



## Hong Kong | Gold Mining and Gold Retailer

10 October 2025

## Gold price breaks above \$4,000 an ounce for the first time

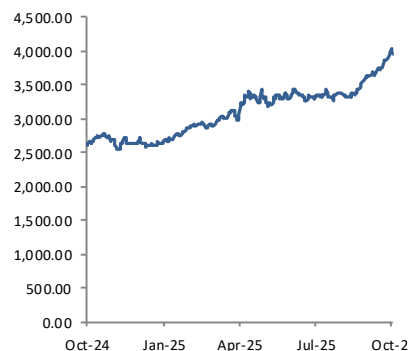
**Gold spot price is up 53% YoY after rising 27% in 2024**

Gold extended its historic rally to break above \$4,000 an ounce for the first time on Wednesday, driven by strong investment demand amid broader geopolitical and economic uncertainty, along with expectations of further interest rate cuts from the Federal Reserve. Traditionally, gold is seen as a store of value during times of instability. As one of the best-performing assets of 2025, spot gold is up 53% YTD after rising 27% in 2024. Gold thrives in a low interest rate environment and during economic uncertainty. It is considered a resilient investment and a hedge against inflation, with investors betting it will retain its value when prices rise.

**September inflows into global gold ETFs totaled US\$17.3bn**

According to the World Gold Council (WGC), investors poured more cash into physically backed gold ETFs in September, resulting in the biggest monthly inflow on record. September's inflows totaled US\$17.3bn, with 3Q25 inflows totaled US\$26bn. By the end of 3Q25, global gold ETFs' total AUM reached US\$472bn (+23% QoQ) reaching another record high, as gold prices rose 17% YoY during the quarter. ETF Holdings rose 6% QoQ to 3,838t, only 2% shy of the peak of 3,929t, recorded in the first week of November 2020. September alone added 146t, up from just 53t in August.

Gold Spot \$/Oz

**Central Banks bought 415 tons of gold in 1H25**

A critical, long-term pillar of support for gold comes from sustained and substantial purchasing by central banks worldwide. Led by emerging markets seeking to diversify their foreign exchange reserves away from the U.S. dollar, central bank buying has soared. In 2024, net purchases reached 1,045 tons, marking the third consecutive year of acquisitions exceeding 1,000 tons—a figure more than double the 2010-2021 annual average. Central banks bought 415 tons of gold in the 1H25, according to WGC, and after a pause in July, Central banks added a net 15t to global gold reserves in Aug. The environment of market uncertainty and inflation concerns has made gold a favored safe haven asset and store of value. This institutional demand creates a solid and persistent bid in the market, underpinning the price and insulating it from sharp downturns.

**Suggest building positions in gold miners and gold retailers**

The record-high gold price creates a profoundly positive operating environment for companies across the gold value chain. For gold mining companies, a higher realized gold price translates directly and powerfully to the bottom line. These companies have largely fixed costs of production; therefore, every additional dollar of revenue from gold sales falls almost entirely to their pre-tax profit line. This operational leverage can lead to explosive earnings growth during periods of rising gold prices, significantly boosting their cash flow generation and strengthening their balance sheets.

For gold jewelry retailers and product sellers, the environment is more nuanced but equally promising. In the near term, the high gold price may temper volume growth as consumers adjust to higher absolute price points. However, the powerful "wealth effect" and investment-driven demand more than compensate for this. More importantly, a rising gold price attracts customers who view gold products not just as adornment, but as a critical vehicle for capital preservation and investment. This shifts the value proposition for retailers, allowing them to emphasize the dual benefit of beauty and financial security. Furthermore, retailers often hold significant inventory, and the appreciation in the value of this stock can lead to inventory gains and provide a natural hedge against rising input costs.

