



CIO expects ongoing geopolitical uncertainty to support hedges like gold, with the US election approaching, wars in the Middle East and Ukraine ongoing, and heightened US-China trade tensions. (UBS)

CIO raises gold forecast to USD 2,600/oz by end-2024

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CIO raised their forecasts for gold to USD 2,500/oz by end-September (from USD 2,400/oz), USD 2,600/oz for end-2024 (from USD 2,500/oz), USD 2,600/oz for end-March (from USD 2,500/oz), and introduce our end-June 2025 forecast of USD 2,700/oz.

There are three key drivers for the upgrade. First, a series of softer US data for April has driven some repricing of expectations for Federal Reserve rate cuts, with money markets pricing around 40bps of easing in 2024 compared with only 28bps at end April. We acknowledge the considerable uncertainty around the path of rates in the short term, but we see rates falling, and this typically drives ETF inflows, which is our next key catalyst.

Second, we raised our central bank demand forecast for 2024 to 950–1,000 metric tons (from 800–850mt). The World Gold Council reported purchases of 290 metric tons in the first quarter, which was the strongest first quarter on record. While recent People's Bank of China data show a moderation in gold purchases, Swiss trade data signal strong buying continuing in China. Third, we expect ongoing geopolitical uncertainty to support hedges like gold, with the US election approaching, wars in the Middle East and Ukraine ongoing, and heightened US-China trade tensions. Any pullbacks in the metal have been relatively short-lived, so we recommend buying on dips at around USD 2,300/oz or below. Moreover, we advocate using gold as a long-term diversifier in a portfolio.

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Original report - [Gold: Fresh records, forecasts raised, 23 May 2024.](#)



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