

Gold Mining: Russian Invasion Squeezes Supplies and Boosts Demand

March 2022



The gold price, moribund for years, is up about 8% over the past month, and major gold mining ETFs are up by even more. Other precious metals have also spiked. The Russian invasion of Ukraine, coming on top of existing inflation fears, is now changing the dynamics of the bullion market. RCB FX reserves are frozen, leaving domestic gold holdings to meet short term cash needs – if there are any international buyers. Oligarch sanctions and Rouble collapse mean a spike in Russian crypto demand, while gold is regaining its role as a portable and physical store of value in a collapsing economy.

Russia is also one of the world's largest gold producers. And while sanctions triggered huge equity sell-offs in UK-listed Russian mining stocks – Evraz and Polymetal down more than 60% in a week – some producers will continue to function despite growing legal and logistical difficulties.

Outside Russia, metal miners are seeing windfall profits. Many of these firms were already strong credits, but some of the weaker credits could see their fortunes transformed by a sustained rise in precious metal prices. Figure 1 shows the current consensus ratings and recent (YTD) equity price performance for some of the largest international mining companies, ranked by market value.

Figure 1: Consensus Credit Ratings for Largest Mining Firms

Name	Domicile	Consensus	Equity YTD
NEWMONT CORP	United States	a-	12%
BARRICK GOLD CORP	Canada	a-	23%
FRANCO NEVADA CORP	Canada	a-	9%
NEWCREST MINING LTD	Australia	bbb+	7%
AGNICO EAGLE MINES LTD	Canada	bbb+	2%
KINROSS GOLD CORP	Canada	bbb+	-7%
ANGLOGOLD ASHANTI LTD	South Africa	bb+	17%
GOLD FIELDS LTD	South Africa	bbb-	34%
YAMANA GOLD INC	Canada	bbb	26%
B2GOLD CORP	Canada	bb+	8%
IAMGOLD CORP	Canada	bb	6%
ALAMOS GOLD INC	Canada	bbb	2%
ENDEAVOUR MINING CORP	Cayman Islands	bb-	28%
PRETIUM RESOURCES INC	Canada	bb	5%
NEW GOLD INC	Canada	b+	18%

Consensus ratings in **bold** indicate limited coverage by the major rating agencies.

Most of these firms are investment grade, but six are non-investment grade. Equity price performance in 2022 has been positive, with three companies increasing in value by more than 25%. In the current global environment of rising inflation, armed conflict and equity market volatility, precious metal mining is likely to see broad credit improvements.

Credit Benchmark cover more than 500 mining companies, many of them unrated by the main agencies. This data is now available on Bloomberg. Contact us for more info and a free coverage check.

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- Counterparty Risk Management
- Credit Risk Management
- Systematic Credit Trading
- Securities Finance
- Supply Chain Risk
- Trade Credit Insurance
- Fund Management
- Regulation, RWA & Capital
- Onboarding, KYC & Relationship Management
- Point-in-Time (PIT) Impairments
- Accounts Payable & Receivable



10 Million

Contributed Credit Risk Estimates Per Year
40 Million+ Estimates Collected Since Launch



60,000+

Entities Covered



2x

Twice Monthly Frequency



75%

Unrated by Major Credit Rating Agencies



1,100+

Aggregates



100+

Countries



75+

Months of Data



50+

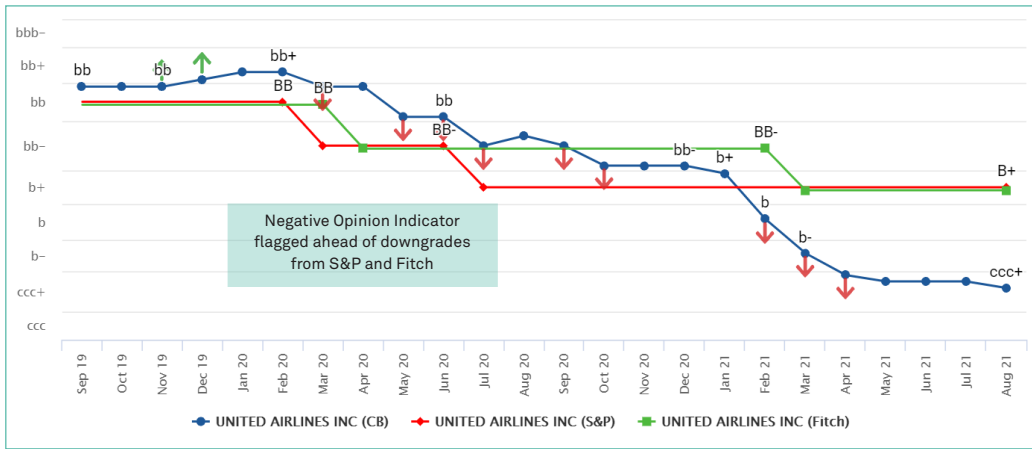
Data Metrics



40+

Contributing Financial Institutions Representing a Pool of 20,000+ Credit Analysts

Real-world risk views with unparalleled consensus coverage



Credit Consensus Rating: Unique measure of creditworthiness based on the views of 40+ leading global financial institutions

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Opinion Indicator: Month over month observation-level net downgrades or upgrades

Credit Benchmark Web App: Entity-Level Data Sample

Build screener with criteria below:

- S&P Rating is **Unrated**
- Fitch Rating is **Unrated**
- CCR is **aaa**, **aa+**, **aa**, **aa-**, **a+**, **a**, **a-**, **bbb+**, **bbb**, **bbb-**

44,628 Entities found

CBID	Entity Name	Credit Consensus Rating	S&P Rating	Fitch Rating
CB0000000009	IHS GLOBAL CANADA LTD	bbb-	Unrated	Unrated
CB0000000025	GYP HOLDINGS III CORP	bb	Unrated	Unrated
CB0000000080	GESTIELLE CEDOLA DUAL BRAND	a-	Unrated	Unrated
CB0000000087	TRANE TECHNOLOGIES LUXEMBOURG FINANCE SA	bbb+	Unrated	Unrated
CB0000000088	TECK HIGHLAND VALLEY COPPER PARTNERSHIP	bbb	Unrated	Unrated

Credit Benchmark Web App: Data Screen Sample

Data that works for you:

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

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