



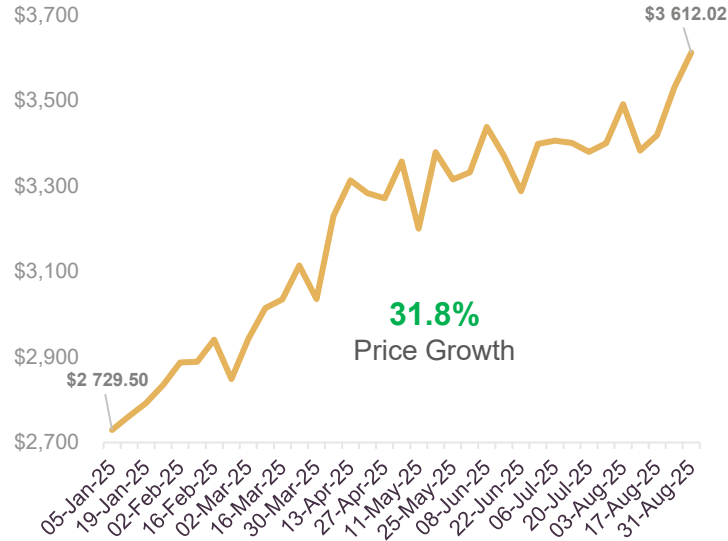
Gold's Strong Performance Outshines Global Markets In 2025



مركز قطر للمال
Qatar Financial Centre

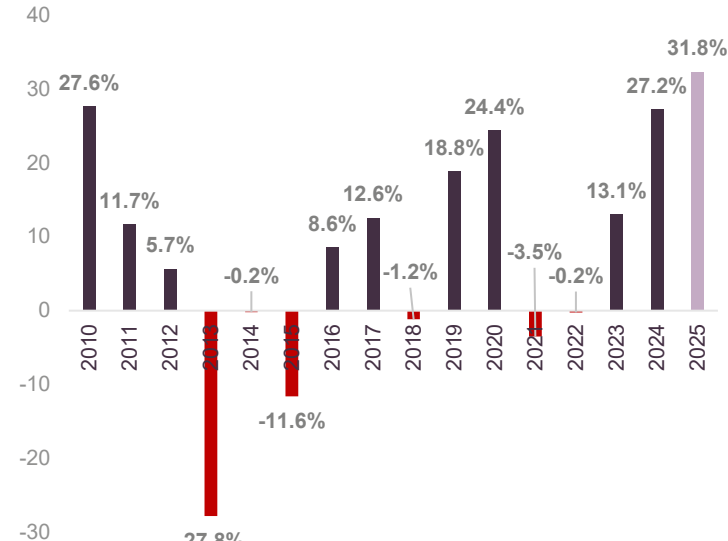
Gold Shines Even Brighter In 2025 With Gold Returns Outperforming The Returns Of Major Global Indices

Gold Prices, in US\$/oz,
(05 Jan'25 – 31 Aug'25)



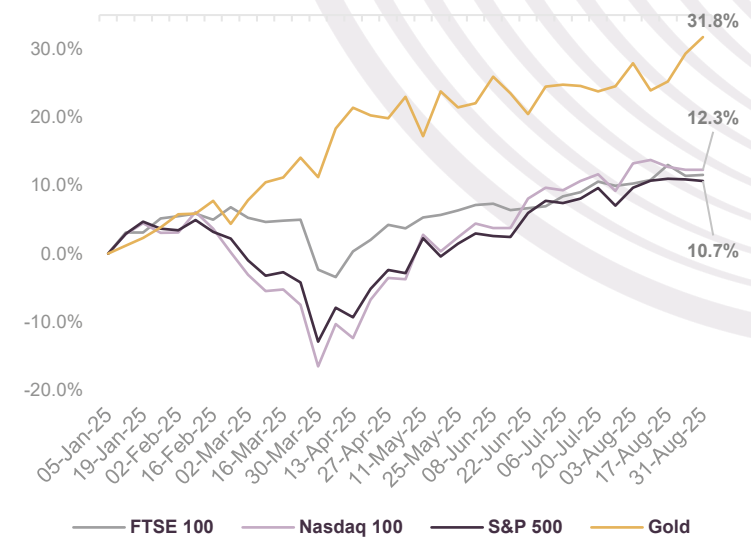
Source: Investing.com

Annual Price Change, in %, (2010 – 2025)



