

Commodity Insights

GMA'S HIGHLIGHT

- Australian gold miners Regis Resources and Vault Minerals agreed to an all-share merger of equals, highlighting how strong bullion prices are accelerating consolidation across the gold-mining sector.
- Equinox Gold (TSX: EQX; NYSE: EQX) planning to acquire Orla Mining (TSX: OLA; NYSE: ORLA) in a deal valued at about US\$18.5 billion (C\$25.4 billion), creating a North America-focused gold producer expected to generate 1.1 million oz. annually.
- Australia has ordered Chinese investors to sell rare-earth stakes in Northern Minerals Ltd. within two weeks, tightening foreign-ownership rules in the sector.
- Global oil stockpiles are shrinking at the fastest pace on record this month as the Middle East war continues to choke supplies and tighten energy markets.
- Indonesia to route coal, palm oil exports through state firm from June 2026.

Marcoeconomic

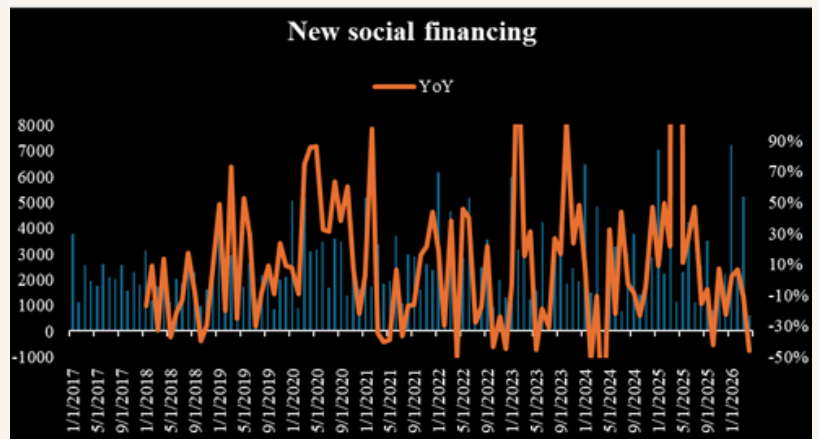
Key economic data of China:

President Trump concluded his Beijing visit on May 15 without disclosing specific trade or tariff details. China and the US agreed only on opposing a nuclear-armed Iran and quickly reopening the Strait of Hormuz. Structural tensions persist, but near-term escalation risk is low.

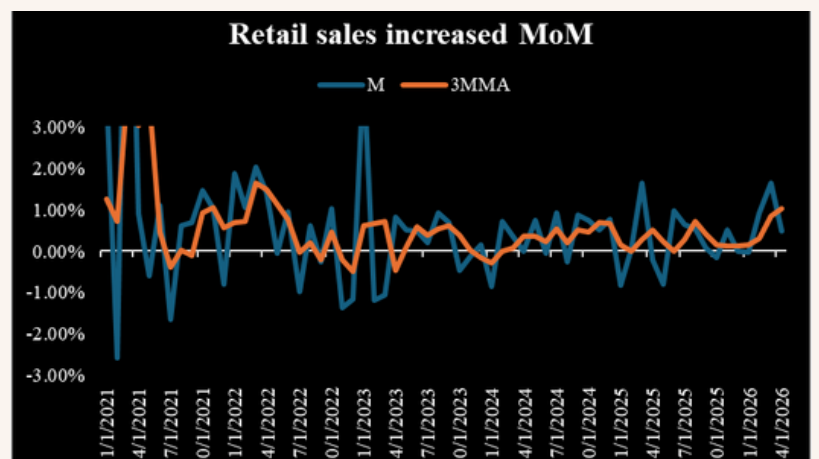
April's financial data missed broad bases, reflecting weak private investment and consumption. Given resilient exports, the urgency for new stimulus is low.

Key economic data of U.S.:

Recent US data show continued expansion in employment, industrial activity, and consumer markets. However, the energy-price shock and its spillover effects are pushing inflation back up; if the energy surge does not subside quickly, inflation is expected to accelerate. The base case remain for US interest rates to stay in the current range for an extended period.



(China new social financing, Source: Bloomberg)



(US Retail Sales MoM Growth, Source: Bloomberg)

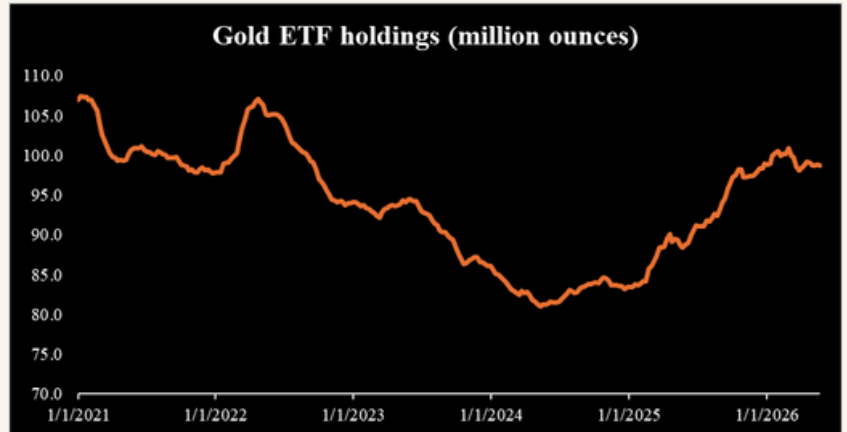
Gold

Price Movement:

2 weeks changes: -3.71%

Key Driver: US inflation came in hotter than expected, further dashing near-term rate-cut bets and pressuring precious metals.

