



CIO continues to recommend gold's hedging qualities amid economic and geopolitical uncertainties. (UBS)

# CIO retains an attractive view on Gold

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**Gold hit another all-time high of USD 2,790/oz on 30 October, marking a 35% gain year-to-date. We believe the most recent rally has been driven by growing expectations of a Trump win in the US presidential race, given the former president's views on trade tariffs, higher government spending, lower taxes, and lower interest rates.**

Commentators have argued such policies could see higher inflation and slower global growth—so as gold is viewed as the ultimate hedge; this explains why it can rally alongside a stronger US dollar and higher Treasury yields.

Beyond the election, other demand factors also support the gold outlook. The World Gold Council reported a 5% year-over-year increase in gold demand for the third quarter of 2024, reaching a record quarterly total of 1,313 metric tons, painting a supportive backdrop. Notably, exchange-traded fund (ETF) demand turned positive, with Western investors stepping in as Asian investors pulled back, though October data show a resurgence in Asian demand. Central bank purchases continued, albeit at a more moderate pace, with annual demand likely near the lower end of our expectations of 900-950 metric tons.

*Takeaway: This rally aligns with our bullish view on gold since the fourth quarter of 2023, and we retain an attractive view on the metal, with a target of USD 2,900/oz by September 2025. We continue to recommend gold's hedging qualities amid economic and geopolitical uncertainties. As it pertains to the US election, we believe a Trump win could push prices toward our USD 2,900/oz target more quickly, while a Harris win may see a temporary dip to USD 2,600-2,700/oz.*

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Original report - [Big tech earnings underscore robust AI growth, 4 November 2024.](#)

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