WEEKLY UPDATE

Has gold lost its safe-haven appeal?

Gold prices reached historically high levels at the beginning of the year before undergoing a marked correction, amid rising real interest rates and a strengthening US dollar, notably following recent geopolitical tensions. This development may seem surprising given its traditional status as a safe-haven asset. However, it reflects less a challenge to its fundamentals than a short-term adjustment linked to financial conditions. Behind this volatility lies a deeper transformation of the gold market: while supply remains relatively insensitive to price fluctuations due to limited physical stock, demand is increasingly driven by flows associated with both cyclical and structural factors. Over the long term, these drivers should continue to support the resilience of the yellow metal.

Gold is emerging as a strategic asset in the management of central bank reserves. Since 2022, official purchases have increased significantly, particularly in emerging economies, in a context of geopolitical realignment. This trend reflects a desire to diversify reserves, especially away from currencies that may be subject to sanctions. In this respect, gold has a unique characteristic: it is an asset with no counterparty risk, usable independently of international financial systems. It is also highly liquid, giving it a potential role in times of stress.

Countries such as Russia, India, and Turkey have recently adjusted their reserves to support their currencies, illustrating its ability to be mobilized in response to balance-of-payments pressures.

A more nuanced safe-haven role in the short term. In periods of tension, its behavior depends closely on the macro-financial environment. The recent rise in real interest rates has increased the opportunity cost of holding a non-yielding asset, weighing on investor demand, as evidenced by outflows observed in some gold-backed ETFs. The appreciation of the US dollar has also exerted downward pressure on prices. These dynamics explain why gold has not outperformed in recent weeks. Nevertheless, historical analysis shows that over longer horizons, the yellow metal tends to provide effective protection: following major geopolitical shocks, its average performance is generally positive, confirming its hedging role over the medium to long term.

Over the longer term, several structural factors should continue to support gold prices. The persistence of macroeconomic imbalances, particularly in the United States, could once again weigh on the dollar and strengthen gold's appeal. At the same time, central bank demand is expected to remain strong, driven by enduring strategic considerations. Finally, in an environment sometimes characterized by higher correlation between equities and bonds, gold retains diversification benefits. Weakly correlated with other asset classes over the long run and capable of playing a protective role during periods of financial stress, it remains a relevant instrument in the construction of resilient portfolios.

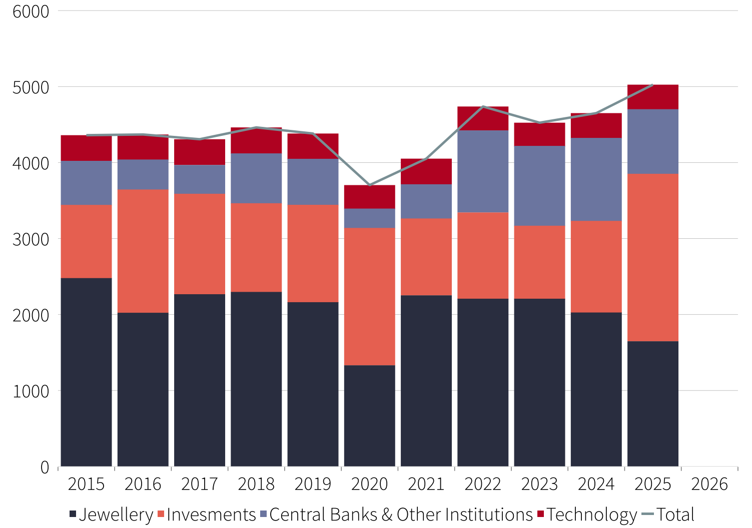
GOLD PRICES

In USD per ounce

Sources: Société Générale Investment Solutions, Macrobond, LBMA 25/06/2026

GOLD DEMAND BY CATEGORY

In tonnes



Sources: Société Générale Investment Solutions, Macrobond, World Gold Council 2025

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OUR MACRO COMMENTS

Events of the week

PERSISTENT DIVERGENCES BETWEEN EURO AREA AND THE UNITED STATES

June activity indicators (PMIs) continue to point to slowing economic activity in the euro area, despite a slight improvement compared to May (49.5 in June vs. 48.5). New orders are declining, and the inventory accumulation phase is coming to an end. Prices paid by companies in both the manufacturing and services sectors have slowed compared with May levels, in line with the gradual easing in commodity prices. However, the slowdown in selling prices remains more limited. The PMI survey does not incorporate developments since the June 17 agreement.

France remains in contraction territory, while showing some improvement compared to May, supported by a slightly more dynamic services sector. In Germany, activity is disappointing, with the decline in services reflecting weakening domestic demand.

In the United States, economic activity remains in expansion territory, with a composite index of 52.5 in June. Demand remains well oriented, new orders are increasing, likely linked to the World Cup. Input prices are declining slightly, although they remain elevated.