Source: Macrotrends, QFC Research.
Note: 2025 is as of August 31, 2025

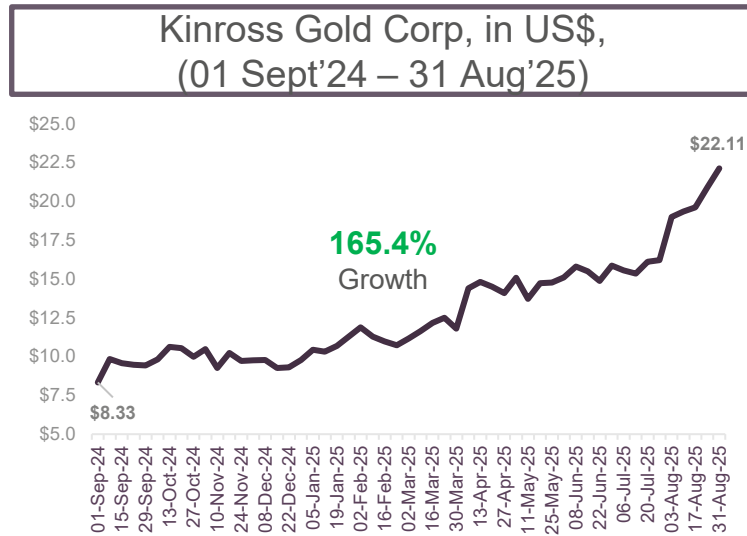
Returns For Nasdaq 100, S&P 500, FTSE 100 & Gold, in %, (05 January – 31 August)



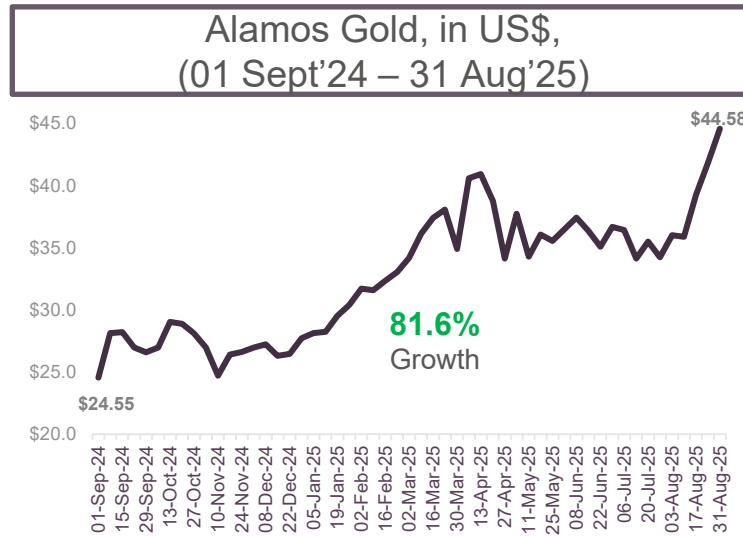
Source: Investing.com, QFC Research.

- Gold is largely used as a hedge against economic uncertainty, inflation and a wealth preservation asset. With increased levels of economic uncertainty owing to the impact of Covid-19 and elevated levels of geopolitical risks such as the Russia-Ukraine conflict and Middle East volatility, gold has experienced strong growth in recent years.
- The expansion of global liquidity, owing to central banks across the world increasing their money supply to recover from exogenously induced economic slowdowns and to finance their domestic deficits has resulted in a gradual debasement of their currencies. As such, currencies like the dollar have lost their appeal as a hedge against uncertainty, with central banks looking for hard assets such as gold.
- The expansion of global liquidity has contributed to a significant surge in the price of gold. In 2025 (1 January 2025 – 30 August 2025) alone the price of gold has increased by **31.8%**, surpassing its 2024 growth of **27.2%**. At this level, the returns of gold are outperforming those of major global indices such as the Nasdaq 100 (**12.3%**), FTSE 100 (**11.5%**), and the S&P 500 (**10.7%**).

