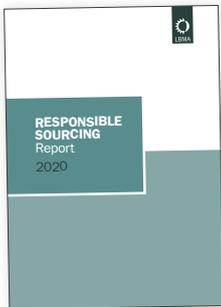


LBMA NEWS

BY RUTH CROWELL, CEO, LBMA

LAUNCH OF THE FIRST RESPONSIBLE SOURCING REPORT



We're excited to announce that we will be launching our first annual Responsible Sourcing Report in September. It will set out clearly the scope of our Responsible Sourcing Guidance, including the responsibilities of LBMA accredited refiners and the steps LBMA takes to ensure their

compliance with our programme. It provides more granular data on Country of Origin to highlight where gold is mined and refined around the world.

It also features a number of case studies to illustrate the key points and remedial action that LBMA has taken to deal with issues of non-conformance. Look out for details of the special webinar in September to mark the launch of the Report, which will highlight its key aspects.

LBMA launches Security Feature Specifications for Gold Bars



On 12 August, LBMA launched its security feature specifications, enabling vendors of security features for gold bars, as well as users of existing security features, to benchmark their particular solution.

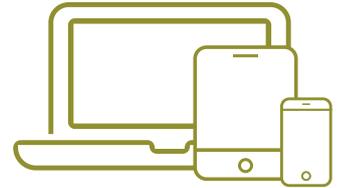
These form part of the Gold Bar Integrity (GBI) initiative to enhance the integrity of the physical gold market by ensuring gold bars entering the market are genuine and have a known provenance. These specifications will integrate with a bar database solution currently under development.

The specifications were developed in conjunction with the London vaults, Good Delivery refiners and other industry experts. The specifications will apply to all new 400oz London Good Delivery gold bars produced. In future, it is envisaged that they could be applied to other bullion products to enhance the integrity of the wider market.

LBMA is also forming a digital gold task force, which will help to further explore market innovation related to digital gold receipts. Full details of this initiative will be shared in due course, but in the meantime, if you would like to find out more, please contact us at mail@lbma.org.uk.

LBMA's Commitment to a DIGITAL FUTURE

Read the Regulation Update on page 24 to see how LBMA is working with other industry bodies in a collective commitment to a digital future for financial markets.



GOLD PRICE Hits Record High

The LBMA Gold Price broke through the \$2,000/oz barrier on 11 August for the very first time in its 100+ year history to reach an all-time record high of \$2,034.45/oz. It leapt to a further high in the afternoon auction of \$2,048.15/oz.



GOLD & SILVER HELD IN LONDON VAULTS

Record Value of Gold Stocks – Over \$460 billion of gold held in London Vaults

As at the end of April 2020, there were **8,482** tonnes of gold, valued at a record high of **\$464.4** billion, and **35,667** tonnes of silver, valued at **\$17.58** billion. This equates to approximately **678,595** gold bars and **1,188,898** silver bars.

104 ACCREDITED REFINERS



We now have **104 refiners** on the Good Delivery Lists, with **70** listed for gold, **83** listed for silver and **49** refiners on both lists.

Guangxi Nandan Nanfang Metal Co., Ltd was added to the Good Delivery List for silver in June and Zhuzhou Smelter Group Co. Ltd was moved to the Former List for silver, effective 31 December 2019. There are currently four active Good Delivery applications.

LBMA TRADE DATA

On 29 July, daily gold volumes hit a record 89.4 million ounces, with a record value of \$174.3 billion. The daily volume in 2020 has averaged 37.4 million ounces, with an average daily value of \$62.7 billion.

There are a couple of exciting changes to the trade data which will come on stream in September for subscribers. The most impactful update will be the launch of the exclusive Lease Loan Deposit Report, which for the first time will give market participants a clear understanding into the Lease Rates traded across the OTC markets for each metal.

In addition, all market data reports will now become available to subscribers in the morning (UK) rather than later that evening, reducing the latency of trade information. The final enhancement was born directly from market feedback for more transparency and granularity in the data set, so we are happy to inform that both the VIPT (spot price/volume data) and Option Strike Price data sets will be enhanced to include additional price buckets, more granular strike prices and a broader range of trade information, all adding more colour and depth to the data available.

LBMA Trade Data* (provided by Nasdaq) is now available via the Bloomberg Terminal. For more information on subscribing or contributing data, visit: <https://www.nasdaq.com/LBMA-Trade-Data>

LBMA MEMBERS



We currently have **145** Member and Associate companies – **63** Full Members, **12** Market-Making Members, **14** Affiliates, **3** Exchange Affiliates and **53** Associates and **one** Subscriber.

If you are interested in applying for membership of LBMA, including the new Subscriber category, please email: mail@lbma.org.uk

LATEST STAFF NEWS



LBMA appoints new NED to its Board

LBMA is delighted to announce the appointment of Isabelle Strauss-Kahn, formerly of the World Bank and the Banque de France (BDF), as its third Independent Non-Executive Director, with effect from 1 July 2020.

This follows the news that, due to an unexpected change in personal circumstances, Simon Potter has had to resign from the Board to take up a new full-time role. LBMA wishes him all the best for the future. You can read about his experiences of working at LBMA in his Editorial for this edition of the *Alchemist*.



Charitable Donations

One of the three charities that LBMA supported in 2019, the Jamil & Nyanga Jaward Foundation in Sierra Leone, has recently sent us some photos to illustrate how our money has been used. The Foundation was established to help impoverished children and widows in Sierra Leone cope with the challenges of poverty. Some of the widows are pictured here and its gratifying to see that our financial support has already had such a positive impact. For further information, please visit: <https://jnjf.org/>



Webinars and Events

Our programme of webinars, which we began earlier this year at the start of the COVID-19 lockdown, have proved very popular. We took a break in August but we will be resuming them again in September. We have some exciting speakers and topics lined up, including James Kyngge, global China editor for the *Financial Times*, who was the keynote speaker at our conference in Shenzhen last year.

Keep an eye on our weekly newsletter for details of our Autumn webinar programme and visit our website to view any that you may have missed.

If you haven't already registered for the weekly newsletter, our Responsible Sourcing or Good Delivery newsletters, you can do so by updating your preferences in the MyLBMA portal. LBMA members, associates and subscribers receive member-specific news so it's a great way to stay updated on things.

LBMA's Assaying and Refining conference will launch this September, and keep an eye out for our 2021 Annual Conference registration launch this October, where we will have some limited discounted passes for those of you who manage to catch this special offer in time.

Sadly our conference this year was cancelled, and we have also been forced to cancel the annual dinner in December this year too. Our next event will be the virtual AGM, which will now take place at the earlier date of 29 September. This year it is the turn of the Full Members of the Board to stand for re-election (Hitoshi Kosai, Mehdi Barkhordar and Fang Wenjian). Watch out for details in the weekly members' newsletter.

MARKET MOVES



NEW SENIOR TRADER AT BULLIONVAULT

Henryk Vasilevski has joined BullionVault as Senior Trader, working alongside Izabela Kacprzak at the \$3bn private-investor platform. Fluent in Polish, Russian and Lithuanian, and with an MSc from St Andrew's in Money, Banking and Finance, Henryk traded oil, gas and renewables for five years at SSE, before prop trading Brent futures at a London market-making firm.