

# Gold’s Stellar 2024 Performance and Bullish Momentum for 2025

Gold emerged as one of the best asset classes in 2024 with its strongest annual performance in over a decade, rising 27%. This rally has been driven by a combination of central bank and investor demand, lower real yields, and heightened geopolitical risks. As the global economy enters a new phase shaped by protectionist trade policies, potential tariffs, and geopolitical uncertainty under a renewed Trump administration, the case for gold as a safe-haven investment remains robust.

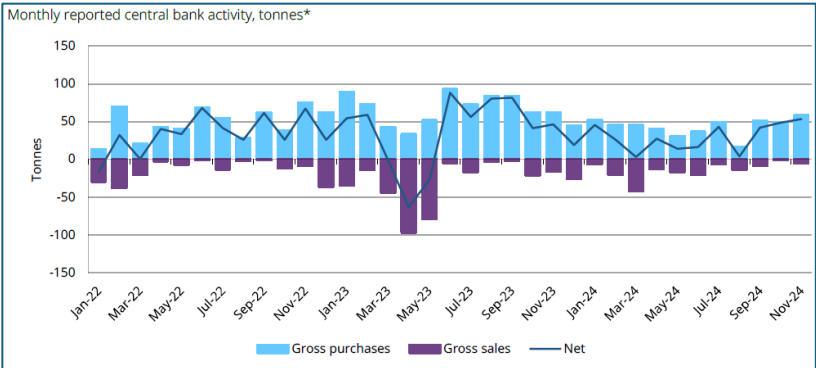
## Key Drivers of Gold’s Performance

### 1. Tariffs and Geopolitical Risks Under a Renewed Trump Administration

The potential for increased tariffs and protectionist policies could fuel inflationary pressures, weaken the US dollar, and amplify global currency volatility. These factors make gold an attractive hedge against inflation and currency devaluation. Rising geopolitical tensions, strained international relations, and potential trade wars are likely to drive demand for gold as a store of value. Historical data supports this: during the 2018–2019 US-China trade war, gold prices initially dipped but rebounded sharply as tensions escalated, demonstrating its resilience as a safe-haven asset.

### 2. Central Bank Buying and Emerging Market Demand

Central banks, particularly in emerging markets, have been instrumental in driving gold demand. In 2024 alone, they collectively purchased over 53 tonnes in November, marking the 15th consecutive year of net purchases. Nations like China, Poland, India, and Turkey have been significant contributors, using gold to diversify reserves away from the US dollar. This trend reflects a growing desire to mitigate risks associated with the USD-dominated global financial system.



\*Data to 30 November 2024 where available  
Source: IMF IFS, respective central banks, World Gold Council

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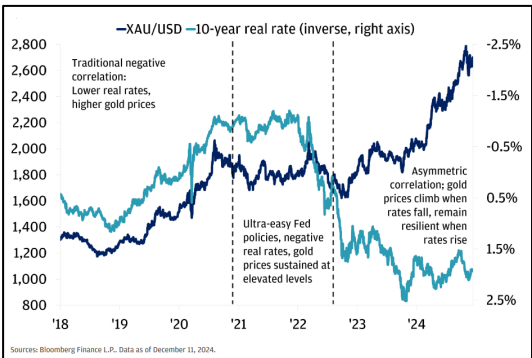
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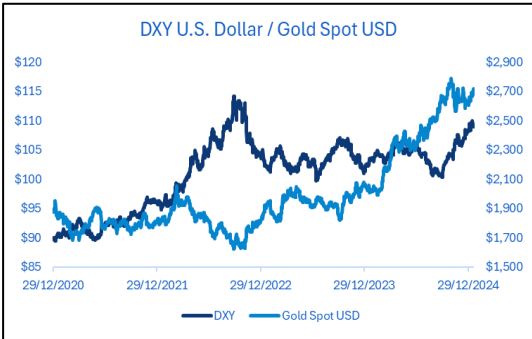
3. Declining Real Yields and Monetary Policy in 2025

Real yields, calculated as nominal bond yields adjusted for inflation, are a critical factor in gold's performance. With central banks pivoting toward accommodative monetary policies in 2025 to address slower economic growth, real yields are expected to decline further. This environment reduces the opportunity cost of holding gold, providing strong tailwinds for its continued rally.