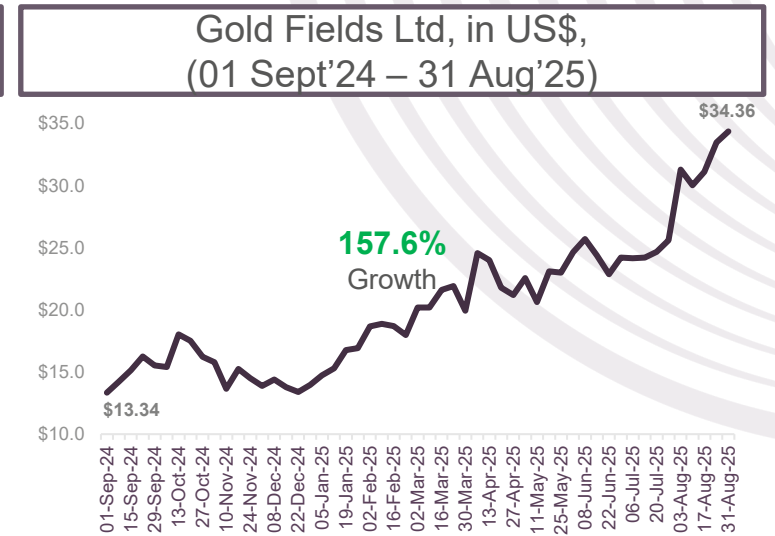
Gold Miners And Gold ETFs Have Had Significant Success Over The Last Year With Gold Assets Outpacing The Price Of Gold



Source: Investing.com



Source: Investing.com

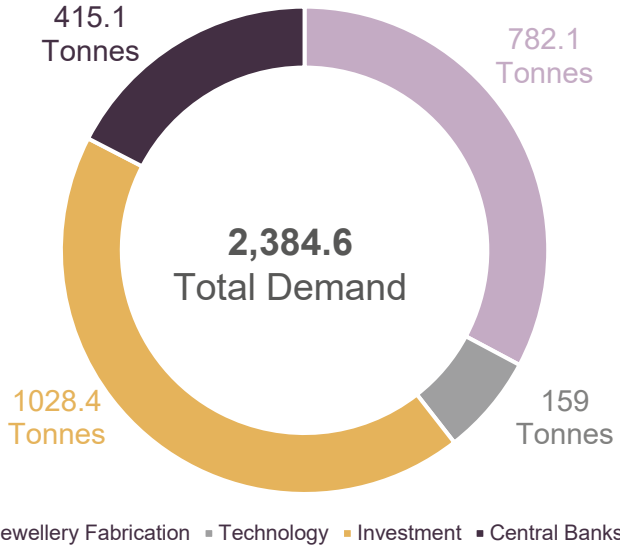


Source: Investing.com

- The strong surge in gold prices in 2024 and 2025 has increased the need for individuals and institutional investors to have exposure to gold as an asset class.
- In the last year (01 September 2024 to 31 August 2025) the price for gold stocks has risen significantly, with some stocks offering returns in excess of **75.0%**, such as Alamos Gold (**81.6%**).
- While this is impressive, other mine companies have recorded triple-digit returns over the same period, for example Kinross Gold Corp has returns of over **165.4%**, while Gold Fields Ltd posted returns of **157.6%**.
- Gold ETFs such as ProShares Ultra Gold ETF have also benefitted from gold's strong run. During the same period, the ETF recorded returns of over **85.0%**, highlighting the board-based growth of gold related assets.
- Prevailing macroeconomic conditions, such as the expansion of global liquidity and an increased appetite for gold by central banks will provide the necessary tailwinds for the growth of gold related assets for the foreseeable future.

