected, we believe the US dollar has the potential to soften in the second half of the year. It may be difficult for the US dollar to trend higher during a period of strong global growth. US growth expectations, earnings expectations, and valuations remain historically rich on a relative basis. The case for equity capital to rotate out of the US in favor of international economies could be a headwind for the US dollar. Also, the prospect of further US deficit spending on domestic priorities such as infrastructure may keep the medium-term outlook muted for the US dollar, but potentially supportive of gold.

Investment demand remained a key driver of gold's performance since the start of the pandemic due to suppressed customer activity in the jewelry market. The shift back to jewelry (the largest source of annual demand) has already started taking place with global

consumers spending US\$27.5 billion in Q1, the highest since Q1 2013.<sup>4</sup> Going forward, the gold price may appreciate if deferred demand from 2020 continues to emerge in 2021.

1 Bloomberg Finance L.P., & State Street Global Advisors, data as of June 30, 2021. Note: Gold is measured by LBMA Gold Price PM (US\$/oz).

2 Bloomberg Finance L.P., & State Street Global Advisors, data as of June 30, 2021. Note: Gold is measured by LBMA Gold Price PM (US\$/oz).

3 Bloomberg Finance L.P. & State Street Global Advisors, data as of June 30, 2021. Note: Gold is measured by LBMA Gold Price PM (US\$/oz).

4 World Gold Council — Gold Demand Trends Q1 2021, data as of April 29, 2021.

## Gold Vitals

Factors	Trend*	Potential Impact**	30-June-2021	52-Week High	52-Week Low
Gold Price (USD/oz)	∨	∨	1,763.2	2067.2	1,684.0
Citi Macro Risk Index	∨	∨	0.2	0.6	0.1
Stock Market Volatility	∨	∨	15.8	40.3	15.6
Gold Spec. Interest (moz)	∨	∨	19.5	32.1	19.4
US Dollar Index	∧	∧	92.4	97.4	89.4
*Gold ETP Holdings (moz)	∨	∨	111.5	126.1	114.7
10-Year TIPS Yields %	∧	∧	-0.88	-0.59	-1.12

\*We define "Trend" as a comparison between end-of-month, 50-day, and 200-day readings for each factor. A positive trend is identified if either the end-of-month reading is greater than the 50-day reading or if the 50-day reading is greater than the 200-day reading. We identify a negative trend when either the end-of-month reading is less than the 50-day reading or when the 50-day reading is less than the 200-day reading. We define a flat trend as instances when the prevailing movement is neither positive nor negative.

\*\*We define "Potential Impact" as the possible impact each of the trends may have on the price of gold.

† Gold holdings in exchange traded products (ETPs) are represented by the securities tracked by Bloomberg Finance L.P., Company Filings & World Gold Council as of June 30, 2021. We only track funds that are fully backed by gold, including: 1) open-end gold-backed ETFs whose shares are 100% backed by gold; 2) closed-end funds that are not technically ETFs, but trade on exchanges and whose shares are 100% backed by physical gold; 3) gold-backed ETFs that may hold a small portion of cash or derivatives, as long as their assets include at least 90% physical gold at all times; 4) ETFs holding precious metal baskets, as long as their shares are backed by physical gold.

Source: World Gold Council, Gold Demand Trends, Central Bank Statistics, June 30, 2021. Indices representing the above asset classes are as follows: Gold = LBMA Afternoon Gold Price as tracked by ICE Benchmark Administration Ltd., Citi Macro Risk Index = Citi Macro Risk Index, Stock Market Volatility = SPX Volatility Index, Gold Spec. Interest = Gold Net Speculative Long Positions from the Commitment of Traders Report released by the CFTC, US Dollar Index = The US Dollar Index. 10-Year TIPS Yields = Bloomberg Generic Government 10-Year TIPS Yield Index. (See "Glossary" for details on indices or benchmarks). MOZ represent Million Ounces.

