

We are maintaining our overweight rating for Gold with an End of Year Target of USD 6,000/oz. Continued elevated geopolitical tension along with an ever-changing global trade climate will likely see gold continue to be favored among investors as a safe haven asset class.

1. Central Banks Being Bullish On Bullions

Re-focusing On The Shiny Metal

Racing to Hoard The Yellow Metal. Central Banks (CB) around the globe have increased their holdings on gold in the past decade. Since 2015, The Fed alone has increased its holding on gold by 10.53% CAGR; it now sits on USD 682.3 bn in gold reserves. Hastening to increase its stash of bullion, Russia and China's central banks have shown 16.84% and 13.73% CAGR 2015-2025, respectively, in its gold reserves.

Gold Munching On CB Holdings. As The Fed has breached above 80% in gold reserves, BRICS nations' CB are beginning to embrace the shiny metal while inactive in maintaining its forex reserves. One instance is China's CB posted a 25.42% CAGR 2000-2013 in its forex reserve, but a -1.43% CAGR 2014-3Q25.

2. Global Stagnation Of Production

Shimmering As A Value Investment, Production Grinding Down

Global gold mine production has reached a new high of 3,671.6 tonnes in 2025 – a marginal increase of ~1% YoY. Global gold mine production has grinded to a snails-pace with a CAGR of 1.16% CAGR 2018—2025. Despite global gold demand volume had a mere 0.51% CAGR 2018—2025, gold's demand value experienced a 13.48% CAGR 2018—2025; the price surge was driven mainly by investment-centered purchases of gold which oversaw 84% YoY increase to 2,175.3 tonnes in 2025.

3. Indonesia's Gold Industry Outlook

Melting Away Production

Indonesian gold production has not yet recovered to pre-pandemic levels due to several operational and policy complications. 2025 production volume is likewise expected to remain stagnant, with Indonesia's biggest gold mine Grasberg stopping production in Sep 2025 following a massive landslide.

2026 could very well see a slight recovery in production volume with the resumption of Grasberg operations and the commencement of Merdeka Group's Pani gold project. However, the revocation of United Tractor's Martabe mine license and the sluggish progress of their Doup project could prevent a stronger rebound in domestic gold production.

4. Indonesians Sticking To Gold As Assets

Gold As A Highly Preferred Asset Class, Incentivized Saving

In a survey done by *The World Gold Council*, more than ~65% of respondents stated net gold as a preferred asset class and ~43% cited fine gold jewelry. ~15% stated Gold ETFs to be a preferable option, and ~18% prefer other gold securities. This attachment of Indonesians to gold as an asset class hints at a possible incentivization of saving in the value-retaining metal commodity rather than spending. As CD rates in Indonesia have placed at 3.5%, we view gold's rising purchase trend is one of the key contributors to the country's waning consumptive trends. All the while, average wage growth among Indonesians have been stable since the pandemic-era.

Riding High On Golden Gains

Compared to other asset classes within reach for Indonesian investors, gold is the top performing with 44% gains in 2025. It is the second consecutive year when gold has outperformed other asset classes such as Asia (Ex-Japan) equities, Global equities, Indonesia, equities, Indonesian bonds, Global bonds, US Treasuries, and commodities; in 2024, gold's price surged 33%.

We are of the view Indonesian gold holders are still bullish on bullion. Therefore, individuals' capital may continue to experience inflow into gold—further stagnating local consumption.

5. Top Gold Stock Picks

Aneka Tambang Tbk (ANTM)

ANTM benefits from rising domestic gold supply, supporting medium-long term production growth. With Grasberg resuming in 2Q26, ANTM's supply chain is expected to recover to pre-landslide levels by year-end, with imports covering short-term gaps. Strong investment demand supports Antam-branded gold, while nickel exposure provides a hedge against gold volatility. New RKEF (2027) and HPAL (2028) smelters strengthen future earnings. TP: IDR 4,600, implying PE 13.7x and EV/EBITDA 11.5x (annualized FY25).

Merdeka Gold Resources (EMAS)

EMAS owns one of APAC's largest undeveloped gold assets with 7.0Moz resources and 4.8Moz reserves, targeting 500koz peak production by 2029 at an average grade of 0.75 g/t. 2026 production is 145koz with 7Mtpa heap leach capacity. The Pani mine is projected to be first-quartile globally on cash costs, potentially as low as USD 1,070/oz over the next three years. TP: IDR 9,500, implying EV/resources USD 1,188/oz and EV/reserves USD 1,700/oz.