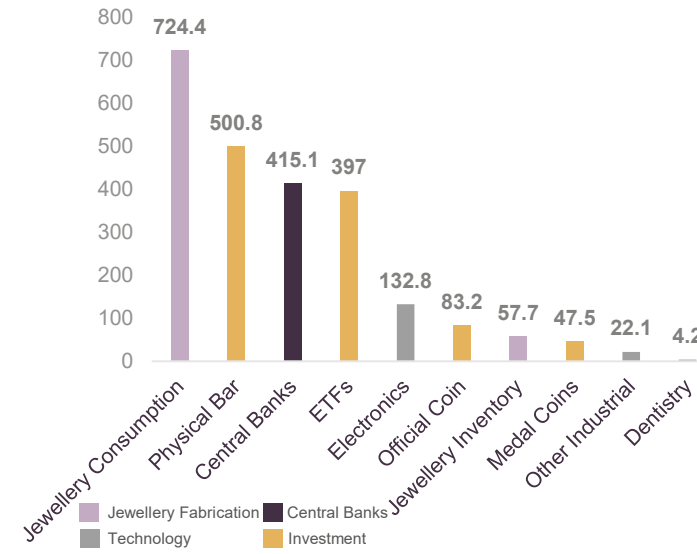
Gold Is Largely Demanded For Investment And Jewellery Making Purposes; However, Demand By Central Banks Continues To Rise Pushing The Price Of Gold Up

Demand For Gold By Category, in Tonnes, 2025*



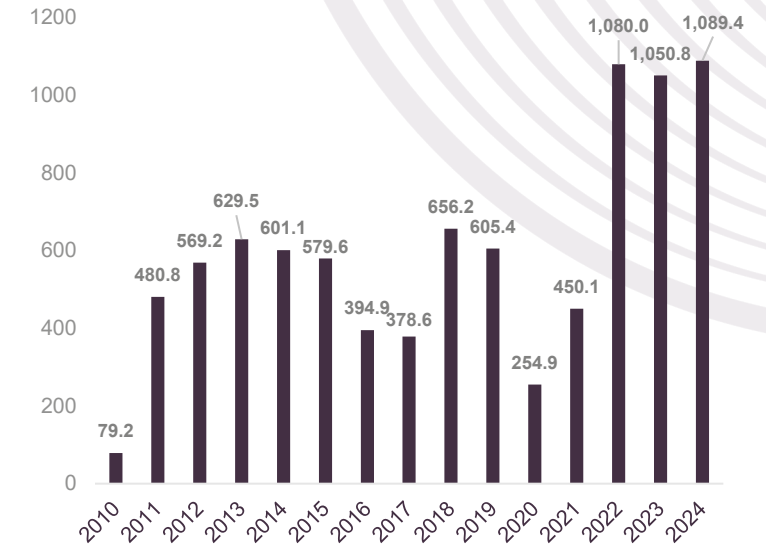
Source: World Gold Council. Note: 2025 is Q1'25 and Q2'25

Demand For Gold By Sub-Category, in Tonnes, 2025*



Source: World Gold Council. Note: 2025 is Q1'25 and Q2'25

Demand For Gold By Central Banks, in Tonnes, (2010 – 2024)

