

# SPDR® Gold Shares (GLD®) Quarterly Dashboard

By the SPDR Gold Strategy Team

As of March 31, 2018

## What Happened to Gold in the First Quarter?

Gold gained 2.54% in the first quarter; performance was driven by concerns about a global trade war, a flattening yield curve and a spike in equity market volatility. And, with the US Dollar Index falling to a 3-year low, bullion also found support from a weaker US dollar (USD).

After decades of policies that caused distortions in the gold market in India, Arun Jaitley, India's Finance Minister, announced a plan to develop gold as an asset class, create gold exchanges and revamp the Gold Monetization Scheme. The World Gold Council believes these policies can help illuminate the positive role gold plays in Indian society and cultivate a transparent and efficient gold market to create a transparent and efficient gold industry.<sup>1</sup>

**Looking ahead**, investors will be closely monitoring global trade negotiations. Importantly, a trade war could challenge the USD's dominance. That is, if China (the

world's number one exporter and importer) retaliates to the US's proposed tariffs by choosing to settle trades in RMB rather than in USD, the demand for USD could decrease. This could further the USD's depreciation relative to foreign currencies and, in turn potentially support gold.

With economists forecasting two or possibly three more rate hikes in 2018, gold prices may need higher inflation, more market uncertainty or resilient physical demand for the current bull market to continue. Bullion has appreciated roughly 26% since the Fed raised rates on December 16, 2015 for the first time in nearly a decade.

Finally, politics and policy have moved to the forefront of investors' minds. Trade rhetoric aside, the Trump administration has experienced higher staff turnover than any other first-year administration in modern history and Washington may see more changes after the upcoming midterm elections. With many seats in the House and the Senate in play, gold prices could experience additional volatility as we get closer to the November elections.

## Gold Vitals

Factors	Trend*	Potential Impact**	29-Mar-18	52 Week High	52 Week Low
Gold Price (USD/oz)	+	+	1323.9	1355.0	1211.1
Gold Bullish Sentiment %	+	+	73.3	82.4	15.4
Stock Market Volatility	+	+	20.0	37.3	9.1
Gold Spec. Interest (moz)	+	+	22.6	27.2	7.4
Crude Oil (USD/bbl)	+	+	64.9	66.1	42.5
US Dollar Index	+	+	90.2	101.2	88.6
Gold ETF holdings (moz)	+	+	76.0	76.3	68.7
10-Year TIPS Yields %	+	+	0.68	0.82	0.24

Gold holdings in ETFs represent 25 gold ETFs. Source: Bloomberg Finance L.P., State Street Global Advisors. Indices representing the above asset classes are as follows: Gold = LBMA Afternoon Gold Price as tracked by ICE Benchmark Administration Ltd., USD = The US Dollar Index, 10-Year TIPS = S&P 10 Year U.S. TIPS Index Total Return, Commodities = S&P Goldman Sachs Commodity Index, Equities = S&P 500 Index. In terms of "Strengthening" and "Weakening" correlation, it's a comparison between the December correlation and the trailing 3-month correlation. It is considered "Strengthening" when the December correlation is greater than 0.2 and greater than the trailing 3-month correlation. It is considered "Weakening" when the December correlation is less than -0.2 and less than the trailing 3-month correlation. It is considered "Flat" when none of the criteria above fits.

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## GLD Key Facts

**\$36.0B** Fund Size\*

**\$0.01** 30-Day Bid/Ask Spread

**\$859M** 30-Day Average Daily Volume

\*as of March 29, 2018.

Source: Bloomberg Financial L.P. & State Street Global Advisors.

## Asset Class Returns and Correlations\*\*\*\*

	Returns						Correlation to Gold		
	March (%)	Trailing 3-Mo. (%)	Trailing 12-Mo. (%)	March Correlation	Corr. Over Past 3 Months	March	3-Mo.	Trailing 12-Mo.	
USD	-0.51	-2.14	-10.16	Strong Negative	Strengthening	-0.68	-0.59	-0.32	
10-Yr TIPS	1.05	-1.55	-0.13	Weak Negative	Strengthening	-0.27	0.04	0.30	
Commodities	2.15	2.37	16.67	Weak Positive	Weakening	0.24	0.34	0.19	
Equities	-2.69	-1.22	11.77	Weak Negative	Weakening	-0.10	0.22	-0.04	
Gold	0.46	2.54	6.35	—	—	—	—	—	

Source: Bloomberg Finance L.P., State Street Global Advisors.

Past performance is not a guarantee of future results.

