

Focus on the gold price -

Who are the buyers, who are the sellers and what's next?

Pretoria, 08 March 2025 - The gold price has shown its strong side in recent months, rising continuously with only minimal setbacks. As soon as there are short-term dips, new buyers are already waiting in the wings, meaning that prices quickly rise again. This trend is no coincidence; private and institutional investors are ensuring that demand remains high.



Who is buying gold - and why now?

One of the most important players on the gold market continues to be the central banks. They have been steadily increasing their gold reserves for several years, thereby fuelling demand. At the same time, more and more private investors are also buying gold - both in physical form and via exchange-traded funds (ETFs). The reasons for this are obvious: gold has always been considered safe, especially in times of political and economic uncertainty.

Back in the 1970s, the price of gold literally exploded due to global crises and high inflation. Then as now, investors were looking for stability and found it in a scarce, sought-after precious metal such as gold.

Gold reserves are running short

In addition to strong demand, the limited supply is also an important factor. Physical gold is not infinitely available, even if it can still be mined at present. We keep hearing that gold reserves are slowly running out worldwide. Although mine operators are developing new deposits, these are often difficult to access or can only be utilised economically at great expense. Since 2005, the amount of new gold discoveries has halved. Although this has not yet had an impact on the current supply, as many mines are still generating income, the demand for gold will increase and supply will decrease in the future. This is another reason why the price of gold is currently so high.

Added to this are geopolitical tensions. The countries involved are using gold to diversify their currency reserves and become less dependent on the US dollar. India has also been buying gold steadily for several years in order to build up a sustainable gold reserve.

Where is the current increase coming from?

Looking back, it can be said that the gold market has been picking up for several years now. Some see the start of the new gold boom in 2018, others see the turbulent times between 2020 and 2022 as the starting point. In any case, the reasons are manifold: global uncertainties, rising inflation, geopolitical conflicts and the realisation that gold will retain its value in the long term.

The fact that the price of gold has hardly fallen in the meantime is also due to buyers, who immediately pounce as soon as the price drops even slightly.

Many experts assume that the positive trend will continue - at least as long as the geopolitical tensions and uncertainties persist.