Maintain Overweight with an End of Year Target at USD 6,000 / oz.

We are maintaining our overweight rating for Gold with an End of Year Target of USD 6,000 / oz. Continued elevated geopolitical tension along with an ever-changing global trade climate will likely see gold continue to be favored among investors as a safe haven asset class. Demand among retail & institutional investors as well as CBs is expected to remain high, with forecasted Fed rate cuts also likely to push gold prices upwards.

Update | 20th February 2026

Gold

Year End Target	USD 6,000/oz
% Deviation To Target	+20.24 %
Rating	BUY

Commodity Data

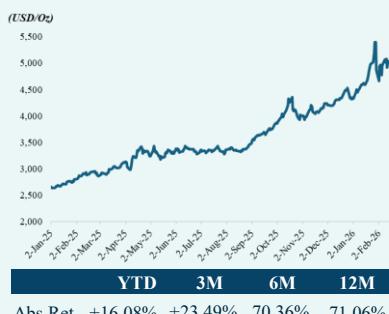
Last Point (USD/oz)	4,990.69
Point Date as of	20 th Feb 2026
52 wk range (Hi/Lo)	5,626 / 2,835
Market Cap (USD bn)	34,788

Gold ETFs

	Total Assets
SPDR Gold Shares	USD 172,710.00 mn
iShares Gold Trust	USD 80,315.70 mn
SPDR Gold Minishares Trust of Beneficial Interest	USD 31,946.60 mn
abrdn Physical Gold Shares ETF	USD 8,652.41 mn
iShares Gold Trust Micro ETF of Beneficial Interest	USD 7,796.64 ,mn

Source : ETF Database

XAU Performance



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Axell Ebenhaezer

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Kevin Yudha Pratama (associate)

Graceline Melinda (associate)

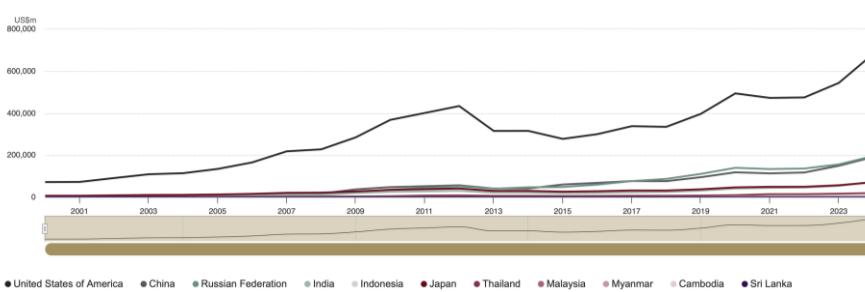
Please consider the rating criteria & important disclaimer

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Re-focusing On The Shiny Metal

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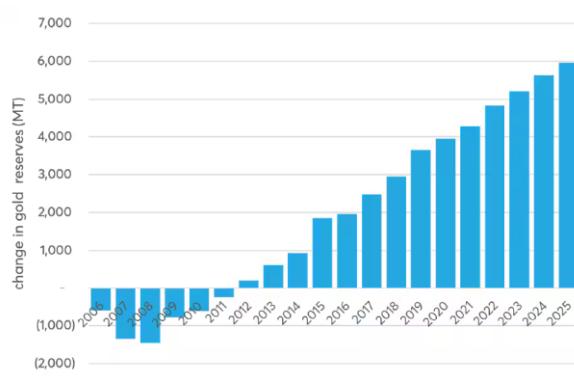


Source : WGC, NHKSI Research

Reinforcing Or Undermining Dollar Dominance?

- Rising Trajectory For CB Gold Stash.** After the pandemic, CBs' gold holdings in their respective reserves began to thicken. In 3Q21 among BRICS member states, Russia's CB held 20.97% followed by South Africa (12.30%), India (6.52%), China (3.24%), and Brazil (1.97%). By 3Q25, gold reserves accounted for 39.97% of Russian CB's Total Reserves, South Africa (22.11%), India (15.23%), China (7.68%), and Brazil (5.01%).
- DXY Weakens As Gold Rushes On.** The US Dollar Index (DXY) has been consistently below the 100 mark since Apr-2025 meanwhile Gold Prices hike further up as much as 82.33% in the same period of time.
- The Fed Sitting On The Biggest Gold Mount.** In 3Q25, The Fed has racked up USD 1 tn in gold reserves. In contrast, BRICS nations' CB only holds a combined total of USD 711.35 bn. We view The Fed's gold reserve being larger than that of the combined gold reserves of five BRICS members to re-enforce dollar dominance among global currencies.