Major Bank's Projections: A major bank updated its central-bank gold purchases forecast, lifting the average to 60 tonnes per month through 2026. Its central-bank survey points to strong underlying demand, with recent geopolitical developments likely to reinforce diversification among both central banks and private investors. The bank reaffirmed a \$5,400/oz year-end 2026 target but remains more cautious in the near term, noting gold's high liquidity makes it a natural cash source for investors facing funding needs during equity sell-offs driven by higher rates and weaker growth expectations.



(Gold Purchase by ETF, Source: Bloomberg)

GMA's view: In short term, gold price lacks of catalysts but we remain bullish in mid to long term.

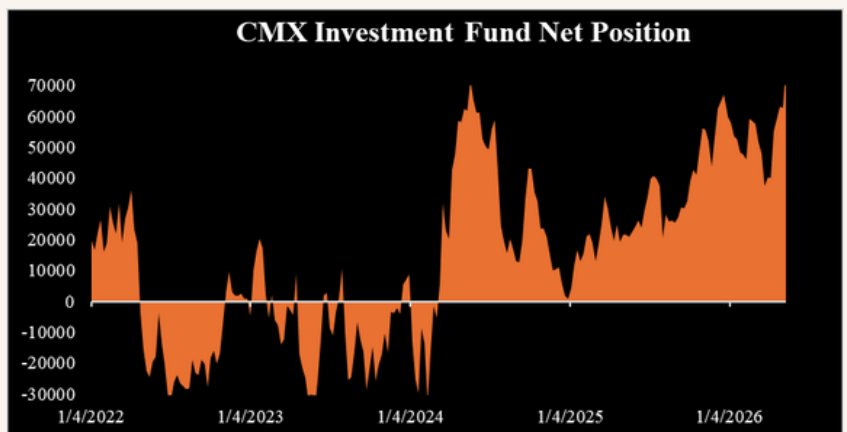
Copper

Price Movement:

2 weeks changes: : -0.13%

Key Driver: Prices oscillated amid rising speculative positioning, tightening supply expectations, and mixed macro data.

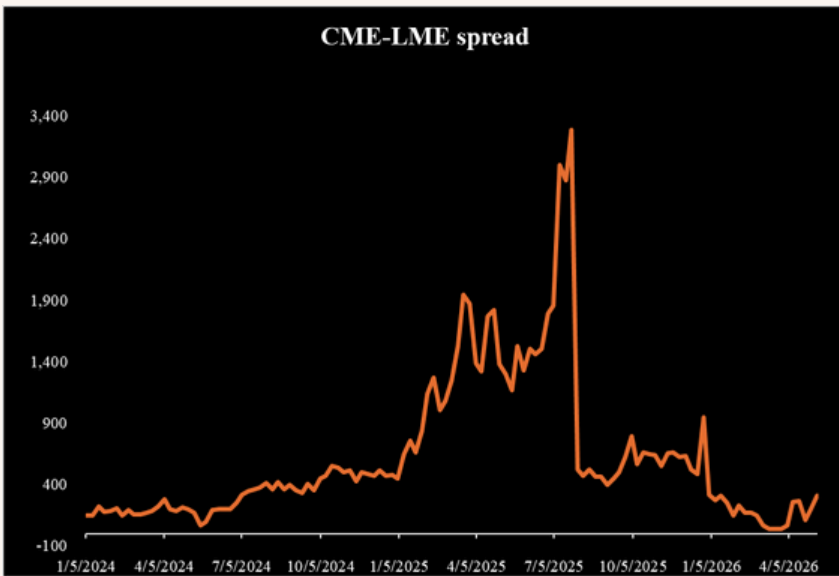
Major Bank's Projections: Major bank highlighted China's growing reliance on scrap copper for refined copper and semi-finished output, while a comprehensive policy tightening in 2024-26 is sharply curbing compliant scrap supply, lifting refined copper demand and intensifying global tightness.



(CMX Investment Fund Net Position, Source: Bloomberg)

GMA's view: Near-term copper prices may be pressured by unexpected

macro data, but demand from power and new-energy sectors remains resilient. With domestic destocking continuing and sulfuric acid supply constrained, copper prices should find support.



(CME-LME spread, Source: Bloomberg)

Lithium

Price Movement:

2 weeks changes: -1.03%

Key Driver: Prices oscillated amid macro-data volatility.

GMA's view: On the supply side, Zimbabwe's two-month export suspension means China's Q2 lithium-mineral tightness is unlikely to ease. On demand, the sector is entering its peak season: May production is ahead of expectations, and June is also expected to rise sequentially. With Q2 demand growth expanding, lithium prices should remain elevated.

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