UNITED STATES: HIGH INFLATION, BUT A RESILIENT ECONOMY

In May, US inflation (PCE index) came in in line with expectations at 4.1%, while core inflation also rose to 3.4%. Second-round effects continue to support rising prices in energy-related services, such as transportation, for example. Healthcare and housing services are also experiencing elevated inflation.

Final Q1 growth data confirm the resilience of the US economy. Consumption is less dynamic, likely already affected by tensions in the Middle East. By contrast, investment remains the main driver of growth, supported by high levels of investment in AI. May data on income and consumer spending remain well oriented.

KEY EVENTS NEXT WEEK

Monday	
Spain	Inflation JUNE
Tuesday	
Germany	Inflation JUNE Unemployment JUNE
France **Italy**	Inflation JUNE
Wednesday	
South Korea	Trade balance JUNE
Spain **Italy**	Manufacturing PMI JUNE
Euro area	Inflation JUNE
United States	Manufacturing ISM JUNE
Thursday	
United States	Unemployment JUNE
Friday	
Spain **Italy**	Services PMI JUNE

EVENTS IN THE COMING MONTHS

- July 23 : ECB monetary policy meeting
- July 29 : FED monetary policy meeting
- July 30 : BoJ monetary policy meeting
- July 30 : BoE monetary policy meeting

Source: Macrobond, June 26, 2026. The colors in the 'Actual' column correspond to the difference from the forecast

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MARKET PERFORMANCES

Interbank rates

%	24/06/2026	26/05/2026	26/03/2026	01/01/2024	26/06/2025
US SOFR	3,630	3,59	3,66	5,34	4,31
Euro area €ster	2,181	1,93	1,93	3,88	1,93
UK SONIA	3,729	3,73	3,73	5,19	4,22
Switzerland SARON	-0,038	-0,04	-0,05	1,70	-0,04
Japan TONAR	0,977	0,73	0,73	-0,04	0,48

10Y Government rates

%	25/06/2026	26/05/2026	26/03/2026	01/01/2024	26/06/2025
US Treasuries	4,40	4,50	4,42	3,88	4,26
France OAT	3,59	3,66	3,77	2,55	3,24
Germany Bund	2,86	2,98	3,06	2,02	2,56
Italy BTP	3,64	3,75	3,99	3,70	3,46
Spain Bonos	3,29	3,40	3,58	2,98	3,15
Switzerland	0,31	0,54	0,41	0,66	0,38
UK Gilts	4,78	4,95	4,97	3,60	4,47
Japan JGB	2,64	2,66	2,24	0,62	1,42

Credit

%	25/06/2026	26/05/2026	26/03/2026	01/01/2024	26/06/2025
United States IG	5,16	5,19	5,26	5,06	5,03
United States HY	7,22	7,05	7,50	7,59	7,09
Europe IG	3,63	3,73	3,95	3,72	3,31
Europe HY	5,68	5,77	6,31	6,80	5,65
Emerging FX	5,76	5,85	6,02	6,77	6,02

Equity indices

25/06/2026 vs	-1w	-1m	-3m	01/01/2024	-1y
World	-1,17	-0,134	14,26	60,55	27,18
United States	-1,64	-1,469	14,33	58,33	23,09
Euro area	-0,56	2,753	14,87	52,99	23,04
France	0,05	2,803	11,08	22,74	13,88
Germany	-0,39	-1,844	9,85	43,82	4,84
United Kingdom	1,43	0,256	6,42	46,06	22,71
Japan	-0,62	3,225	13,60	83,42	50,80
Emerging	-1,12	2,752	21,05	87,74	50,97
China USD	-3,77	-8,701	-7,28	33,93	-4,89
India USD	-0,15	2,687	7,77	8,46	-7,69
Latin America USD	-0,93	-4,308	-1,68	24,42	31,58

Foreign exchange rates

	25/06/2026	26/05/2026	26/03/2026	01/01/2024	26/06/2025
EUR/USD	1,14	1,16	1,16	1,11	1,17
GBP/USD	1,32	1,34	1,34	1,27	1,37
EUR/CHF	0,92	0,91	0,92	0,93	0,94
USD/JPY	161,63	159,33	159,14	141,03	144,38
USD/CNY	6,79	6,79	6,89	7,08	7,18

Commodity prices

	25/06/2026	26/05/2026	26/03/2026	01/01/2024	26/06/2025
Brent, USD/BL	75	99	107	77	67
Copper, USD/Metric ton	13 194	13 570	12 108	8 476	10 115
Gold, USD/Troy oz	4 002	4 516	4 456	2 078	3 319
Silver, USD/Troy oz	57	76	67	24	37
Palladium, USD/Troy oz	1 203	1 399	1 372	1 136	1 089
Platinium, USD/Troy oz	1 608	1 947	1 869	1 000	1 392

Source : Bloomberg on 26 June 2026, 1W = 1 week change, 3M = 3 month change, 12M = 12 mont change, YTD = year to date change, Equities; total return in local currency . Government bonds = 10 year returns. Figures are rounded..

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