

Source: South China Morning Post, Asia, Southeast Asia, September 18, 2020.
Website URL: <https://www.scmp.com/news/asia/southeast-asia/article/3102142/gold-app-singapore-exchange-offers-everyone-chance-own>

Asia / Southeast Asia

Gold via app: Singapore exchange offers everyone a chance to own as prices skyrocket

- 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
- Gold prices topped US\$2,000 per ounce for the first time last month – fuelled by worries about the economic impact of pandemic as well as future inflation

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Published: 6:50pm, 18 Sep, 2020 - Why you can trust SCMP

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Victor Foo, CEO of the Singapore Precious Metals Exchange, holds a 1kg gold bar during a media tour at his office in Le Freeport. Photo: AFP

Fancy owning your own gold bars that you can admire and take selfies with?

With the coronavirus pandemic fuelling demand for safe-haven assets for investors to park their cash, a Singapore exchange is offering small-time investors what it says is an easier way to get their hands on the precious metal.

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.

"When we first started our business a decade ago, obviously we attracted the elite group, people who had money," said CEO Victor Foo

"But it's our aspiration to be able to reach the mass market."



Victor Foo, CEO of the Singapore Precious Metals Exchange displays 1kg gold bars at his office in Le Freeport. Photo: AFP

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.

But 80 per cent of his customers are still high-net-worth individuals and the exchange's most popular offering is a 1 kg gold bar – setting buyers back more than US\$60,000.

Foo is, however, keen to stress you can start much smaller.

For around US\$70 you can buy one gram – a wafer the size of an SD memory card – while miniature bars weighing five, 10, 50 and 100 grams are also available.

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 trove.

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

"They visit us once a year, they see their thing, take pictures, 'wefie', then they go," Foo said.



The logo of Le Freeport, a private maximum-security facility in Singapore. Photo: AFP

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.

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.

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

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