

## Gold price decline: How critical is the situation on the markets really?

Pretoria, 25. Februar 2025 - On 27 February 2025, the price of gold fell by 0.4% to USD 2,905.64 per ounce. Analysts attribute this price decline primarily to the strengthening of the US dollar and rising yields on US government bonds. In addition, geopolitical uncertainties, particularly in connection with the US government's new tariff threats against Europe and the delay in planned levies for Canada and Mexico, led to a change in investor sentiment.



### Market analysis: Is a long-term correction looming?

In addition to short-term factors such as exchange rate developments and bond yields, there are long-term fundamentals that remain favourable for gold. Furthermore, slight negative fluctuations are normal and no cause for concern.

Experts warn against jumping to conclusions. Ongoing inflation, macroeconomic uncertainties and central bank policy could lead to a rise in the price of gold again in the medium term. Many investors are now eagerly awaiting the upcoming publication of the US Personal Consumption Expenditures (PCE) Index, which will have a significant influence on the Federal Reserve's decisions. A high PCE value could further tighten monetary policy and thus exert pressure on gold in the short term, but also make it more attractive as a safe haven in the long term.

### The importance of own gold mines in times of volatile markets

The current market situation offers many opportunities for companies that operate their own gold mines. While falling gold prices may cause profit margins to shrink in the short term, gold remains highly interesting as a strategic asset class and raw material for industrial applications.

The advantage of owning your own gold mine lies in the independence from external producers and direct control over production volumes and distribution channels. Companies that can control their own production are in a better position to react flexibly to market changes. They also benefit in the long term from the natural scarcity of the precious metal, which is always reflected in rising prices despite short-term fluctuations.

### Long-term prospects for gold producers

Despite the current market correction, there are still strong arguments in favour of gold as an investment. Geopolitical uncertainties, increasing government debt and a greater need for raw materials for technological applications ensure that the value of gold remains supported in the long term.

Companies with their own gold mines are better able to hold their own in a volatile market environment as they are less dependent on external suppliers and have direct control over their cost structure and production capacities.

While short-term price fluctuations exert pressure on the market, a recovery in the gold price could offer considerable profit opportunities for mine operators in the medium term.

The coming weeks will show. In any case, gold remains a key component in the global financial system and offers investors and companies with their own production strategic advantages in uncertain times.