



For investors seeking portfolio hedges, CIO believes gold remains one of the most compelling risk-adjusted opportunities in the current environment. (UBS)

Gold hits fresh highs with further gains in sight

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Gold continued to hit record highs at the start of the week, taking its gains since the start of the year to more than 30% at the time of writing. The advance of the precious metal has been propelled by strong investor demand, renewed geopolitical tensions, and expectations of persistent inflationary pressures linked to rising global tariffs.

Despite this remarkable run, we believe gold can advance further. While last year saw around 40 all-time highs, gold bull markets typically arrive in pairs. Flows into gold exchange-traded funds (ETFs) have surged, reversing nearly three years of outflows.

Central banks continue to diversify reserves away from US dollars, and our full-year forecast for official sector gold purchases has been raised to 1,000 tonnes, up from 950 tonnes. When combined with ETF demand, 2025 could mark one of the strongest years for gold investment flows on record. In real terms, the metal has now surpassed its inflation-adjusted peak from the 1970s oil shock. Yet, as a share of global money supply, it remains well below historic highs—offering further room for appreciation.

Takeaway: Our base case is for gold to reach USD 3,500/oz this year, versus 3,454 at the time of writing. We continue to see support from investment demand, ongoing central bank diversification, and a volatile macro backdrop. For investors seeking portfolio hedges, we believe gold remains one of the most compelling risk-adjusted opportunities in the current environment.

Original report - [Worries over Fed independence add to uncertainty, 22 April 2025.](#)

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