Goldman Puts $4,000 Gold on the Agenda as Hunt for Havens Grows

By Sybilla Gross
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- Goldman Sachs and UBS issued bullish calls for gold, citing strong central bank demand and gold's role as a hedge against recession and geopolitical risks.
- Goldman analysts predict gold will rally to $3,700 an ounce by the end of this year and $4,000 an ounce by mid-2026, while UBS strategist Joni Teves expects $3,500 an ounce by December 2025.
- The banks cite factors such as official-sector purchases, rising recession risks, and shifting global trade and geopolitical backdrops as driving demand for gold and pushing prices higher.

Goldman Sachs Group Inc. and UBS Group AG issued another round of bullish calls for gold, with stronger-than-expected central bank demand and the metal's role as a hedge against recession and geopolitical risks underpinning expectations for even higher prices in 2025.

Goldman analysts including Lina Thomas now see gold rallying to $3,700 an ounce by the end of this year — with prices set to hit $4,000 an ounce by mid-2026 — while UBS strategist Joni Teves pointed to $3,500 an ounce by December 2025, according to two separate notes on Friday.

The new targets come after gold surged 6.6% last week, with prices clinching a fresh record above $3,245 an ounce on Monday. The two banks issued their previous outlook upgrades in March, signaling strong bullish consensus on bullion in an environment of uncertainty as US President Donald Trump's trade policies roil global markets.

The Goldman analysts said official-sector purchases are likely to average about 80 tons per month this year — up from their previous estimate of 70 tons — and reiterated their long gold trade recommendation. Rising recession risks would also likely juice inflows into bullion-backed exchange traded funds, they added.

“Recent flows have surprised to the upside, likely reflecting renewed investor demand in hedging against recession risk and declines in risk asset prices,” the Goldman analysts said, adding that the bank’s economists were now seeing a 45% chance of a recession. If such a scenario does occur, “ETF inflows could accelerate further and lift gold prices to $3,880 an ounce by year-end.”

Meanwhile, UBS expects strong demand from various market segments — including central banks, long-term asset managers, macro funds, private wealth, and retail investors — as shifting global trade and geopolitical backdrops reinforce the need to allocate into havens. Still, there’s room for further gold exposure, with market positioning not yet overly crowded, said Teves.

“The ratio of gold positions to total funds’ assets has the potential to exceed the levels reached in 2020, though not necessarily get to the peak in 2012-13,” she wrote, adding that gold’s investor base has broadened since the financial shock of 2008. “Persistent uncertainty boosts the need to diversify portfolios, benefiting gold.”

Meanwhile, thinner liquidity conditions — partly due to limited mine supply growth and the large amounts of gold tied up in central bank reserves and ETF holdings — could help to exaggerate price moves, Teves said.