



CIO maintains its view that a gold allocation of around 5% in a USD balanced portfolio is optimal from a longer-term diversification standpoint. (UBS)

# Gold: CIO price target raised to USD3,200/oz

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**Gold prices steadied near USD 2,986 an ounce on Monday, after rallying above the USD 3,000/oz mark for the first time ever last Friday. The defensive asset has benefited from geopolitical and trade frictions, and renewed expectations for US rate cuts on growth fears.**

US Treasury Secretary Scott Bessent in an interview on Sunday characterized current economic pressure as an economic “transition,” but also didn’t rule out a recession. On the geopolitical front, the Trump administration over the weekend escalated military strikes on Houthi forces in Yemen in response to their attacks on international shipping lanes.

*Our view:* Inflows into gold exchange-traded funds (ETFs) have again accelerated in recent weeks, with the surge primarily driven by investors seeking defensive assets amid escalating uncertainties, ongoing central bank demand, and uncertainty over the Fed outlook. As risks rise, we lift our target to the level of our previous upside scenario of USD 3,200/oz (up from USD 3,000/oz) across all tenors. With this move, we reiterate our preference for the metal, and see any pullbacks as an opportunity to build fresh long positions. We also maintain our view that a gold allocation of around 5% in a USD balanced portfolio is optimal from a longer-term diversification standpoint.

Original report: [Stocks bounce at end of volatile week, 17 March 2025.](#)

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