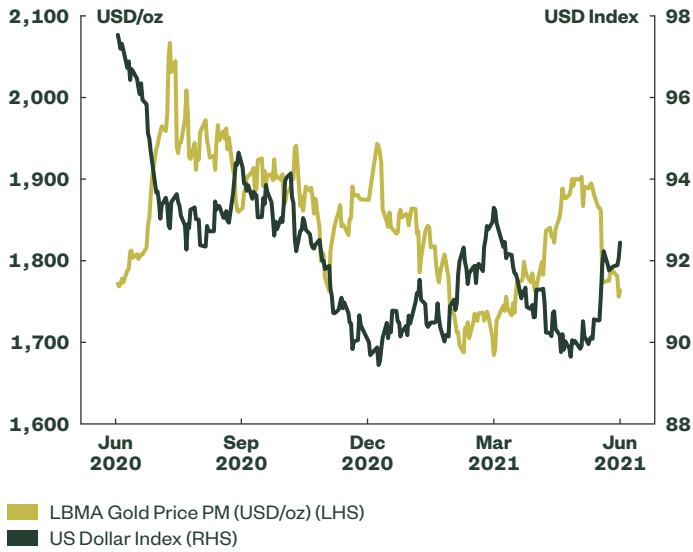
## Asset Class Returns and Correlations\*\*\*

	Returns			Correlation to Gold				
	June (%)	Trailing 3-Mo. (%)	Trailing 12-Mo. (%)	June Correlation	Correlation Over Past 3 Months	June	Trailing 3-Mo.	Trailing 12-Mo.
USD	2.90	-0.85	-5.09	Strong Negative	Strengthening	-0.64	-0.39	-0.49
10-Yr TIPS	1.20	4.30	5.45	Weak	Flat	0.08	0.09	0.21
Commodities	3.23	14.67	64.67	Strong Positive	Strengthening	0.82	0.33	0.13
Equities	1.35	7.53	39.87	Moderate Positive	Strengthening	0.37	0.25	0.22
Gold	-7.20	4.26	-0.28	—	—	—	—	—

\*\*\*The correlation coefficient is a metric that measures the strength and direction of a linear relationship between two variables. It measures the degree to which the deviations of one variable from its mean are related to those of a different variable from its respective mean. Correlations between -1.0 to -0.5 or 0.5 to 1.0 are considered "strong;" correlations between -0.5 to -0.3 or 0.3 to 0.5 are considered to be "moderate;" and correlations between -0.3 to -0.1 or 0.1 to 0.3 are considered to be "weak." We view a correlation coefficient between -0.1 to 0.1 as having "no correlation" or a "very weak" correlation.

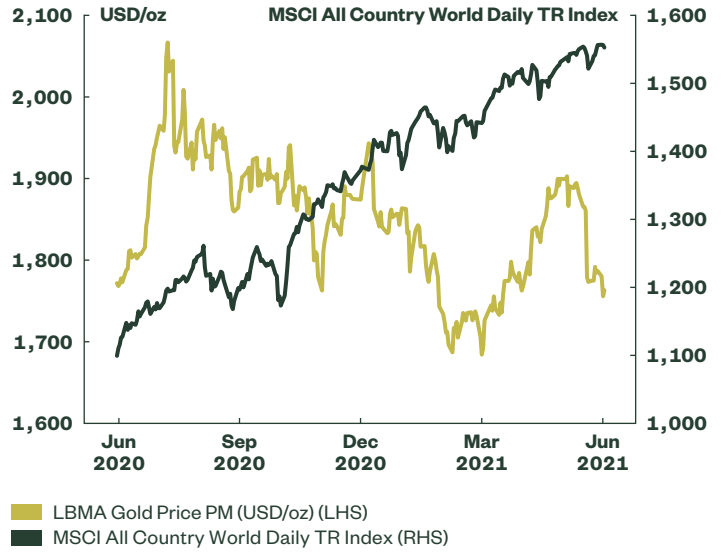
Source: Bloomberg Finance L.P., State Street Global Advisors, as of June 30, 2021. **Past performance is not a guarantee of future results.** Indices representing the above asset classes are as follows: Gold = LBMA Afternoon Gold Price as tracked by ICE Benchmark Administration Ltd., USD = The US Dollar Index, 10-Year TIPS = S&P 10 Year U.S. TIPS Index Total Return, Commodities = S&P Goldman Sachs Commodity Index, Equities = MSCI AC World Daily TR. In terms of "Strengthening" and "Weakening" correlation, it's a comparison between the June correlation and the trailing 3-month correlation. It is considered "Strengthening" when the June correlation is greater than 0.2 and greater than the trailing 3-month correlation. It is considered "Weakening" when the June correlation is less than -0.2 and less than the trailing 3-month correlation. It is considered "Flat" when none of the criteria above fits.

