Gold Price 2025:
Between Geopolitical Tensions and Technical Strength

Pretoria, May 26, 2025 – The gold market is proving to be highly dynamic in 2025.
Driven by geopolitical uncertainties, central bank purchases, and technical buy signals, the gold price has reached new highs.
Analysts continue to forecast upward potential, although short-term corrections are, of course, not excluded.

Trade conflicts, central bank buying, and technical signals are driving the market

As of May 2025, the gold price stands at around 3,350 USD per ounce, representing an increase of approximately 29% since the beginning of the year. This remarkable rally reflects the growing mistrust in traditional financial systems and fiat currencies and is fueled by several significant factors:

1. Geopolitical Tensions and Trade Conflicts – The Main Driver for Safe-Haven Demand

A central topic currently moving the gold markets is the increasing geopolitical tension, with a particular focus on the **new trade conflicts between the USA and China**. In April 2025, the US government announced special tariffs on high-tech imports from China, citing alleged cyberattacks and industrial espionage. This marked a *new level of escalation*.
China responded with export restrictions on rare earths, which are especially critical for Western high-tech industries.
This escalation has had a direct impact on financial markets: investors fear new supply chain disruptions, rising production costs, and a slowdown in global growth.
Uncertainty regarding possible countermeasures, such as WTO responses or multilateral sanctions, is driving increased movement into physical gold.
In addition, ongoing **instability in the Middle East**, particularly the heightened tensions between Iran and Israel, is contributing to global uncertainty.
Furthermore, US President Donald Trump announced plans to impose **tariffs of up to 50% on EU imports**, including automobiles, pharmaceuticals, and machinery, starting July 9, 2025.
While this measure was postponed following a phone call with European Commission President Ursula von der Leyen to allow further negotiations, the EU has already announced potential countermeasures worth up to 26 billion euros, targeting US products such as bourbon, motorcycles, and agricultural goods.
This escalation of trade conflicts increases market uncertainty and strengthens demand for safe-haven assets like gold.

2. Massive Central Bank Purchases – Structural Market Support

Another significant factor is the continued gold purchasing by central banks around the world.
According to a recent assessment by JP Morgan, these purchases amount to around **710 tons of gold per quarter - a historically high level**.
Notably, emerging markets such as China, India, and Russia are actively expanding their gold reserves.
These purchases serve not only to diversify currency reserves but also as a response to the increasing de-dollarization of international trade.

Central banks see gold as a way to secure their monetary stability against geopolitical risks and monetary policy uncertainties.
This consistently high purchasing volume acts as a structural support for the gold price, regardless of short-term market fluctuations.

3. Technical Buy Signals Reinforce the Rally

In addition to fundamental factors, technical analysis is currently providing positive impulses.
The gold price has recently broken through several significant resistance levels, including the **psychologically important 3,300 USD mark**.
Analysts consider the crossing of moving averages (such as the 20- and 38-day lines) as strong technical buy signals.
These increasingly attract algorithmic trading funds and short-term traders, further amplifying the trend.
A sustained breakout above the 3,375 USD mark could, according to market observers, trigger a new impulse wave, with price targets at 3,438 USD and 3,500 USD in the near future.

Outlook for the Coming Years

The outlook for the gold price remains positive:

- **Goldman Sachs:** The bank forecasts a rise to 3,700 USD by the end of 2025, with a potential peak of 4,500 USD in extreme scenarios.
- **JP Morgan:** Expects an average price of 3,675 USD in the fourth quarter of 2025 and sees the 4,000 USD mark as achievable by the second quarter of 2026.
- **Long-term perspective:** Some analysts believe a rise to as much as 8,900 USD by 2030 is possible, depending on inflation and global economic uncertainty.

Note: The projections mentioned are based on current analyses and may change due to unforeseen events. Investors should always consider their individual risk tolerance and investment objectives.

Conclusion

The current gold rally is not the result of an isolated event but a reflection of a profound shift in market sentiment.
Trade wars, geopolitical conflicts, structural uncertainties, and monetary policy changes are prompting investors worldwide to turn to physical gold.
If this trend continues—particularly with further escalation in the trade conflict between the USA and China—it is entirely realistic that the gold price could reach new all-time highs in the coming months.
Analysts consider prices of over 3,700 USD within 2025 to be possible.
Gold thus remains the strategic hedge instrument par excellence, both for private investors and institutional players.