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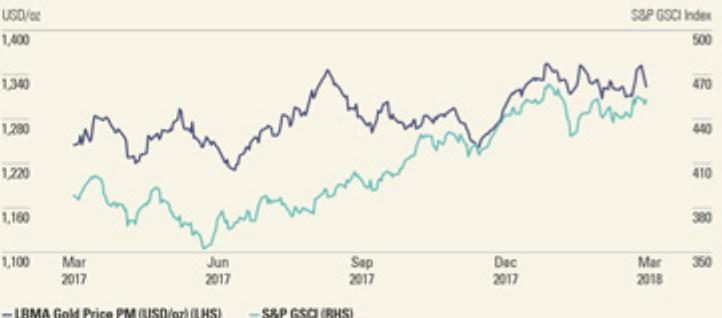
**Gold rallies as equities sink on trade war concerns.**

**Figure 1: Gold and US Dollar Index**



Source: Bloomberg Finance L.P., State Street Global Advisors.

**Figure 3: Gold and Commodities**



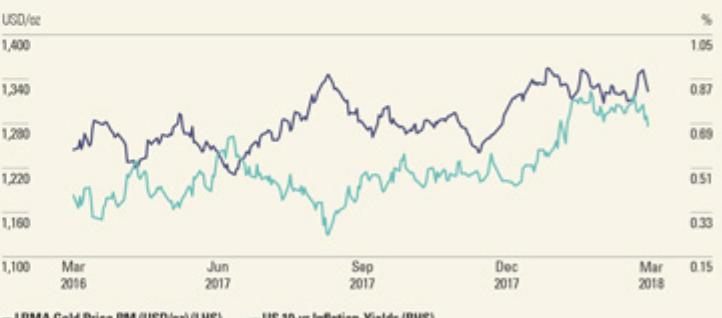
Source: Bloomberg Finance L.P., State Street Global Advisors.

**Figure 2: Gold and Equities**



Source: Bloomberg Finance L.P., State Street Global Advisors.

**Figure 4: Gold and 10-Year TIPS Yields**



Source: Bloomberg Finance L.P., State Street Global Advisors.

Past performance is not a guarantee of future results. Index performance does not represent the performance of any particular exchange traded fund.

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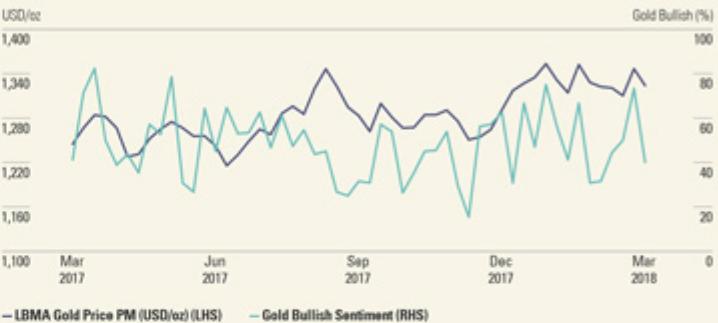
**Gold benefits from increase in volatility.**

**Figure 5: Stock Market Volatility**



Source: Bloomberg Finance L.P., State Street Global Advisors.

**Figure 7: Gold Sentiment**



Source: Bloomberg Finance L.P., State Street Global Advisors.

**Figure 6: COMEX Positioning**



Source: Bloomberg Finance L.P., CFTC and State Street Global Advisors.

**Figure 8: Gold ETF Holdings\***



Source: Bloomberg Finance L.P., State Street Global Advisors.

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**Figure 9: SPDR® Gold Shares performance as of March 31, 2018**

	1 Month (%)	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception 11/18/2004 (%)
NAV	0.42	2.01	2.01	5.92	3.29	-4.08	3.14	8.12
Market Value	0.63	1.73	1.73	5.96	3.43	-4.02	3.36	8.03
LBMA Gold Price PM	0.46	2.54	2.54	6.35	3.70	-3.70	3.55	8.55

Source: spdrs.com.

**Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit spdrs.com for most recent month-end performance. Performance returns for periods of less than one year are not annualized.**

The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ.

Gross Expense Ratio: 0.40%.

### Glossary

**Bloomberg Commodity Sentiment Gold Bullish Readings Index** A weekly measure of analysts and traders who are bullish on gold that is compiled by Bloomberg News. The number of participants in the survey may vary.

**COMEX** The main futures market for trading metals such including gold, silver, copper and aluminum.

**Gold Bullish Sentiment** A measure of gold market sentiment created and published by Bloomberg. The weekly survey measures the percentage of gold analysts and traders who are bullish, bearish or neutral on gold.

**ICE U.S. Treasury 7–10 Year Bond Index** A fixed-income benchmark created by the Intercontinental Exchange, or ICE, that focuses on debt issued by the US Department of the Treasury. The index includes only US dollar denominated, fixed-rate securities that have a minimum term to maturity greater than seven years and less than or equal to 10 years.

**LBMA Gold Price** The LBMA Gold Price is determined twice each business day (10:30 a.m. and 3:00 p.m. London time) by the participants in a physically settled, electronic and tradable auction administered by the IBA using a bidding process that determines the price of gold by matching buy and sell orders submitted by the participants for the applicable auction time.