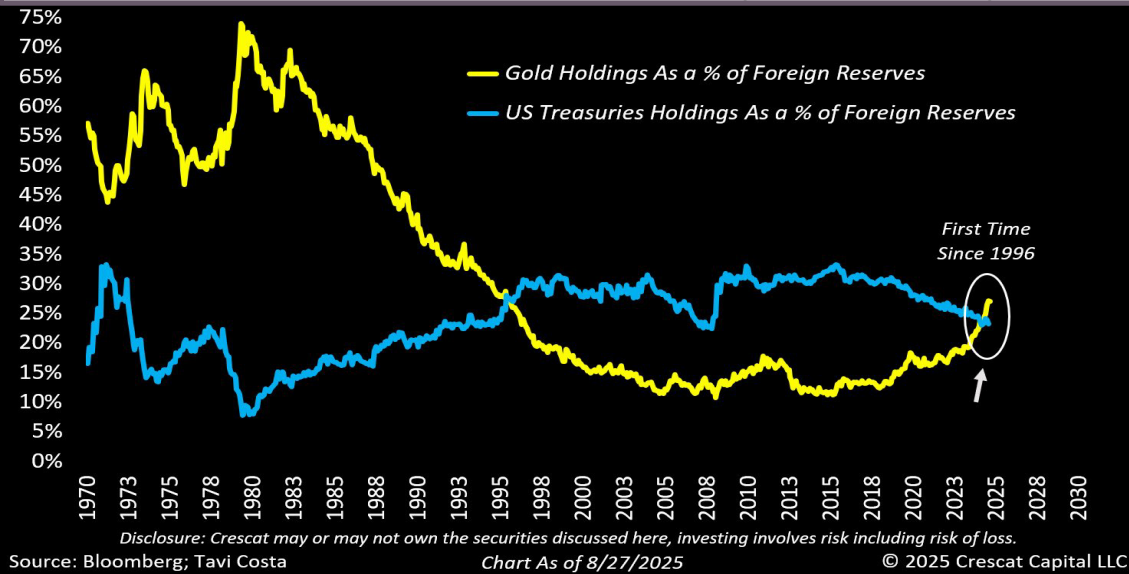


Source: World Gold Council

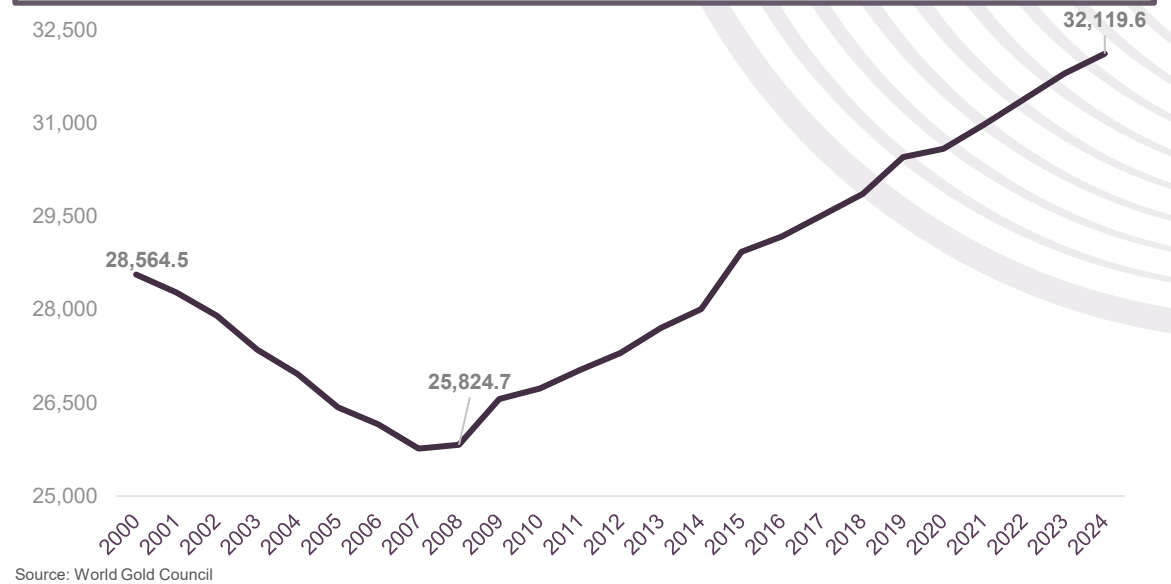
- Data from the World Gold Council shows that the demand for gold in H1'25 totalled **2,384.6 tonnes**, dominated by the investment category, followed by jewellery fabrication, central banks and then technology.
- Over **1,028.4 tonnes** of gold was demanded for investment purposes and accounts for over **40.0%** of all gold demanded in H1'25. Physical gold bars (**500.8 tonnes**) and gold ETFs (**397.0 tonnes**) account for **48.7%** and **38.6%**, respectively, of gold demanded for investment purposes.
- Jewellery fabrication demand, which is the demand of gold for transformation into finished goods, accounts for **782.1 tonnes (32.8%)**. Of this, jewellery consumption (**724.4 tonnes**) accounts for over **90.0%** of all jewellery fabrication demand and is the largest subcategory for gold demand.
- Central banks rank third, accounting for **415.1 tonnes** of all gold demanded in H1'25. While demand for gold remains dominated by jewellery for consumption purposes and investment in physical bars and ETFs, demand from these categories has largely been flat while demand from central banks has been ramping up.
- In 2022, gold demand by central banks increased to over **1,000 tonnes** and has remained above this level through to 2024. This increased demand for gold by central banks between 2022 to 2024 has been a key driver of the rise in gold prices and gold assets.