Exhibit 2. Cumulative Net Gold Purchases By CBs (Last 20 yrs)



Source : CME, WGC, NHKSI Research

Upcoming Fed Chair : A Hawkish Turn Or Aggressive Dove?

- Trump's Fed Chair Replacement—A Dove In Disguise?** Trump has announced his nomination for Kevin Warsh to replace Jerome Powell whom The President has criticized over soft dovish policies. While Kevin Warsh past comments has alluded to a possible hawkish turnaround for The Fed, we are of the opinion a Warsh-led Fed will be more dovish because his nomination was given by Trump who has openly requested for a more aggressive dovish monetary policy by The Fed. We view FY26 Fed Rate will stand at 2.75-3.00% which is a 50-75 bps cut from the current 3.50-3.75% FRR.

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Exhibit 3. Gold, US dollar, Euro, Yen Claims as a Share of Official Foreign Exchange Reserves



Source : WGC, NHKSI Research

Exhibit 4. Gold and Real Yields Over Time



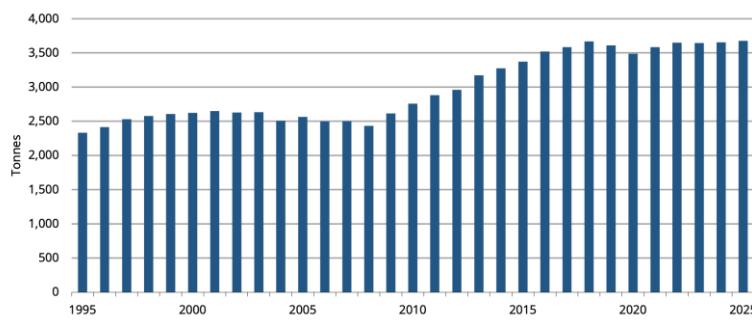
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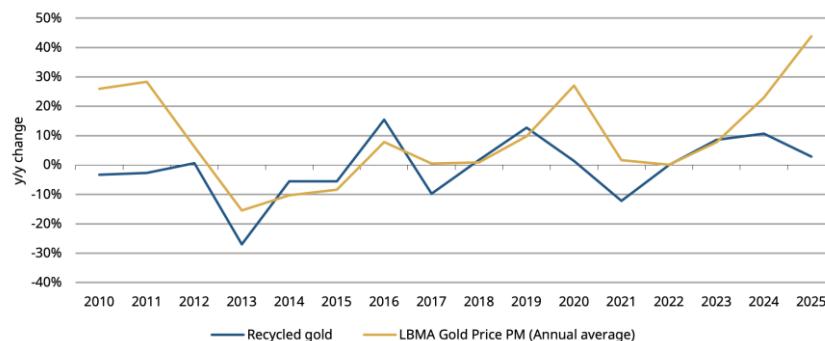
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Exhibit 5. Annual Mine Production, Tonnes (1995—2025)



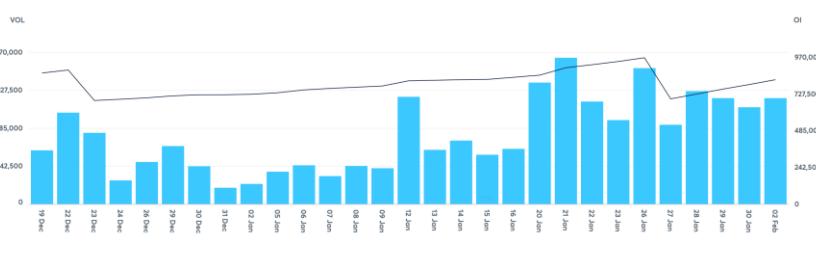
Source : WGC, NHKSI Research

Exhibit 6. % Chg. Annual Recycled Gold Supply (tonnes) and Annual Avg. XAU Price (USD/oz)



Source : WGC, NHKSI Research

Exhibit 7. Daily Volume Of Gold Options (Jan-Feb, 2026)



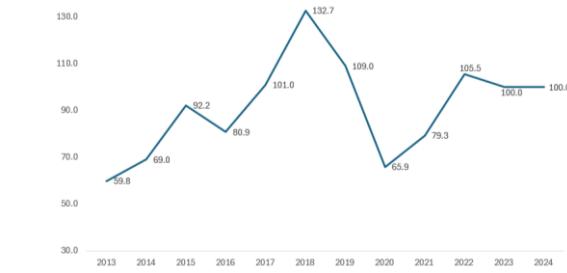
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Melting Away Production

Indonesia's annual gold production has steadily declined in the past few years, falling to 100 tons in 2024, a substantial decrease from 132 tons in 2018. We expect 2025 production figures to be no better as Grasberg, the biggest gold mine in Indonesia, halted production in September following a deadly landslide.