**Long Gold Positions** Speculative long positions on gold and other futures are recorded in the weekly Commitment of Traders Report published by the Commodities Futures Trading Commission, or CFTC, and measure the amount of gold ounces that are represented by gold futures that will be profitable should the price of gold rise.

**Net Positions** Net positions in gold futures and other futures markets is the difference between the number of speculative long and speculative short positions. The data, found in the weekly Commitment of Traders Report, are published by the Commodities Futures Trading Commission, or CFTC.

**S&P Goldman Sachs Commodity Index, or S&P GSCI** A production-weighted index launched in 1992 that tracks the performance of 24 commodity futures contracts. The index, tilts to commodities that are more heavily produced globally, so its weights more heavily to crude oil than, say, to cocoa.

**Short Gold Positions** Speculative short positions on gold and other futures are recorded in the weekly Commitment of Traders Report published by the Commodities Futures Trading Commission, or CFTC, and measure the amount of gold ounces that are represented by gold futures that will be profitable should the price of gold fall.

**US Dollar Index** The US Dollar Index (DXY) Index measures the performance of the US Dollar against a basket of currencies: the euro (EUR), the Japanese yen (JPY), the British pound sterling (GBP), the Canadian dollar (CAD), the Swiss Franc (CHF) and the Swedish krona (SEK).

**US Generic Government 10 Year Yields Index** A fixed-income index compiled by Bloomberg that measures yields of generic US, on-the-run, government notes and bond indices. Yields are yield to maturity and pre-tax, are based on the ask side of the market and are updated intraday. Yields included in the index are precise to 4 decimal places.

**SPX Volatility Index VIX, or CBOE Volatility Index** The SPX Volatility Index, also called the VIX or the CBOE Volatility Index, is a measure of the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

**US 10-Year Treasury Note Yield (Used in Macro Sensitivity)** The interest rate paid to holders of U.S. 10 Year Treasury Notes. The rate is comprised of Generic United States on-the-run government 10 Year Treasuries. The yield quoted is yield to maturity and on a pre-tax basis.

### Email

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\* We define Trend as a comparison between end-of-month; 50-day; and 200-day readings for each factor. A positive trend is identified if either the end-of month reading is greater than the 50-day reading or if the 50-day reading is greater than the 200-day reading. We identify a negative trend when either the end-of month reading is less than the 50-day reading or when the 50-day reading is less than the 200-day reading. We define a flat trend as instances when the prevailing movement is neither positive nor negative.

\*\* We define "Potential Impact" as the possible impact each of the trends may have on the price of gold.

\*\*\* Gold holdings in ETFs are represented by the securities tracked by Bloomberg Financial L.P. that, together, make up 25 global ETFs.

\*\*\*\* We view the correlation coefficient as a metric that measures the strength and direction of a linear relationship between two variables. We believe it measures the degree to which the deviations of one variable from its mean are related to those of a different variable from its respective mean. We consider a correlation between -1.0 to -0.5 or 0.5 to 1.0 to be "strong;" one between -0.5 to -0.3 or 0.3 to 0.5 to be "moderate;" and one between -0.3 to -0.1 or 0.1 to 0.3 to be "weak." We view a correlation coefficient between -0.1 to 0.1 as having "no correlation" or a "very weak" correlation.

<sup>†</sup> Gold holdings in ETFs are represented by the securities tracked by Bloomberg Financial L.P. that, together, make up 25 global ETFs.

<sup>‡</sup> World Gold Council Market Update - India's Budget: policy and progress. Date as of February 15, 2018.

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**The SPDR Gold Trust ("GLD") has filed a registration statement (including a prospectus) with the Securities and Exchange Commission ("SEC") for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents GLD has filed with the SEC for more complete information about GLD and this offering. Please see the GLD prospectus for a detailed discussion of the risks of investing in GLD shares. When distributed electronically, the GLD prospectus is available by clicking here. You may get these documents for free by visiting EDGAR on the SEC website at sec.gov or by visiting spdrgoldshares.com. Alternatively, the Trust or any authorized participant will arrange to send you the prospectus if you request it by calling 866.320.4053.**

GLD is not an investment company registered under the Investment Company Act of 1940 (the "1940 Act") and is not subject to regulation under the Commodity Exchange Act of 1936 (the "CEA"). As a result, shareholders of the Trust do not have the protections associated with ownership of shares in an investment company registered under the 1940 Act or the protections afforded by the CEA.

GLD shares trade like stocks, are subject to investment risk and will fluctuate in market value. The value of GLD shares relates directly to the value of the gold held by GLD (less its expenses), and fluctuations in the price of gold could materially and adversely affect an investment in the shares. The price received upon the sale of the shares, which trade at market price, may be more or less than the value of the gold represented by them. GLD does not generate any income, and as GLD regularly sells gold to pay for its ongoing expenses, the amount of gold represented by each Share will decline over time to that extent.

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