

# 2025 Precious Metals Forecast

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It's that time of year again, when financial prognosticators dust off their 'crystal balls' and opine on where they think financial markets are headed in the coming year. (With the hope no one remembers last year's inaccurate predictions.)

Coin enthusiasts, particularly *stackers*, focus on precious metal prices for the potential impact on their coin holdings. (Perhaps overlooking the equally important "wealth-effect" rising securities and real estate markets have on rare coin prices.)

Nevertheless, in keeping with the spirit of the New Year, this article will *briefly* highlight the factors which drive gold and silver prices, provide an aggregation of institutional predictions, as well as a never-before prediction accuracy guarantee!

## Pricing Factors

As most readers know, gold prices, and to some lesser extent silver prices, are driven by a combination of economic and geopolitical factors. The most notable factors include:

- Value of the U.S. Dollar & Inflation: While gold trades globally, it is considered a dollar-denominated asset, with an inverse relationship to the dollar. So, if the dollar declines, gold appreciates, and vice versa. And of course, the dollar is impacted by numerous sub-factors.

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- U.S. Interest Rates: Higher interest rates typically strengthen the dollar, thereby weakening gold. Additionally, higher interest rates, or the cost of money, makes holding precious metals more expensive for large institutional investors or banks. Conversely, lower interest rates typically generate higher metals prices.
- Central Bank Purchases: Central banks sustain their currency reserves by holding safe and stable assets. Recently, China, Russia and India shifted their reserve purchases away from U.S. Treasury's and into gold. (A principal reason for gold's increase in the latter half of 2024.)
- Geopolitical Events: This factor often outweighs all others. International political tension, uncertainty, threat of major wars, trade upheavals, can all dramatically impact metal prices. Since gold, and to some extent silver, are seen as financial safe havens, bad news for the world is bitter-sweet, good news for gold.
- Industrial and Retail Demand: Gold and silver part company here. Retail gold demand is generally driven by global jewelry purchases, and more recently by gold-based exchange-traded funds (akin to mutual funds) for retail investors. Demand for silver, on the other hand, is predominantly driven by its industrial applications, as in semiconductors, solar cells, and batteries, among others. As a result, silver is impacted by the growth rate of key industries, which are influenced by the global economy.

And what of all these contributing factors in 2025? A compilation of institutional forecasts provides an effective shortcut to lengthy analysis, as they no doubt have carefully weighed and considered the above factors, and then some.

### **Pricing Forecasts**

While most financial professionals missed gold's 27% increase in 2024, or even silver's 20% appreciation, many institutions have jumped aboard the momentum bandwagon with predictions of gold reaching \$3,000 per ounce during 2025, and some bullishly predicting \$40 silver. The table below summarizes forecasts from some of the largest investment and banking organizations. If \$3,000 and \$40 predictions come to fruition, gold would notch a respectable 14% gain for 2025 with silver recording a stellar 38% rate of appreciation. (All figures below are from sources believed to be reliable.):

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Institution	2025 Forecast (Highest Price Attained)		
	Gold	Silver	Platinum
Goldman Sachs	\$3,150	\$30	NA
IG International	\$3,100	NA	NA
CitiBank	\$3,000	\$40	\$1,100
J. P. Morgan	\$3,000	\$38	\$1,200
Heraeus Precious Metals	\$2,950	\$40	\$1,220
UBS	\$2,900	\$38	\$1,100
ANZ	\$2,900	\$36	\$1,273
MKS Pamp (Swiss Refinery)	\$2,750	\$37	NA
Commerzbank	\$2,650	\$32	NA
World Bank Group (Avg. 2025 Price)	\$2,350	\$30	\$1,050
BMI - Fitch (Avg. 2025-28)	\$2,195	NA	NA

**Prediction Accuracy Guarantee!**

What if unexpected global events intercede in the above forecasts to the financial detriment of E-Gobrecht readers? As recompense, this author will happily send any disgruntled readers the exorbitant amount I was paid to write this column and gladly relinquish my Crystal Ball...

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