

Commodity Insights

Macroeconomic Overview

The current forecast suggests that China's official PMI for February will see a slight uptick compared to January, though the magnitude of the rebound is not expected to be particularly pronounced. Meanwhile, Goldman Sachs' high-frequency tracking data indicates that the seasonally adjusted emerging industry PMI experienced a robust surge in February. Sectors such as automotive, renewable energy, machinery, and batteries are likely to display strong momentum this month.

In the US, both the services PMI and the consumer confidence index have unexpectedly declined again, influenced by policy uncertainties from the federal government, including fiscal spending cuts, tariff adjustments, and geopolitical factors. Concerns about stagflation have increased, and the sustainability of the data will require close monitoring.

Gold

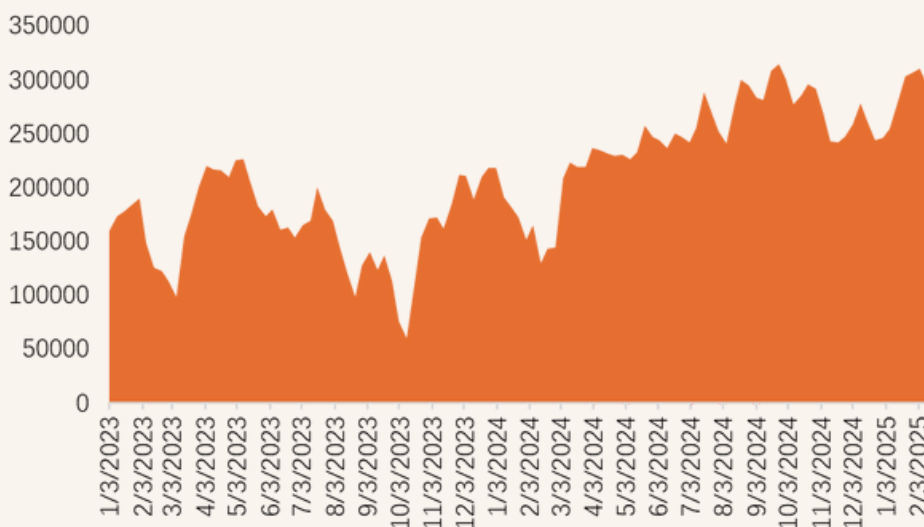
The recent market dynamics in the gold space suggest a complex interplay of factors driving the precious metal's trajectory.

On the investor sentiment front, we are seeing a mixed picture. While macro funds have liquidated some of their long gold positions amid the recent price surge, the ongoing CTA buying activity has helped offset these outflows.

Regional flows in gold ETFs paint an interesting mosaic. European funds experienced record monthly inflows in January, driven by increased investment in the UK and Germany, as weaker economic data and political uncertainty boosted gold's safe-haven appeal. In contrast, North American funds saw consecutive monthly declines, potentially as investors took profits amid the record gold prices and geopolitical developments.

Looking ahead, the medium-to-long-term outlook for gold remains constructive. If the US economic data were to weaken significantly, leading to a more dovish pivot in monetary policy, it could spur a reallocation of capital into gold, supporting further price appreciation. Additionally, the continued physical buying by central banks, elevated trade policy uncertainty, and ongoing ETF inflows are expected to provide a tailwind for gold prices.

Non-Commercial Gold Futures Net Positions

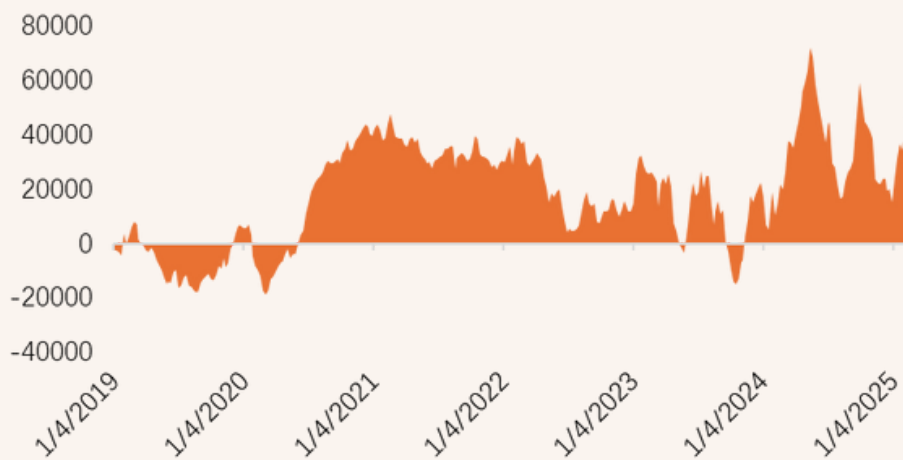


Data source : Bloomberg terminal

Copper

Focus remains on the uncertainty surrounding potential tariff policies from President Trump, as well as the outlook for Federal Reserve policies. These factors are contributing to volatility in copper prices. China tightens requirements for new copper smelters, limiting the number of players able to meet the conditions. Investor sentiment turning bullish, with fund managers increasing net long positions to 16-week highs. Post-Lunar New Year demand recovery slower than expected, leading to cautious market sentiment. From a fundamental perspective, the downstream demand provide support for Copper's prices.

Copper - LME Investment fund Net Positions



Data source : Bloomberg terminal

Lithium

Policy changes in the U.S., such as the proposed elimination of electric vehicle tax credits, could impact near-term EV sales growth. Meanwhile, Lithium market continues to navigate supply and demand dynamics, with inventory build-up but potential for improved supply-demand equilibrium in the medium to long term.

+852 28032207
7502A, 75/F, ICC, 1 Austin Road West, Kowloon, Hong Kong
www.gmasset.com.hk

Disclosure of Information: Investing involves risks, including the loss of principal. The price of fund units can go up or down, and past performance does not indicate future returns. The value of the fund may be very volatile and can decline significantly in a short period. Investors should read the fund's prospectus and product data summary before investing to understand the details and risk factors associated with the fund. You should not rely solely on this information to make any investment decisions. Investors should note that the Zijin Global Fund ("Fund") invests in equity securities, which are subject to market risks. The prices of these securities may fluctuate due to factors including but not limited to changes in market sentiment, political and economic environments, regional or global economic instability, as well as fluctuations in exchange rates and interest rates. The fund may purchase financial derivatives for hedging or investment purposes, which carry risks such as counterparty/credit risk, liquidity risk, valuation risk, volatility risk, and over-the-counter trading risk. Hedging may become ineffective during market reversals, leading to significant losses for the fund. The fund is not authorized by the Hong Kong Securities and Futures Commission and does not accept subscriptions from retail investors in Hong Kong, except for professional investors as defined under the Securities and Futures Ordinance. This document has not been reviewed by the Securities and Futures Commission. If making an offer to any person in any jurisdiction is illegal, this document should not be considered as an offer or invitation to such persons. Gold Mountains Asset Management Limited ("the Company") is not responsible for the fund's profits or losses beyond the duties of an investment manager and does not guarantee any minimum returns. Investors should carefully read the private placement memorandum before subscribing. The Company cannot guarantee the accuracy of the information and opinions contained in this material and is not liable for any loss arising from the use of this material.