**We expect the gold price rally will continue**

We expect the current market momentum to be sustained through the end of 2025, with prices anticipated to find strong support well above the \$4,000 level as the fundamental drivers remain firmly in place. The optimistic forecasts from global leading institutions also suggest this rally has considerable room to run. For investors, the most efficient way to capitalize on this trend is through selected listed companies that offer direct and leveraged exposure to the gold price. We therefore have a positive view and recommend building positions in gold mining sector and gold retailers.

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Figure 1 Gold Mining peers (mid-price as of 10 Oct 2025)

Company	Ticker	Price	Mkt cap (US\$m)	3-mth avg t/o (US\$m)	P/E (x)		FY1-FY3 EPS Cagr (%)	FY1 PEG (x)	Div Yld (%)		P/B (x)		ROE (%)		ROIC Hist (%)	Share px chg (%)		
					FY1	FY2			FY1	FY2	Hist	FY1	Hist	FY1		1-mth	3-mth	12-mth
HSI		26,448			13.0	11.6	11.5	1.13	2.9	3.1	1.43	1.38	10.7	10.3		0.9	10.1	24.4
HSCEI		9,416			12.2	10.7	13.0	0.94	2.7	2.9	1.37	1.32	11.5	10.6		0.9	8.6	23.6
CSI300		4,651			16.6	14.6	12.9	1.29	2.4	2.6	1.90	1.77	10.2	10.6		4.6	16.0	16.3
<b>Sector Average</b>					<b>29.6</b>	<b>18.5</b>	<b>29.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.6</b>	<b>5.4</b>	<b>5.5</b>	<b>19.8</b>	<b>23.7</b>	<b>15.1</b>	<b>19.0</b>	<b>59.2</b>	<b>266.8</b>
<b>Sector Median</b>					<b>24.8</b>	<b>18.6</b>	<b>26.3</b>	<b>1.1</b>	<b>1.0</b>	<b>2.0</b>	<b>5.1</b>	<b>4.7</b>	<b>17.0</b>	<b>27.6</b>	<b>13.6</b>	<b>17.9</b>	<b>53.3</b>	<b>173.3</b>
Zijin Gold Inter	2259 HK	138.20	46,602	N/A	75.6	27.7	68.2	1.11	0.3	0.5	11.16	7.81	N/A	27.6	N/A	N/A	N/A	N/A
Zijin Mining-H	2899 HK	34.48	117,043	216.2	17.9	15.4	12.6	1.41	1.6	1.9	5.91	4.74	30.0	28.6	13.6	18.9	74.1	103.5
Zhaojin Mining-H	1818 HK	33.26	15,141	47.3	30.7	24.0	26.3	1.17	0.5	0.6	4.76	4.26	9.3	14.9	N/A	15.1	72.5	153.9
Chifeng Jilong-H	6693 HK	32.94	8,243	42.4	N/A	N/A	N/A	N/A	N/A	N/A	4.90	N/A	23.5	N/A	15.7	(1.3)	34.7	N/A
Wanguo Gold Grou	3939 HK	37.92	5,391	30.9	26.4	19.0	28.7	0.92	1.4	2.0	10.74	8.72	36.8	35.1	31.4	3.9	28.5	309.6
Shandong Gold -H	1787 HK	39.40	26,119	69.7	24.8	18.6	21.7	1.14	1.6	2.1	6.04	4.00	15.6	16.5	6.3	15.5	53.3	142.6
Lingbao Gold-H	3330 HK	18.99	3,141	17.2	14.9	12.2	21.2	0.70	N/A	N/A	5.38	4.67	34.6	31.4	17.7	10.2	97.2	588.0
Tongguan Gold Gr	340 HK	2.91	1,645	7.7	17.1	12.4	30.6	0.56	0.7	2.4	4.20	4.01	17.0	12.1	12.5	24.4	37.9	532.6
Gt Gold Holdings	8299 HK	0.48	522	5.0	N/A	N/A	N/A	N/A	N/A	N/A	5.25	N/A	12.5	N/A	8.3	62.7	57.4	192.7
Persistence Reso	2489 HK	1.87	481	1.7	N/A	N/A	N/A	N/A	N/A	N/A	3.55	N/A	11.9	N/A	N/A	20.6	26.4	139.7
Dragon Mining Lt	1712 HK	8.50	207	2.2	N/A	N/A	N/A	N/A	N/A	N/A	2.59	N/A	27.8	N/A	31.6	21.4	149.3	377.5
Taung Gold	621 HK	0.66	154	0.5	N/A	N/A	N/A	N/A	N/A	N/A	0.57	N/A	(1.0)	N/A	(1.0)	17.9	20.0	127.6