Central Banks Across The Globe Are Pivoting Away From The Dollar To Gold In Turn Driving Up Gold Prices

Central Banks' Gold vs US Treasuries Holdings, as % of International Reserves (1970 – 2025)



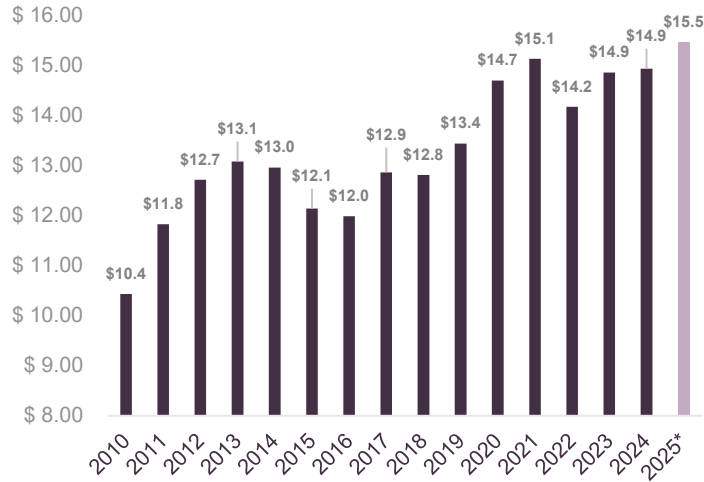
Total Gold Reserves Held By Countries, In Tonnes, 2000 – 2024



- In 2025, gold holdings by central banks across the globe have surpassed their holding of US treasuries for the first time since 1996. This indicates a shift among global central banks from US Treasuries to hard assets such as gold.
- US treasuries are the benchmark for safety among foreign reserves held by central banks across the globe. However, increased global liquidity by central banks across the globe has continued to see the debasement of global currencies including the dollar igniting this shift.
- Prior to 2008, central banks were reducing their holdings of gold, for instance gold reserve holdings reduced from **28,564.5 tonnes** in 2000 to **25,764.3 tonnes** in 2007. However, the 2008 Great Financial Crisis was the turning point, with central banks increasing their holdings of gold reserves from **25,824.7 tonnes** (2008) to **32,119.6 tonnes** (2024), a **24.4%** increase in holdings.
- The Covid-19 pandemic contributed to a significant injection of liquidity by countries across the globe as they sought to revive their economies from an exogenous slowdown. Together the economies of the US, Japan, China and the EU spent over **\$5 trillion** on stimulating their economies.
- The amount of liquidity spent to boost economic activity after these events, coupled with the ongoing injection of liquidity into the market will result in global currencies gradually losing their value. Central banks are in turn purchasing large sums of gold to maintain the value of their currencies. With central banks turning away from US treasuries to gold, this increased demand will continue to provide the necessary tailwinds for gold assets to surge.

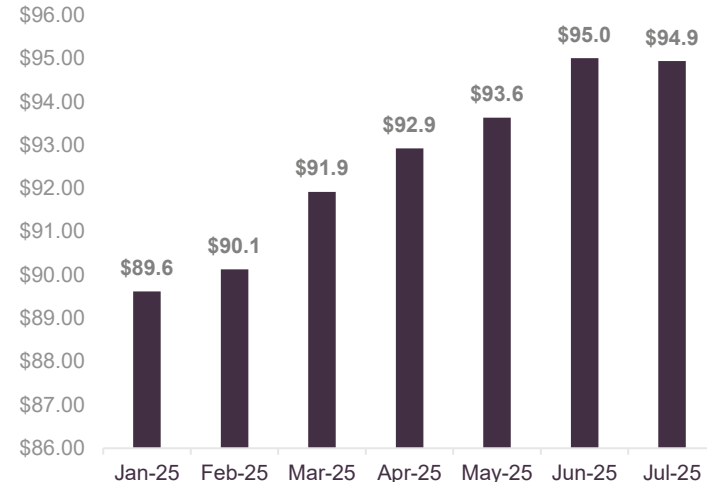
Current Global Macroeconomic Conditions Provide A Solid Foundation For Gold Prices To Continue To Surge

Total Gold Reserves By Central Banks, in US\$ Trillion, (2010 – 2025)



Source: World Gold Council. Note: 2025 is Q1'25

M2 Money Supply of Major Central Banks (January 2025 – July 2025)

