



The continuing geopolitical uncertainty in the wake of Donald Trump's tariffs has pushed gold prices to rally. But many forget that this year's rally is simply a continuation from last year, the gold price continues to glitter as the yellow metal reaches new high after new high.

The price of gold passed \$3,000 for the first time in mid-March, and it has pushed on to peaking at \$3,499.92 on 22 April and has since settled into its new price range \$3,290-\$3450



With gold prices continuing their strong run in the wake of increasing geopolitical tension, investors will inevitably start to wonder if the gold surge can carry prices up towards the \$4,000 level. However, with momentum on its side the metal could rally to levels that might have previously seemed outlandish not long before. For those interested, looking back at history would show that gold rallied 6-fold in the late 1970s and again after the financial crisis, and how it's so far trebled since 2016.

Gold has, for centuries, been considered a safe haven and it rallies in uncertainty, and with the world changing long-standing norms from an international perspective are at risk. Central banks have also been buying up gold, especially in countries like Russia and China, which has helped inflate the price.

Why is the gold price rallying?

During 2024, the gold price rally was driven in large part by falling interest rates, central bank purchases and geopolitical uncertainty. So far, 2025 has continued these trends, and added a large dose of trade uncertainty on top.

The Fed's rate-setting decisions are particularly important in determining the gold price – more important than the decisions made by other policymakers like the Bank of England, for example. There's the issue and ongoing concern that governments around the world have built up a mountain up of debt, and in the coming months this will be back in the media fueling worry and panic.

Central banks purchased 1,000 tonnes for the third year in a row in 2024.

Central banks, particularly in countries like Russia, China, India and Turkey, increased their gold purchases, as they all dump the US dollar. Several countries are accelerating their efforts towards de-dollarisation and in turn are buying gold.

I would draw members' attention to the fact that there is a difference between the rally this year and last year: it has gone unreported that European investors are now coming into this market. This year European investors have poured over \$3.2 billion into gold ETCs.

Gold will continue to rally!

I forecast that gold will continue to rise at a steady pace in 2025.

How much gold to hold in a portfolio? In several reports spanning over a decade I have stated that the minimum amount held by in an investment portfolio would be 10%, but 20% is the number which I have always recommended.

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