

Physical gold remains the safest form of investment in geopolitically uncertain times

Pretoria, June 3, 2025 – Amid escalating trade conflicts and economic uncertainties, physical gold continues to gain importance as an investment and is increasingly coming into focus. While gold ETFs and ETCs offer a convenient way to invest in the precious metal, *direct ownership of physical gold remains the safest option for investors who value control and security.*



Gold ETFs and ETCs: Convenient, but not without risk

Gold ETFs (Exchange Traded Funds) and ETCs (Exchange Traded Commodities) allow investors to participate in the performance of the gold price without owning the metal physically. These financial instruments are easy to trade and offer liquidity.

However, they are not without risks. ETCs, for example, are perpetual debt instruments and not segregated assets. In the event of the issuer's insolvency, investors could lose their invested capital. Moreover, some products carry the risk that the underlying gold is not fully physically stored, but exists only as a book-entry claim.

Physical gold: Direct ownership and control

The direct ownership of physical gold, whether in the form of coins or bars, offers the highest level of security for investors.

In times of crisis, when financial systems may falter, *physical gold provides immediate access to one's assets without depending on third parties.* Additionally, physical gold is not subject to counterparty risk, which is inherent in financial products.

Current geopolitical tensions are driving the gold price

The recent trade conflicts between the U.S. and China under President Donald Trump's administration have unsettled the markets.

Donald Trump doubled tariffs on steel and over the weekend accused China of breaching the 90-day tariff suspension agreement made in Geneva in mid-May.

He particularly criticized the lack of promised measures to accelerate the export of critical minerals.

Markets reacted nervously: European indices fell into the red, and concerns are growing on Wall Street about a renewed escalation of the trade dispute.

As a result, the gold price rose by over 1% on June 2, 2025, reaching USD 3,326.45 per ounce.

Analysts emphasized that the growing geopolitical risks and trade disputes will drive long-term demand for gold.

Gold therefore not only offers protection against inflation and currency risks but also provides the reassuring certainty of holding a tangible asset.

Investors should therefore consider direct ownership of gold to sustainably safeguard their wealth.