However, we forecast that gold production will likely increase in 2026 due to a number of factors. Grasberg is expected to resume production in the second quarter of 2026 and return to full production by 2027. Merdeka Group's Pani gold mine will also begin commercial operations with initial production planned for Feb/Mar 2026. This new mine is planned to produce 145k ounces of gold in 2026, and Merdeka's other gold mine (Tujuh Bukit) is also expecting an extra 80-90k ounces in production volume. On the flip side, some gold producers could see a volume decline in 2026. United Tractor's mine in Martabe had its license revoked recently, spelling an uncertain future for a mine that produced 170k tons of gold in 9M25. UNTR's Doup gold project, which it acquired from PSAB for USD 540 million, is also yet to be fully transferred as several condition precedents are yet to be satisfied.

Exhibit 10. Indonesia Gold Production Volume (metric tons, 2013-2024)



Source : CEIC, NHKSI Research

Limiting Exports

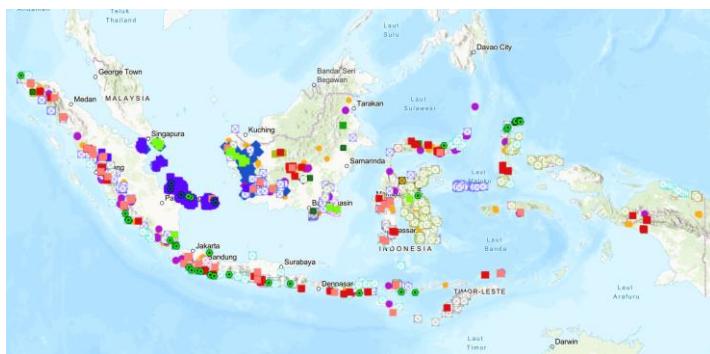
In an effort to limit gold exports, the Indonesian government has imposed a new export duty on the commodity which ranges from 7.5% - 15% depending on benchmark prices and type of product. More basic products, such as gold doré, will be charged a higher duty rate compared to downstream products such as minted gold bars. The rates are as follows:

- Doré in the form of lumps, ingots, cast bars, and other forms: 12.5%
- Gold or gold alloys not forged, in granule form or other forms excluding doré: 12.5%
- Gold or gold alloys not forged, in lumps, ingots, and cast bars: 10%
- Minted bars: 7.5%

(an extra 2.5% is levied to the above rates if gold spot prices are above USD 3,200 per oz)

This new export duty policy was enacted to boost state revenue and incentivize domestic industry players to embrace downstreaming. However, this new tax will decrease the competitiveness of Indonesia's gold products in the global market and cut the country's export volume, with the extra volume likely to be absorbed by government-owned Antam. Antam will benefit from the glut in domestic supply availability, gaining stronger bargaining power which will reduce COGS, as well as enable them to expand operations in order to meet rising domestic demand.

Exhibit 11. ESDM MinerbaOne Map For Potential Resource of Precious Metals in Indonesia



Source : Minerba One, ESDM

Please consider the rating criteria & important disclaimer

Exhibit 12. ESDM Data On Indonesia Gold Reserve and Production Ranking



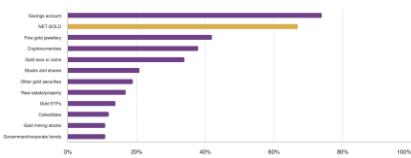
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Gold As A Highly Preferred Asset Class, Incentivized Saving

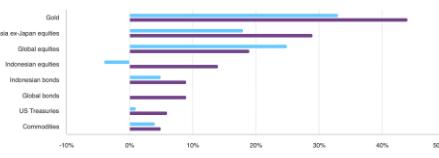
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Exhibit 13. Indonesian Respondents On Types Of Savings and Investments, Nov-2025



Source : WGC, NHKSI Research

Exhibit 14. Performance Based On Asset Classes in Indonesia, 2024 vs 2025



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Riding High On Golden Gains

Compared to other asset classes within reach for Indonesian investors, gold is the top performing with 44% gains in 2025. It is the second consecutive year when gold has outperformed other asset classes such as Asia (Ex-Japan) equities, Global equities, Indonesia, equities, Indonesian bonds, Global bonds, US Treasuries, and commodities; in 2024, gold's price surged 33%.

