

# Gold 2021

By Richard Gray Cormark Securities

## Outlook for Gold in 2021

The gold price has enjoyed a strong year so far in 2020 with the year-to-date average of \$1,762/oz up 26% from the 2019 average of \$1,393/oz. The recent weakness (down \$177/oz over last three weeks) comes after the U.S. election and the release of positive COVID vaccine results and correlates with a modest increase in real rates.

However, looking into 2021 we believe gold will benefit from a weakening U.S. dollar and inflation concerns, and will continue to be viewed as a safe haven investment and hedge against geopolitical upheaval for investors looking to protect capital in a multi-asset portfolio. We forecast a gold price of \$1,900/oz in 2021 as a base case, with major fluctuations around vaccine news and U.S. stimulus initiatives.

# Base Metals 2021

By Stefan Ioannou

## Outlook for Base Metals in 2021

Strong base metal pricing in 2020 has been prompted by better-than-expected Chinese economic data—driven by post-COVID stimulus efforts centred on infrastructure builds. A pandemic-induced lack of scrap has also helped to bolster metal prices.

While we have modestly increased our price forecasts in 2021 (\$3.00/lb for copper, \$1.15/lb for zinc, \$1.00/lb for lead, \$7.50/lb for nickel) to better reflect improved sentiment, we remain cautious with regards to the near-term impact of potential 'Phase 2' pandemic considerations and potential for a greater global economic fallout on the back of waning government stimulus. Nevertheless, general base metal sentiment is clearly improving—arguably in part reflecting a 'what next' resource-focused investment thesis following gold's run through \$2,000/oz earlier this year.

Looking further ahead, we maintain a constructive view on base metal supply/demand fundamentals and continue to expect the industry's lack of timely new large-scale project advancement over the last 5 years will culminate in a supply deficit—near-term supply growth is dominated by brownfield expansion (as opposed to new discoveries) and the industry's inventory of available development opportunities is low (and now further delayed by COVID-induced disruption). As such, our bullish long-term outlook remains essentially unchanged and arguably conservative in the context of an anticipated supply deficit.

Pinnacle Capital Markets Ltd./theinvestorscoliseum.com Disclosure

PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY. YOUR USE OF THIS WEBSITE OR ANY INFORMATION OR MATERIAL CONTAINED ON THIS SITE IS SUBJECT AT ALL TIMES TO THESE TERMS AND CONDITIONS. IF YOU DO NOT WISH TO BE BOUND BY THESE TERMS AND CONDITIONS, DO NOT ACCESS THIS SITE.

Pinnacle Capital Markets LTD., its subsidiary Investors Coliseum, and the website theinvestorscoliseum.com, (together, "Investors Coliseum") is an online investor community that connects active investors and small cap public and private companies in various markets and industry sectors. Investors Coliseum is not registered as a broker, dealer, exempt market dealer, or any other registrant in any securities regulatory jurisdiction and will not be performing any registerable activity as defined by the applicable regulatory or securities bodies in any jurisdiction. Investors Coliseum has in no way passed upon the merits of any of the featured companies or current deals and has not reviewed the content of any disclosure provided by such companies for adequacy or accuracy. These 3rd party articles are a source of information and does not express opinion of the Investorscoliseum.com in any way. Please be advised the recommendations of equity analyst are of the opinion of the analyst and does represent the opinion of the investorscoliseum.com.

The Investors Coliseum is a subsidiary of PCM (Pinnacle Capital Markets LTD.) which is not a licensed broker-dealer, market maker, investment advisor, or underwriter. All information that we provide is for informational purposes only and should not be construed as an offer or solicitation of to buy or sell securities. Furthermore, investing in such securities involves substantial risk of loss and investors should seek advice from financial professionals before investing. The Investors Coliseum representatives are not financial advisors. We are compensated by the companies we represent. Information provided through the investors Coliseum website is often opinionated and should be considered for information purposes only. No stock exchange or regulatory body anywhere has approved or disapproved of the information contained herein. There is no express or implied solicitation to buy or sell securities. Founders of the investors Coliseum may have positions in the stocks discussed. Please consult your financial advisor before making any financial decisions. Do not consider buying or selling any stock without conducting your own due diligence and speaking to your financial advisor.