**Figure 1: US Dollar surged after policymakers projected two rate hikes by the end of 2023, which caused a sell-off in gold to end the quarter**



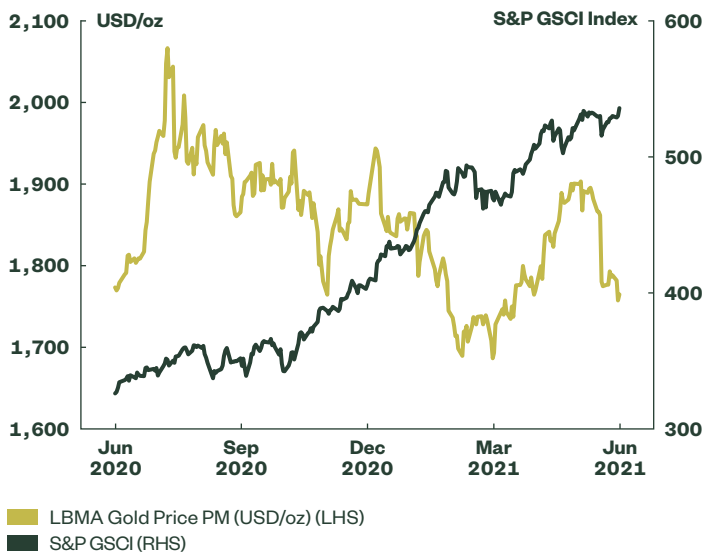
Source: Bloomberg Finance L.P., State Street Global Advisors, data as of 06/30/2021. Past performance is not a guarantee of future results.

**Figure 2: Despite reaching an all-time high, equities have remained attractive given that developed economies government bond yields are near historical lows and credit spreads have tightened to their lowest level in over a decade**



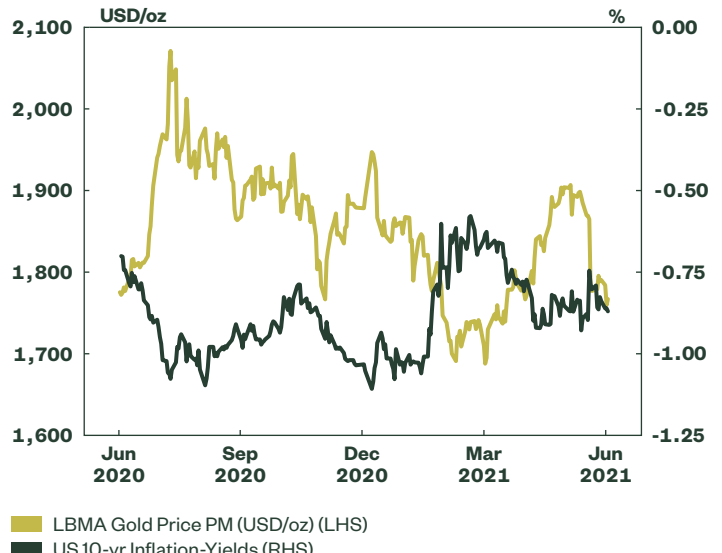
Source: Bloomberg Finance L.P., State Street Global Advisors, data as of 06/30/2021. Past performance is not a guarantee of future results.

**Figure 3: S&P GSCI Commodities index has risen 31.1% year to date, for its best first-half performance since 2008; the rally was driven in large part by demand from China**



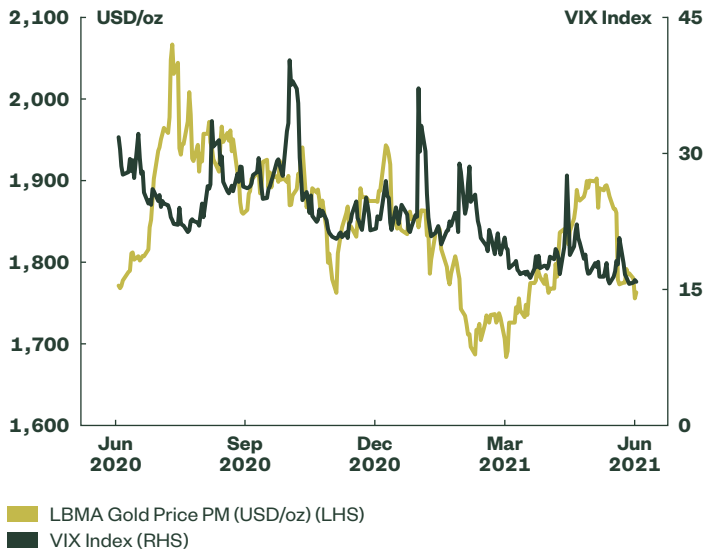
Source: Bloomberg Finance L.P., State Street Global Advisors, data as of 06/30/2021. Past performance is not a guarantee of future results.

