

## Gold in Focus:

### Why the precious metal is now more strategically important and where the risks lie

Pretoria, June 12, 2025 – Gold is back at the center of financial markets. While central banks around the world are stocking up on record amounts, the precious metal is increasingly favored by investors and analysts alike. This is not only due to the desire for safety but also driven by developments in production and geopolitical tensions. Most recently, there have even been warnings from the ECB, making one thing clear: *Gold is more than just a crisis hedge.*



### Central Banks Buying Like They Haven't in Decades

According to current data, central banks acquired more than 1,000 tons of gold in 2024 – the highest amount in over 50 years. Countries such as China, India, and Turkey are consistently expanding their reserves to reduce their dependency on the U.S. dollar and to hedge against economic and geopolitical risks. This trend is continuing unabated in 2025.

### Gold and Silver Mines: Boom in Production and Investment

At the same time, the importance of mining companies is growing: Companies like Orla Mining and Outcrop Silver & Gold are reporting rising production volumes and closing new financing rounds. According to the World Gold Council, global mine production reached record levels in the first half of 2024. Analysts expect further acquisitions and a consolidation within the sector. This makes mining stocks highly attractive – not only due to rising commodity prices, but also because of their growing strategic role in the precious metals market.

### ECB Warns of Gold Supply Bottlenecks – A Risk for Financial Markets

In a recent report, the European Central Bank warned of possible bottlenecks in the supply of physical gold. The background is logistical problems at key hubs such as London and New York, where deliveries are already delayed by several weeks in some cases. If the physical market continues to decouple from the paper market, confidence in the stability of the system could be shaken. In this context, the ECB speaks of a potential “financial shock.”

### Market Outlook: Opportunities and Risks

- **Physical gold** remains the solid backbone for hedging against inflation, shocks, and geopolitical crises.
- **Gold and silver mining stocks** also offer participation in production growth, M&A activity, and operational efficiency.
- **Supply risk:** Those who rely solely on ETFs and paper gold risk being left out during physical shortages. Only direct purchases of bars and coins guarantee true access.

As central banks stockpile gold at record levels, mining companies are increasingly coming into focus for institutional and private investors. Strong technical outlooks, strategic mergers, and robust production growth confirm: *Mines are not just commodity suppliers, they are a core element of any growth-oriented precious metal strategy.*

