Gold Remains in Demand – Despite Correction:
Trade Talks and Geopolitical Climate Support the Market

Pretoria, May 8, 2025 – The gold price has shown volatility in recent days, but the long-term outlook remains positive. After a strong rally in April to over 3,500 US dollars per ounce, recent trading has seen some profit-taking. Currently, the price is around 3,385 USD – analysts view this as a healthy consolidation within an ongoing upward trend. Many market observers interpret the current sideways movement as a necessary stabilization before the next upward momentum may begin.

US-China Meeting Triggers Short-Term Shifts

A key factor influencing recent movements is the upcoming meeting between high-level representatives from the United States and China in Switzerland, marking the first trade talks in months.
Investors are speculating on a potential de-escalation of the tariff dispute, which is leading to short-term reallocations into riskier assets.
In the long term, however, improved trade relations could strengthen economic stability – an environment in which gold has traditionally been valued as a reliable real asset.

Federal Reserve Signals Caution – Gold Benefits

In addition, the U.S. Federal Reserve remains cautious: although interest rates were left unchanged, the Fed emphasized growing inflation risks and economic uncertainty in its latest statement.
In such phases, gold continues to be particularly attractive as a hedge against loss of purchasing power and market volatility.

Global Demand Remains Strong

Globally, gold demand remains robust. In India, the wedding season ensures stable private demand, although high prices are slightly dampening consumption. At the same time, interest is increasingly shifting towards gold investments such as ETFs and bullion – a trend that underscores gold's strategic role. In China, the world's largest gold consumer, private demand also remains high. The People's Bank of China has been steadily increasing its gold reserves for months in an effort to reduce its dependency on the US dollar. In Western industrial nations, analysts are observing growing inflows into physically backed gold ETFs, as many investors seek real, crisis-proof assets in the face of geopolitical tensions, rising public debt, and inflation concerns.

Conclusion: Gold Remains a Safe Haven

Despite short-term price corrections, gold continues to serve as a cornerstone for wealth preservation and financial stability over the long term. Ongoing geopolitical risks, inflation expectations, and the global trend toward dedollarization point to further potential.
Those who invest in gold are investing in security – and in a value that endures through crises.