

Gold Price

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THE COMPLETE INSIDER'S GUIDE

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Gold prices naturally fluctuate, in some periods more than others! A question we are frequently asked is "So, what exactly causes the gold price to fluctuate?" We thought an infographic would be an ideal way of demonstrating this visually. We hope you enjoy our "Gold Price - The Complete Insider's Infographic".

Gold Price Definition

The Gold price simply means:

"The price at which gold is being traded on the gold market. [1] The global benchmark for gold prices is the LBMA (London Bullion Market Association) gold price. [2]"

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Facts About the Gold Price

Here are some interesting facts about the gold price



Global price

gold prices are global & will not vary significantly in one country to another



Highest price

highest price ever (time of writing) - \$2070.67 per troy oz (06/08/20) [3]



London Fix

the price is gold is set twice daily by the LBMA at 10:30AM and 3PM GMT



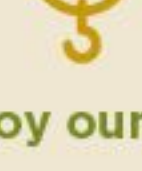
Regulated market

the price of gold is known and readily available/easy to quantify



Spot price

the price of gold updated minute by minute throughout the trading day



Troy ounce

gold is priced in troy ounces, which weigh 31.1035g

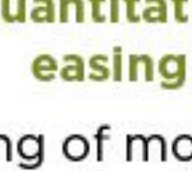
Factors Impacting the Gold Price

Here is a summary of the main factors impacting gold prices



Central banks activity

the actions of central banks will impact gold prices



Quantitative easing

printing of money by central banks to stimulate economies



Trading in gold

buying/selling of gold by central banks



Currency movements

as currencies move (particularly US\$) this impacts gold prices



Economic data

in areas such as GDP, inflation, manufacturing, unemployment, etc



Global inflation

high inflation = buy gold as a hedge, low inflation leads to gold sales



Global interest rates

as interest rates rise = sell gold, low interest rates = buy gold



Gold mining production levels

mining activity increases gold supply & impacts price



International trade fluctuations

economic activity levels between countries



Investment demand

gold investment demand levels impacts price (particularly ETFs)



Monetary policy

central government policies (particularly US), especially interest rates



Global pandemics

as COVID-19 revealed, gold prices fluctuate during global pandemics



Market speculation

investment experts and traders' views/comments can impact prices



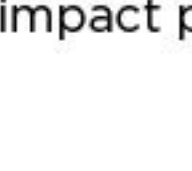
Stock markets

stock market crash = buy gold, as stock markets rise = sell gold



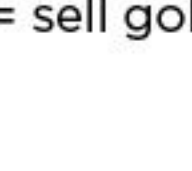
Supply & demand

the age-old economic model that supply & demand influence prices



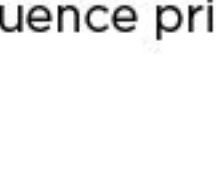
Supply

the level of supply from mining primarily and also from recycling



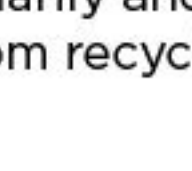
Demand

the demand for gold - jewellery, investment, technology, industry, etc



Uncertainty

coming in many forms, gold is seen as a safe haven in uncertain times



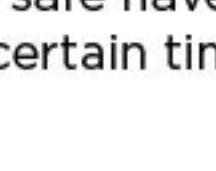
Economic

stock market, new data, inflation, interest rates, US/China trade, etc



Political

US/major economy election), Brexit, wars, unexpected events, etc



Social

Diwali (in India and globally), pandemic, terrorism, etc

Currencies Which the Gold Price is Published In

The gold price is often quoted in US Dollars but is also priced in many currencies, which are summarised below:



Principle global currency
US Dollars



Australian Dollars



British Pounds



Canadian Dollars



Euros



China
Onshore and Offshore Yuan



Indian Rupees



Japanese Yen



Malaysian Ringgit



Russian Rubles



Singapore Dollars



South African Rand



Swiss Francs



New Taiwan Dollars



Thai Baht



Turkish Lira

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We look forward to hearing from you and will reply ASAP afterwards.

Information Sources:
[1] <https://dictionary.cambridge.org/dictionary/english/gold-price>
[2] <https://www.theice.com/iba/lbma-gold-silver-price>
[3] <https://goldprice.org/gold-price-history.html>