

Gold Buyers Seek Shelter in Singapore

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Gold has only strengthened its reputation as a safe haven amid global instability, but those with physical holdings in Hong Kong are reconsidering their storage options.

High net worth individuals and precious metals investors who store their physical gold holdings in Hong Kong are reconsidering their options in light of the unrest that has rocked the city, and many of them are thinking about moving their holdings to Singapore, said **Joshua Rotbart**, managing partner of J. Rotbart & Co.

The founder of the boutique firm based in Hong Kong that specializes in physical precious metals investments said in a conversation with *finews.asia* that he has been involved in discussions with clients about contingency plans if the situation in Hong Kong deteriorates further.

However, Rotbart said the picture is different when it comes to new clients. «It seems that the preferred storage option by far now is Singapore, even for clients and wealthy families based out of Hong Kong,» adding that secure logistics companies he spoke to said they are moving some private clients' holdings totaling «a few hundred million» to Singapore.

Mixed Trends

According to Rotbart, the current high prices of gold are prompting long-time holders to liquidate their holdings to realize their gains, while first-time investors and those who were idle when the gold price was stagnant are concerned with the geopolitical and economic conditions globally and as such, are either investing in physical gold for the first time or increasing their holdings.

«Overall these two trends seem to balance each other,» he said, adding that he has observed an increase in the number of clients using their physical metals holdings as collateral against loans to increase their yields even further without selling their holdings.

«The last 12 months proved how strong gold performs during uncertain times, and when there is stress in the market, and when there are increasing concerns among investors,» Rotbart said. «We believe central banks will continue to hoard gold, and this will affect the demand even more.»

Gold Demand Not Abating

Escalating trade tensions, slowing global growth and falling U.S. real interest rates have boosted the price of gold, which has grown by about 7 percent in the past month. At the

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moment, the yellow metal is sitting above \$1,500 per troy ounce, its highest level since 2013 and only 26 percent off its all-time high of \$1,896 in 2011.

The appetite for gold among central banks globally has not eased – they collectively bought 374 tonnes (\$15.7 billion) in the first six months of 2019, according to figures released in August by the World Gold Council.