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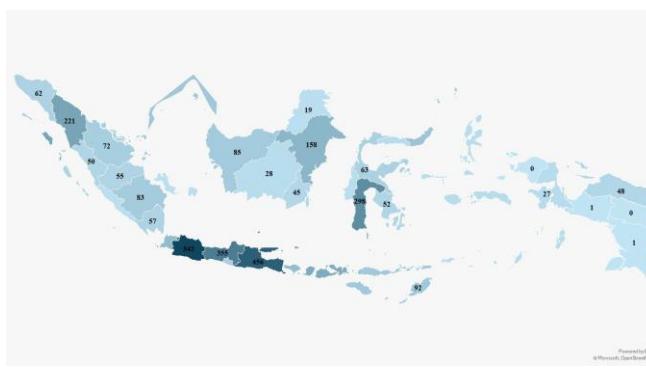
Opened The Gates For Bullion Bank : PT Pegadaian To Be A Main Player

Per the passing of *Peraturan Otoritas Jasa Keuangan (POJK) No. 17 Tahun 2024*, financial services companies are able to operate a bullion bank service—allowing to provide services for storage of gold.

Previously, the role was mainly done by local pawnshops (*pegadaian*) whereby borrowers would pawn their gold bars with the shop in exchange for cash. By 9M25, the nation's largest pawnshop *PT Pegadaian*'s revenue from gold sold glittered with a rise of +256.71% YoY to IDR 41.31 tn. The Company's gold inventory rocketed upwards of 151.5% YoY to IDR 1.26 tn.

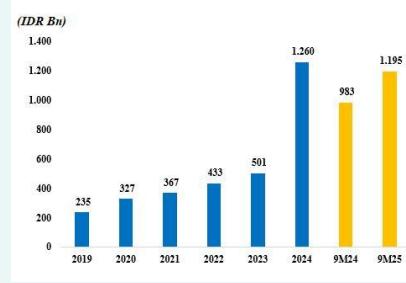
With the establishment of criterion to legally establish a national bullion bank in Indonesia, the government is providing clear regulations for the financial entities to provide service products to keep investors' gold.

Exhibit 15. Locations and Number of PT Pegadaian's Branches



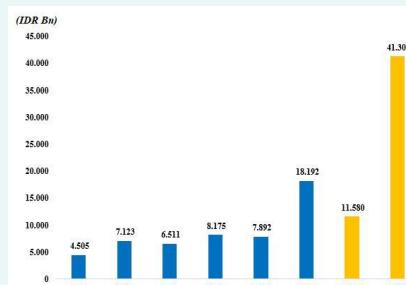
Source : Pegadaian, OJK, NHKSI Research

Exhibit 16. PT Pegadaian's Gold Inventories



Source : PT Pegadaian, NHKSI Research

Exhibit 17. PT Pegadaian's Revenue From Gold Sold



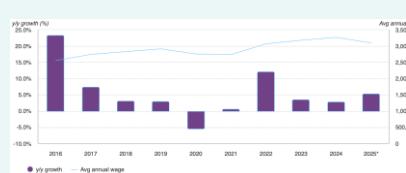
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Exhibit 18. PT Pegadaian's Market Share By Number Of Branches



Source : OJK, NHKSI Research

Exhibit 19. PT Pegadaian's Market Share By Number Of Branches



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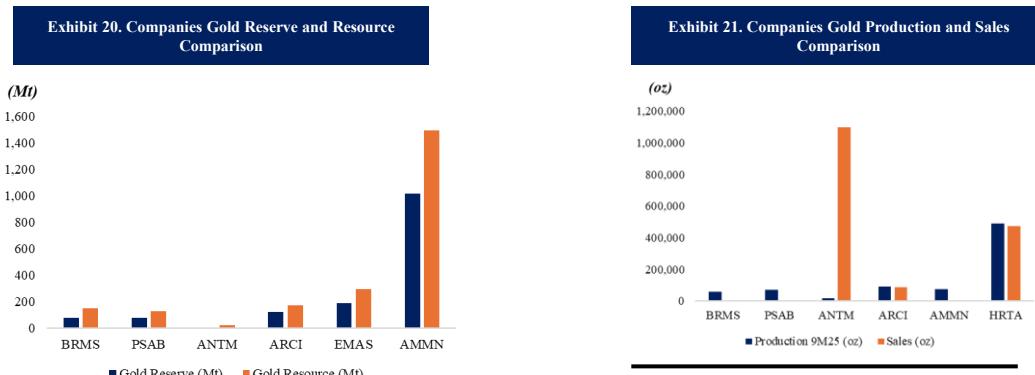
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5. Top Gold Stock Picks