**Figure 4: Inflation expectations and gold have continued to seesaw as investors wait for transitory inflation to pass**



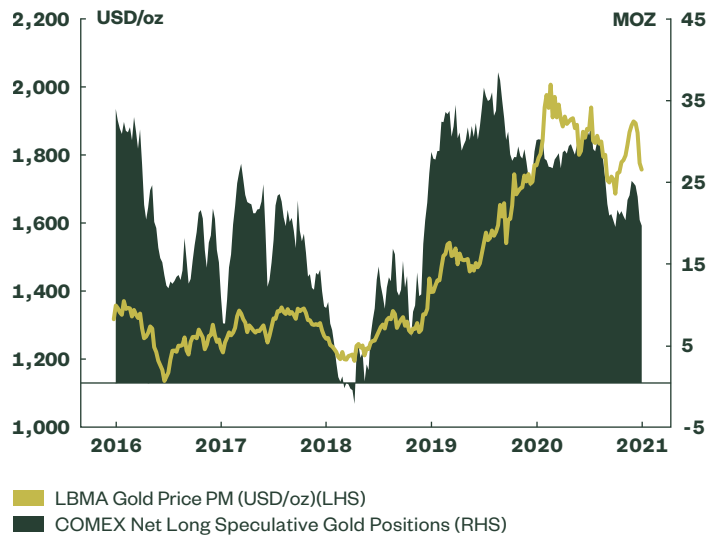
Source: Bloomberg Finance L.P., State Street Global Advisors, data as of 06/30/2021. Past performance is not a guarantee of future results.

**Figure 5: The VIX has continued to drop as central banks remained accommodative, fiscal support has remained robust and vaccination continues to accelerate globally**



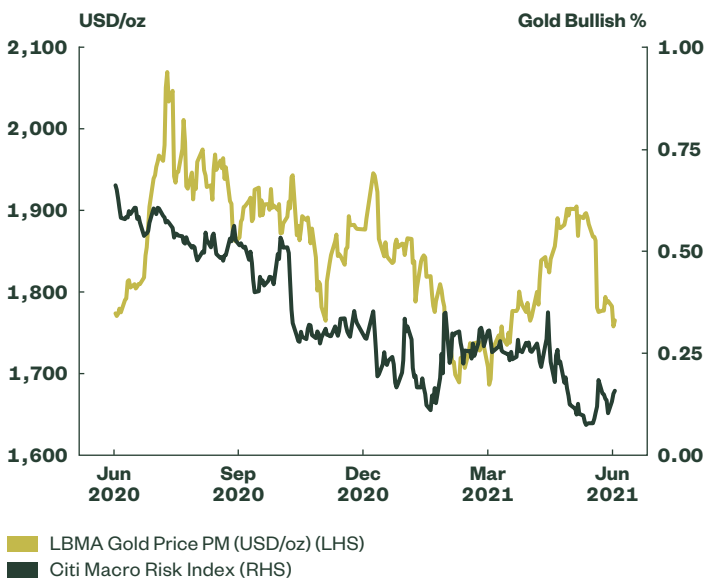
Source: Bloomberg Finance L.P., State Street Global Advisors, data as of 06/30/2021. Past performance is not a guarantee of future results.

**Figure 6: Net long positions ended the quarter where it started, illustrating investors have continued to maintain an allocation to gold even though investors expect the global recovery to continue**



Source: Bloomberg Finance L.P., State Street Global Advisors, data as of 06/30/2021. Past performance is not a guarantee of future results.

**Figure 7: The success in vaccinations and economic re-opening have been the key drivers of the downward momentum in the Citi Macro Risk Index**



Source: Bloomberg Finance L.P., State Street Global Advisors, data as of 06/30/2021. Past performance is not a guarantee of future results.

