

Midas touch: Singapore exchange touts gold to the masses

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An exchange is offering mom-and-pop investors an easier way to get their hands on gold

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AFP and Compiled by Nathaniel Lacsina, Senior Web Editor

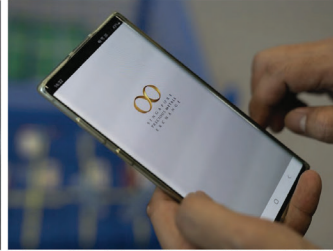


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Singapore. Fancy owning your own gold bars that you can admire and take selfies with? With the coronavirus fueling demand for safe-haven assets for investors to park their cash, a Singapore exchange is offering mom-and-pop investors what it says is an easier way to get their hands on the precious metal. Image Credit: Bloomberg

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The Singapore Precious Metals Exchange is seeking to do away with the notion trading in bullion is only for professional investors or the super-rich by offering small amounts for reasonable prices that can be bought using a phone app. Image Credit: Bloomberg

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"When we first started our business a decade ago, obviously we attracted the elite group, people who had money," said chief executive Victor Foo. "But it's our aspiration to be able to reach the mass market." Image Credit: AFP

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The price of an ounce of gold topped US\$2,000 for the first time last month - fuelled by worries about the economic impact of the virus as well as future inflation - and Foo says sales have risen. Image Credit: AFP

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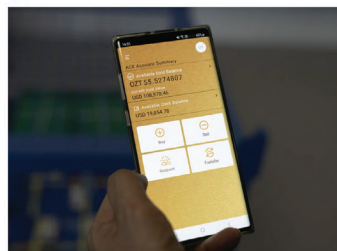
But 80 percent of his customers are still high-net-worth individuals and the exchange's most popular offering is a one kilogram (2.2 pound) gold bar - setting them back more than US\$60,000. Image Credit: AFP

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Foo is, however, keen to stress you can start much smaller. For around US\$70 you can buy one gram a weight the size of an SD memory card - while mini bars weighing five, ten, 50 and 100 grams are also available. Image Credit: Bloomberg

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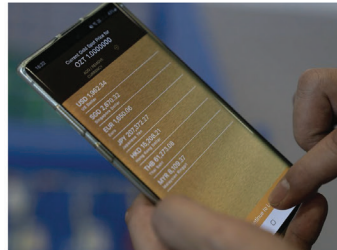
SGPMX says it is the world's first precious metals exchange entirely backed by physical bullion, and investors can turn up whenever they like to admire their stash. Image Credit: Bloomberg

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While virus-related travel curbs have halted most visits from overseas for now, there is a steady stream in local times - with Japanese particularly keen to check out their investments. Image Credit: Bloomberg

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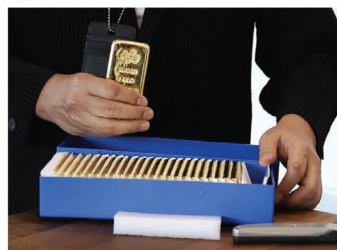
"They visit us once a year, they see their things, take pictures, 'we'll, then they go,' Foo said. Image Credit: Bloomberg

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The bullion is stored at Le Freeport, a fortified, Fort Knox-like vault near the city-state's main airport set up to house treasures from around the world and private art collections. Image Credit: AFP

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Security is tight - the gold is kept inside vaults protected by massive metal doors and thick walls that block mobile phone signals. Most investors are from Europe and the United States, but Foo predicts the number from Asia will increase in the coming years. Image Credit: AFP

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It may be hard to change age-old habits however. While gold is popular among many Asian consumers, it is typically bought in the form of jewellery to give as gifts at special occasions, rather than in bars and coins. Image Credit: AFP

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