Aneka Tambang Tbk (ANTM)

Key Reasons Why We Favor The Company And Our TP:

- Increase in domestic gold supply enables ANTM to expand operational production in the medium-long term.
- As Grasberg resumes operations in 2Q26, ANTM's supply chain will gradually recover to pre-landslide level by the end of the year, with overseas imports potentially filling the gaps in the short-term.
- Strong demand for investment purposes benefits ANTM, with Antam-labeled gold viewed as trustworthy.
- Exposure to nickel acts as hedge against any gold volatility, with domestic nickel production cuts likely to limit nickel price downside. The company's new RKEF (2027) and HPAL (2028) smelters would also boost performance in the next few years.
- *Target Price: IDR 4,600 - implied PE ratio of 13.7 and EV/EBITDA of 11.5x based on annualized FY25 numbers.*



Source : Company data, NHKSI Research

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Merdeka Gold Resources (EMAS)

Key Reasons Why We Favor The Company And Our TP:

- One of the largest undeveloped gold mines in the APAC region with gold resources of 7.0Moz and gold reserves of 4.8Moz. Peak production of 500koz per year to be reached by 2029. Good average gold grade of 0.75g/t.
- 2026 target production of 145koz, with heap leach capacity of 7 million tons per year.
- Pani gold mine is expected to be in the first quartile in terms of cash cost per ounce globally, with potential cash costs to be as low as USD 1,070/oz over the next three years.
- *Our Target Price: IDR 9,500 - implied EV/resources of USD 1,188/oz and EV/reserves of USD 1,700/oz.*

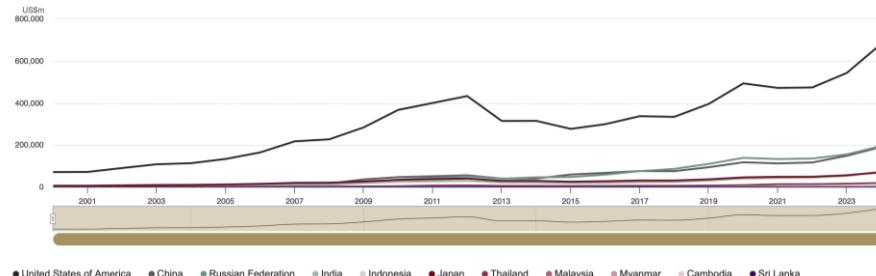


Source : Bloomberg, NHKSI Research

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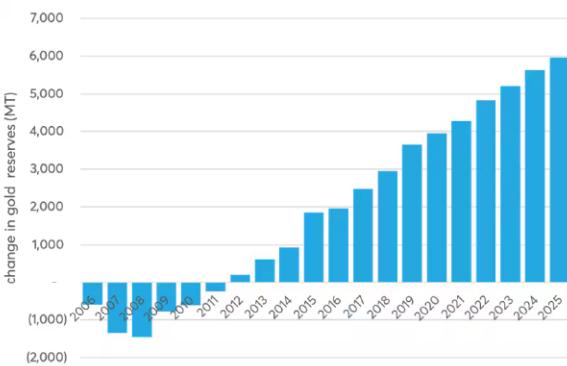
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Source : WGC, NHKSI Research