**Figure 8: Positive Q2 inflows may indicate that those investors who opened a gold position in 2020 to hedge COVID-19 disruptions may have already closed those positions**



Source: Bloomberg Finance L.P., State Street Global Advisors, data as of 06/30/2021. Past performance is not a guarantee of future results.

## SPDR® Gold Trust Performance as of June 30, 2021

	Cumulative Returns			Annualized Returns				
	1 Month (%)	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception 11/18/2004 (%)
NAV*	-7.24	4.16	-6.95	-0.68	11.68	5.52	1.19	8.25
Market Value	-7.15	3.54	-7.14	-1.04	11.75	5.53	1.27	8.19
LBMA Gold Price PM	-7.20	4.26	-6.59	-0.28	12.12	5.94	1.59	8.68

Source: ssga.com. **Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. All results are historical and assume the reinvestment of dividends and capital gains. Visit ssga.com for most recent month-end performance. Performance returns for periods of less than one year are not annualized.** The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ. Gross and Net Expense Ratio: 0.40%. Effective March 20, 2015, the SPDR Gold Trust adopted the LBMA Gold Price PM as the reference benchmark price of gold in calculating the Net Asset Value (NAV) of the Trust. Prior to that date, the Trust used the London PM Fix as the reference benchmark price in calculating the NAV. \*Past performance of the scheme is not necessarily indicative of the future performance of the scheme. NAV return on the scheme is calculated on a single pricing basis, on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

## Calendar Year Returns

	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
NAV*	23.68	18.36	-1.54	11.41	8.69
Market Value	24.81	17.86	-1.94	12.81	8.03
LBMA Gold Price PM	24.61	18.43	-0.93	12.66	8.10

Source: Bloomberg Finance L.P., & State Street Global Advisors, as of June 30, 2021. **\*Past performance of the scheme is not necessarily indicative of the future performance of the scheme. NAV return on the scheme is calculated on a single pricing basis, on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.**

## ssga.com/etfs

### Information Classification: General Access

#### Glossary

**Citi Macro Risk Index** measures risk aversion in global financial markets. It is an equally weighted index of emerging market sovereign spreads, US credit spreads, US swap spreads and implied FX, equity and swap rate volatility.

**COMEX** The main futures market for trading metals such including gold, silver, copper and aluminum.

**ICE U.S. Treasury 7-10 Year Bond Index A** fixed-income benchmark created by the Intercontinental Exchange, or ICE, that focuses on debt issued by the US Department of the Treasury. The index includes only US dollar denominated, fixed-rate securities that have a minimum term to maturity greater than seven years and less than Xor equal to 10 years.

**LBMA Gold Price** The LBMA Gold Price is determined twice each business day (10:30 a.m. and 3:00 p.m. London time) by the participants in a physically settled, electronic and tradable auction administered by the IBA using a bidding process that determines the price of gold by matching buy and sell orders submitted by the participants for the applicable auction time.

**Long Gold Positions** Speculative long positions on gold and other futures are recorded in the weekly Commitment of Traders Report published by the Commodities Futures Trading Commission, or CFTC, and measure the amount of gold ounces that are represented by gold futures that will be profitable should the price of gold rise.

**MSCI ACWI Index, or MSCI All Country World Index** – Captures large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries. With 3,050 constituents, the index covers approximately 85% of the global investable equity opportunity set.

**Net Positions** Net positions in gold futures and other futures markets is the difference between the number of speculative long and speculative short positions. The data, found in the weekly Commitment of Traders Report, are published by the Commodities Futures Trading Commission, or CFTC. S&P Goldman Sachs Commodity Index, or S&P GSCI A production-weighted index launched in 1992 that tracks the performance of 24 commodity futures

contracts. The index, tilts to commodities that are more heavily produced globally, so its weights more heavily to crude oil than, say, to cocoa.

**S&P Goldman Sachs Commodity Index, or S&P GSCI** A production-weighted index launched in 1992 that tracks the performance of 24 commodity futures contracts. The index, tilts to commodities that are more heavily produced globally, so its weights more heavily to crude oil than, say, to cocoa.

**Short Gold Positions** Speculative short positions on gold and other futures are recorded in the weekly Commitment of Traders Report published by the Commodities Futures Trading Commission, or CFTC, and measure the amount of gold ounces that are represented by gold futures that will be profitable should the price of gold fall.

