

## DMCC Charters Path for Growth in the Precious Metals Industry at DPMC in Dubai

- *Around 300 industry experts gathered to discuss the factors and opportunities shaping the precious metals market*
- *Launched during the conference, the 'World Silver Survey 2019' report details supply and demand statistics for key sectors of the silver market*
- *DPMC 2019 was officially endorsed by the UAE Ministry of Economy*

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DMCC, the world's leading Free Zone for commodities trade and enterprise, held the eighth edition of its annual industry-leading Dubai Precious Metals Conference (DPMC) today with the endorsement of the UAE Ministry of Economy. As one of the most content driven events in the calendar of global precious metals, the conference welcomed around 300 industry experts to discuss many of the key factors and opportunities shaping the precious metals market.

Held under the theme 'Unlocking Growth in Global Precious Metals', the conference was inaugurated by **Gautam Sashittal, CEO, DMCC**, who said: *"Global economic growth is slowing, trade conflicts persist, and recent geopolitical events have generated widespread uncertainty in markets. As an industry, we must rise to the challenge through being innovative, and by exhibiting a willingness to change, adapt and evolve. This is why DPMC is so important – its themes are synced with the priorities of the industry. Ultimately, DPMC is the platform to discover how, collectively, we can move forward, advance the industry and grow the precious metals sector as a whole."*

The keynote speech was delivered by **H.E. Juma Mohamed Al Kait, Assistant Undersecretary, UAE Ministry of Economy**, who said: *"The gold, diamond and precious metals sector is one of the most important for the country's economic diversification and is expected to witness significant growth in the coming period as part of the UAE's diversification objectives. The UAE accounts for about 14 per cent of the world's gold trade, and Dubai in particular is rising through the ranks as a purchase and investment destination as it accounts for 20 per cent of world sales of precious metals. The strategic location on the trade routes of East and West makes the UAE an important gateway that connects the producing countries, the major manufacturing centres and the largest consuming markets in the world. DMCC plays a very crucial role as a leading hub for commodities and for putting the UAE on the world map as the leader in precious metal trading. DMCC's commitment to creating a diverse and robust trading environment aligns with the UAE's mission to be a diversified economy and promote economic growth and development."*

First on the agenda was a discussion around 'Mining and the Return of Hedging', during which experts discussed and gauged the current mindset of mines in terms of whether or not to hedge in the wake of rising nominal dollar interest rates. Moderating the session, **Jeffrey Rhodes, Founder & Managing Consultant, Rhodes Precious Metals Consultancy DMCC**, commented: *"Since interest rates fell in 2008, there was no longer a forward curve, so if you sold one year forward, it was the same price as the spot so there was no need to hedge. In the past 12 – 15 months, the Federal Reserve has been raising interest rates and we now have nominal dollar interest rates at 2.5 per cent up from zero, which means there is once again a forward curve. Is that enough to attract the mining companies to hedge again; there is the debate."*

The conversation then moved on to the impact that emerging technology has on the precious metal industry. **Matthew Keen, Managing Director, RG Trading DMCC**, said: *“What is happening now with technology is the market is being opened up to everybody. You don't even need a bank account, you just need a mobile phone, so it is realistic to say that gold is now becoming available to everybody thanks to the advancements in technology. Gold, ultimately, is the perfect medium if you are in emerging market territory and today the market is wide open to everybody and not just central banks or institutional investors.”*

The following session focused on ‘Central Banks Approach to Gold’, during which experts offered their insights on the impact of factors such as currencies and trade tensions on their decision-making processes. **Alexander Pschenichnikov, Deputy Head of Department of State Regulation, Ministry of Finance, Russian Federation**, highlighted: *“Despite rapidly changing world economics, gold has always been an instrument of savings and trade-monetary relations. The new rules of Basel Committee on Banking Supervision (Basel III) that came into force on March 29, 2019 confirm the relevant axiom. Although new payment instruments and corresponding currencies are appearing, we see how unstable cryptocurrencies and other new currencies are. Therefore, gold will always be a solid long-term investment and keep its stable position.”*

Commenting on the relevance of jewellery in the changing landscape, **Chandu Siroya, Vice Chairman, DGJG**, said: *“Today, the biggest challenge facing all jewellers and gold traders is the anomaly of a decreasing demand for bullion and the increasing world supply. But the industry is focused on retaining gold as the first choice in the luxury spend. To do that, we all have to collaborate in order to evolve and to grow our businesses – success will stem from a collective effort.”*

To end the day, panellists discussed ‘Opportunities and Challenges in White Metals’, **Rhona O’Connell, Head of Market Analysis, EMEA & Asia, INTL FCStone Ltd**, said: *“There is an old saying, ‘it is always darkest before the dawn.’ In this particular context, I am thinking about the platinum market and platinum is clearly the metal within this sector that has been under pressure. This being said, recently there has been something of a turnaround and a feeling that the news has been priced into the market, so maybe it is time to do a little bit of bargain hunting.”*

**Ross Norman, CEO, Sharps Pixley**, left industry experts with an insightful price outlook: *“The outlook for pricing is dependent on the compound interest. My sense is we will be back at an all-time high within the next three to four years. People forget about the compounding effect on price rises. It was not so long ago, the price was \$254, we never thought we would be at \$1,300.”*

Delegates in attendance received a copy of the flagship ‘World Silver Survey 2019’ report, from The Silver Institute, which was also launched during the conference, with a simultaneous New York release. Published annually since 1990, the report details supply and demand statistics for key sectors of the silver market, as well as price and trade data.

The conference was followed by a gala dinner where guests had the opportunity to network and reflect on the numerous insights gained throughout the day. The various sponsors were also awarded mementoes during the evening.



## About DMCC

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Headquartered in Dubai, DMCC is the world's most interconnected Free Zone, and the leading trade and enterprise hub for commodities. Whether developing vibrant neighbourhoods with world-class property like Jumeirah Lakes Towers and the much-anticipated Uptown Dubai, or delivering high performance business services, DMCC provides everything its dynamic community needs to live, work and thrive. Made for Trade, DMCC is proud to sustain and grow Dubai's position as the place to be for global trade today and long into the future.

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