Source: Bloomberg, Crosby Securities

Figure 2 Gold Retailers peers (mid-price as of 10 Oct 2025)

Company	Ticker	Price	Mkt cap (US\$m)	3-mth avg t/o (US\$m)	P/E (x)		FY1-FY3 EPS Cagr (%)	FY1 PEG (x)	Div Yld (%)		P/B (x)		ROE (%)		ROIC Hist (%)	Share px chg (%)		
					FY1	FY2			FY1	FY2	Hist	FY1	Hist	FY1		1-mth	3-mth	12-mth
HSI		26,448			13.0	11.6	11.5	1.13	2.9	3.1	1.43	1.38	10.7	10.3		0.9	10.1	24.4
HSCEI		9,416			12.2	10.7	13.0	0.94	2.7	2.9	1.37	1.32	11.5	10.6		0.9	8.6	23.6
CSI300		4,651			16.6	14.6	12.9	1.29	2.4	2.6	1.90	1.77	10.2	10.6		4.6	16.0	16.3
<b>Sector Average</b>					<b>15.7</b>	<b>13.4</b>	<b>14.6</b>	<b>1.2</b>	<b>4.5</b>	<b>5.0</b>	<b>3.8</b>	<b>5.0</b>	<b>20.8</b>	<b>29.0</b>	<b>15.0</b>	<b>(6.4)</b>	<b>8.2</b>	<b>97.4</b>
<b>Sector Median</b>					<b>18.2</b>	<b>16.4</b>	<b>12.1</b>	<b>0.9</b>	<b>4.9</b>	<b>5.4</b>	<b>0.9</b>	<b>4.8</b>	<b>11.2</b>	<b>23.0</b>	<b>8.7</b>	<b>(7.5)</b>	<b>14.6</b>	<b>60.6</b>
Chow Tai Fook Je	1929 HK	15.02	19,042	25.9	18.2	16.4	10.4	1.76	4.5	5.0	5.68	5.15	22.7	29.4	11.9	(8.4)	8.1	99.5
Laopu Gold Co -H	6181 HK	709.50	15,744	162.2	22.7	16.8	30.5	0.75	2.8	3.7	14.64	13.26	59.7	70.9	42.8	(6.0)	(30.2)	305.9
Zhou Liu Fu Je-H	6168 HK	43.52	2,464	11.7	20.9	18.6	12.1	1.74	N/A	N/A	N/A	4.80	29.2	23.0	24.0	(11.7)	16.4	N/A
Chow Sang Sang	116 HK	13.95	1,204	4.0	6.6	6.4	7.8	0.85	5.6	5.7	0.68	0.70	9.1	10.8	6.3	(2.6)	63.3	112.3
Emperor Watch &	887 HK	0.27	247	1.4	N/A	N/A	N/A	N/A	N/A	N/A	0.36	N/A	5.0	N/A	4.6	(10.2)	(42.4)	46.4
Luk Fook Hldgs I	590 HK	24.60	1,856	6.5	9.8	8.7	12.2	0.81	5.2	5.7	1.09	1.02	8.4	11.0	7.0	(9.8)	16.6	60.6
King Fook Hldgs	280 HK	0.52	61	0.1	N/A	N/A	N/A	N/A	N/A	N/A	0.58	N/A	11.2	N/A	8.7	4.0	20.9	40.5
3Dg Holdings Int	2882 HK	0.70	24	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(6.7)	12.9	16.7

Source: Bloomberg, Crosby Securities



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