**SPX Volatility Index VIX, or CBOE Volatility Index** The SPX Volatility Index, also called the VIX or the CBOE Volatility Index, is a measure of the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

**US Dollar Index** The US Dollar Index (DXY) Index measures the performance of the US Dollar against a basket of currencies: the euro (EUR), the Japanese yen (JPY), the British pound sterling (GBP), the Canadian dollar (CAD), the Swiss Franc (CHF) and the Swedish krona (SEK).

**US Generic Government 10 Year Yields Index A** fixed-income index compiled by Bloomberg that measures yields of generic US, on-the-run, government notes and bond indices. Yields are yield to maturity and pre-tax, are based on the ask side of the market and are updated intraday. Yields included in the index are precise to 4 decimal places.

**US 10-Year Treasury Note Yield (Used in Macro Sensitivity)** The interest rate paid to holders of U.S. 10 Year Treasury Notes. The rate is comprised of Generic United States on-the-run government 10 Year Treasuries. The yield quoted is yield to maturity and on a pre-tax basis.

#### Important Risk Information

All forms of investments carry risks, including the risk of losing all of the invested amount. Such activities may not be suitable for everyone.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries. Investing in commodities entail significant risk and is not appropriate for all investors. Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors. A few such factors include overall market movements, real or perceived inflationary trends, commodity index volatility, international, economic and political changes, change in interest and currency exchange rates. The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs' net asset value. Brokerage commissions and ETF expenses will reduce returns.

The value of SPDR® Gold Shares (the "Shares") may fall as well as rise. An investment in Shares is subject to investment risks, including the possible loss of the principal amount invested. Past performance figures of the SPDR® Gold Trust (the "Trust") or of the gold market are not necessarily indicative of the future performance of the Trust. The Shares are expected to reflect the price of gold, therefore the price of the Shares will be as unpredictable as the price of gold has historically been.

**Hong Kong:** Investors have no right to request the Trust's sponsor to redeem their shares while the Shares are listed. It is intended the holders of the Shares may only deal in their Shares through trading on the Stock Exchange of Hong Kong Limited ("SEHK"). Redemption of Shares can only be executed in substantial size through authorized participants. Listing of Shares on the SEHK does not guarantee a liquid market for Shares, and Shares may be delisted from the SEHK.

This document is issued by State Street Global Advisors Asia Limited ("SSGA") and has not been reviewed by the Securities and Futures Commission of Hong Kong (the "SFC").

The offering documents of the Trust may be obtained upon request from SSGA and can be downloaded from the Trust's website: [spdrgoldshares.com](http://spdrgoldshares.com).\*

"SPDR" is a trademark of Standard & Poor's Financial Services LLC ("S&P") and has been

licensed for use by State Street Corporation. No financial product offered by State Street Corporation or its affiliates is sponsored, endorsed, sold or promoted by S&P or its affiliates, and S&P and its affiliates make no representation, warranty or condition regarding the advisability of buying, selling or holding units/shares in such products. Standard & Poor's®, S&P®, SPDR® and S&P 500® have been registered in many countries as trademarks of Standard & Poor's Financial Services LLC and have been licensed for use by State Street Corporation. Further limitations that could affect investors' rights may be found in the SPDR Gold Shares prospectus.

The World Gold Council name and logo are a registered trademark and used with the permission of the World Gold Council pursuant to a licence agreement. The World Gold Council is not responsible for the content of, and is not liable for the use of or reliance on, this material. World Gold Council is an affiliate of the Sponsor of each of SPDR Gold Shares. GLD® is a registered trademark of World Gold Trust Services, LLC used with the permission of World Gold Trust Services, LLC.

Standard & Poor's®, S&P® and SPDR® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global (S&P); Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones); and these trademarks have been licensed for use by S&P Dow Jones Indices LLC (SPDJ) and sublicensed for certain purposes by State Street Corporation. State Street Corporation's financial products are not sponsored, endorsed, sold or promoted by SPDJ, Dow Jones, S&P, their respective affiliates and third party licensors and none of such parties makes any representation regarding the advisability of investing in such product(s) nor do they have any liability in relation thereto.

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.

**Hong Kong:** State Street Global Advisors Asia Limited, 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. T: +852 2103-0288. F: +852 2103-0200.

\* The above two websites has not been reviewed by the SFC.

© 2021 State Street Corporation. All Rights Reserved. ID660800-37013231.1.APAC.RTL 0821 Exp. Date: 31/10/2021