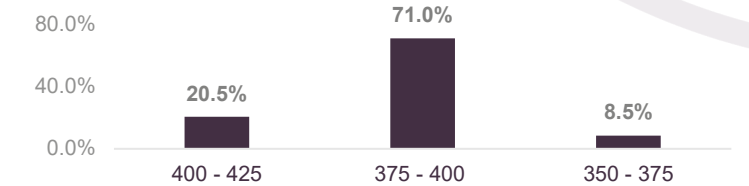


Source: MacroMicro

FedWatch Tool Rate Probabilities – 17 Sept 2025

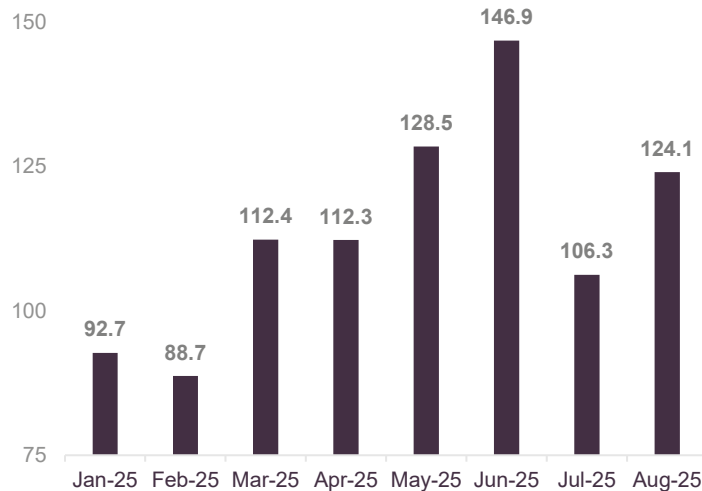


FedWatch Tool Rate Probabilities – 29 Oct 2025



Source: CME Group

Geopolitical Risk Index, (1900 – 2019 = 100)



Source: Dario Caldara and Matteo Iacoviello

- On top of the current expansion in global liquidity, near-term macroeconomic conditions such as increased expectations of a Fed Funds rate cut and elevated geopolitical risks provide a fertile ground for gold prices to continue their upward surge.
- Total gold reserves held by central banks increased to **\$15.5 trillion** in Q1'25, up approximately **\$600 billion** from 2024. Dollar weakness has required central banks to pivot away from the dollar to gold.
- The purchase of gold by central banks is likely to persist, particularly as global liquidity continues to expand driven by major central banks. From January to July global liquidity from major central banks increased by **5.9%** from **\$89.6 trillion** to **\$94.9 trillion**.
- The US Federal Reserve Bank is expected to cut rates for the first time in 2025 on September 17th. The FedWatch Tool indicates that there is an **89.0%** probability of a **25-basis points** (bps) rate cut and an **11.0%** probability of a **50bps** rate cut.
- Geopolitical risks remain elevated, indicated by a score of **124.1** for August on the Dario Caldara and Matteo Iacoviello Geopolitical Risk Index, however risks have eased from the June high of **146.9**, owing to the 12-day Iran-Israel conflict.
- While gold prices are currently at all-time-highs, ANZ Group predicts that gold prices will reach **\$3,800** by the end of 2025 citing central bank demand. At a price of **\$3,800**, gold would register returns above **39.0%** for 2025. The price of gold is projected to rise further in 2026 with ANZ and JP Morgan expecting prices to reach **\$4,000** by Q2'26.

Conclusion

- **Gold's resilient performance**

In 2025, gold has outperformed major global indices, demonstrating its strength as a store of value and a high-yielding asset, with returns exceeding **30.0%**.

- **Strong demand dynamics**

Investment demand and jewellery fabrication remain the key drivers, while rising central bank purchases further fortify the strong foundation for sustained price growth.

- **Favourable macroeconomic conditions**

High expectations of a Fed rate cut, expanding global liquidity, and elevated geopolitical risks have created a fertile environment for continued upwards momentum in gold markets.

- **Near-term outlook**

Goldman Sachs Research projects that gold will reach **\$3,700** by year-end, making gold a critical hedge and growth asset amid elevated macroeconomic uncertainties.