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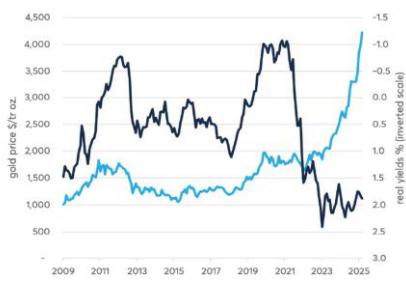
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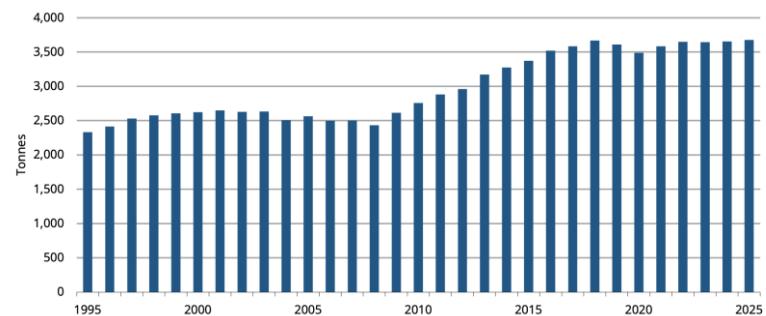
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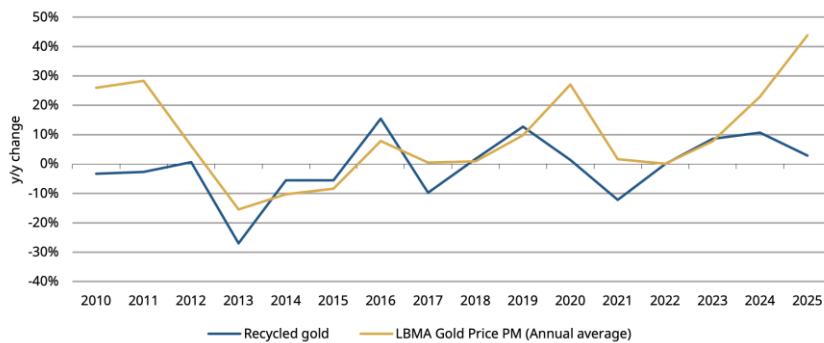
Exhibit 5. Annual Mine Production, Tonnes (1995—2025)



Source : WGC, NHKSI Research

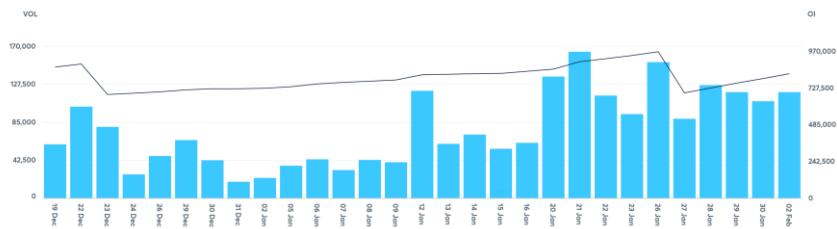
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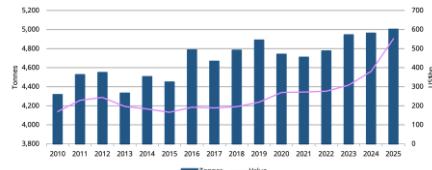
Source : CME, NHKSI Research

Exhibit 8. Total Gold Supply 2024 vs 2025

Tonnes	2024	2025	y/y % change
Total supply	4,961.9	5,002.1	1 ▲
Mine production	3,650.4	3,671.6	1 ▲
Net producer hedging	-53.8	-73.6	- ▼
Recycled gold	1,365.3	1,404.3	3 ▲

Source : WGC, NHKSI Research

Exhibit 9. Annual Gold Demand, Tonnes and USD bn



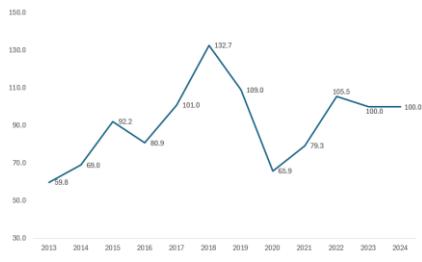
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Gold Commodity Outlook

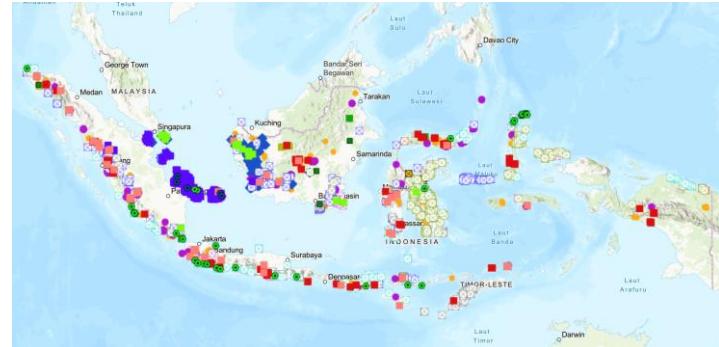
More Than Just An Accessory

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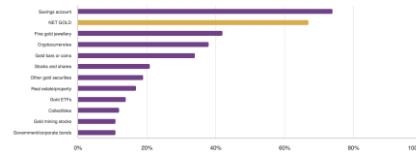
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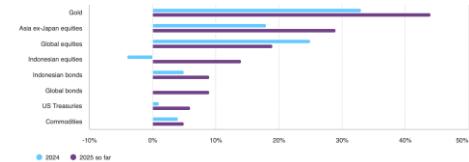
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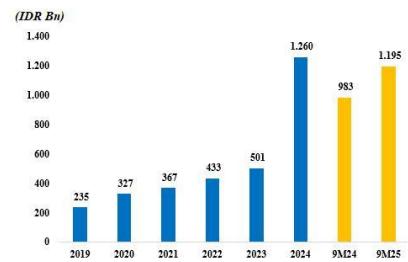


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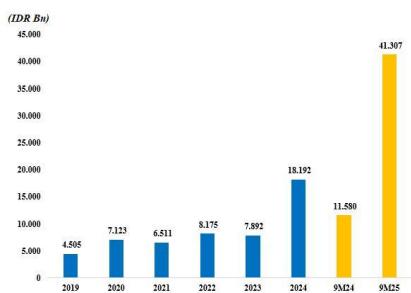
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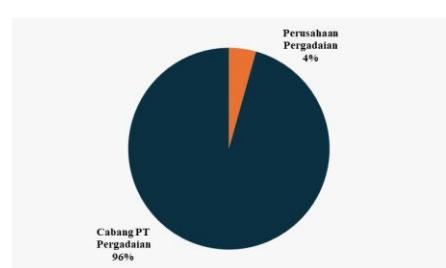
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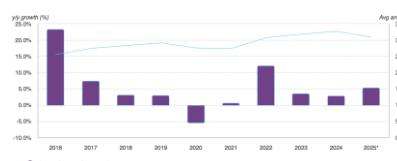
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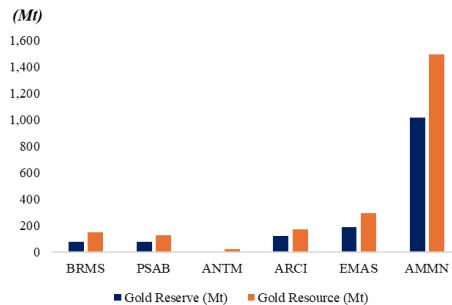
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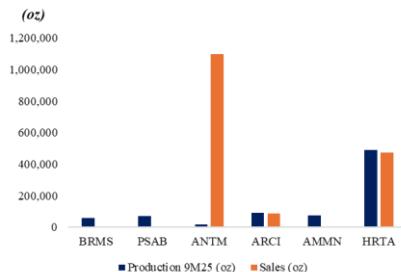
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Exhibit 20. Companies Gold Reserve and Resource Comparison



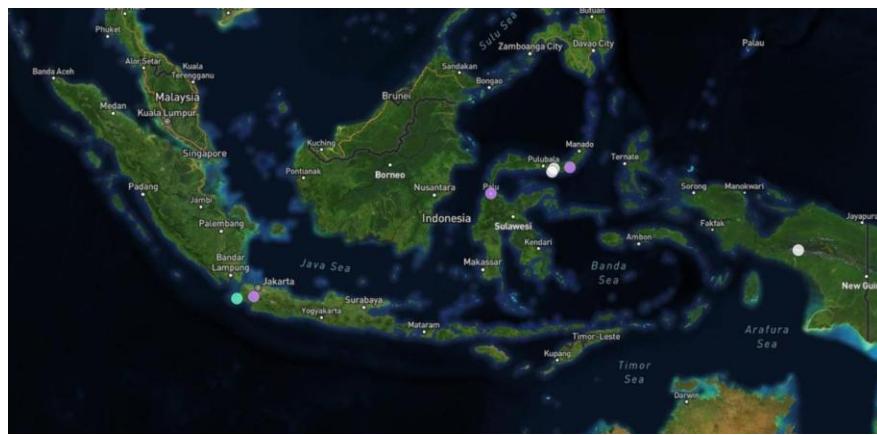
Source : Company data, NHKSI Research

Exhibit 21. Companies Gold Production and Sales Comparison



Source : Company data, NHKSI Research

Exhibit 22. Gold Mine Locations, Indonesia



Source : Bloomberg, NHKSI Research

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NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication
2. Rating system based on a stock's potential upside from the date of publication

- Buy : Greater than 15%
- Overweight : +5% to 15%
- Hold : -5% to +5%
- Underweight : -5% to -15%
- Sell : Less than -15%

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