4. Weakening US Dollar

Gold's inverse relationship with the US dollar remains a key driver of its price. A weakening dollar not only makes gold cheaper for international buyers but also enhances its appeal as a hedge against devaluation. The potential for inflationary policies and trade-induced economic pressures under a Trump administration could accelerate this trend.



Source: Bloomberg L.P.

5. China's Role in Gold Markets

China's dual role as a major consumer and investor in gold will be pivotal. According to the World Gold Council, Chinese investor demand for gold bars and coins surged by 46% in the first half of 2024. This reflects gold's continued appeal as a safe-haven investment in an uncertain economic environment.

Diversification

Regardless of our outlook, one of the most compelling reasons to own gold lies in its alignment with modern portfolio theory, which emphasizes the value of diversification. By allocating investments across assets with low or negative correlations, overall risk-adjusted returns can be significantly enhanced.

Gold has historically maintained a consistently low—and occasionally negative—correlation with traditional asset classes like equities and bonds. As a result, including gold in a portfolio can act as a stabilizing factor, enhancing the overall balance between risk and return.

This was clearly illustrated in 2022, as global equity markets fell by approximately 20% and bond markets declined by around 16%, while gold achieved a gain of about 3%.

Risks and Challenges

While the outlook for gold is positive, potential headwinds include:

**Monetary Policy Shifts:** A reversal in accommodative monetary policies or higher interest rates could increase the opportunity cost of holding gold.

**Economic Stabilization:** A stronger-than-expected global economic recovery or reduced geopolitical tensions might dampen demand for gold as a safe haven.

**Consumer Demand Dynamics:** A prolonged deceleration in consumer gold demand, particularly in Asia, could cap further upside.

## ASX Gold Companies

Investors can also explore opportunities in gold mining equities, which offers leveraged exposure to gold price movements. Gold miners often see magnified gains from rising gold prices, as higher revenues and profits translate into shareholder value.

### Quick takes on 5 ASX Companies to watch

#### Gold Road Resources Ltd (GOR)

Gold Road Resources achieved its highest-ever quarterly production in December 2024, producing 91,631 ounces of gold. This contributed to an impressive annual production total of 287,270 ounces, just shy of the guidance range of 290,000–305,000 ounces.

The company processed 2.4 million tonnes of ore during the quarter, achieving a head grade of 1.28 g/t Au and an excellent recovery rate of 92.2%.

Looking ahead, full access to Gruyere pits (Stage 3 and Stage 4) is secured, while Stage 5 mining is scheduled to begin in 2025. Gold Road is targeting a production milestone of approximately 350,000 ounces in 2025, with plans to sustain this level of output through 2032.

#### Bellevue Gold Ltd (BGL)

Bellevue Gold declared commercial production in FY24, achieving 80koz in the second half and generating operational free cash flow of A\$41 million in the June 2024 quarter.

For FY25, production is forecast to grow significantly in the second half, with a targeted run rate exceeding 200,000oz annually by Q4 FY25.

Bellevue has allocated A\$60 million for exploration in FY25 and FY26, targeting high-priority growth areas such as southern extensions of the Bellevue and Viago shear zones. Significant infill drilling results have already demonstrated robust orebody potential.

The company reported an increase in Probable Ore Reserves to 1.51Moz at 5.0 g/t gold, with Indicated Resources growing to 2.0Moz at 10.1 g/t gold.

#### Northern Star Resources Ltd (NST)

Northern Star Resources (NST) will acquire De Grey Mining (DEG) through a Court-approved scheme of arrangement. De Grey shareholders will receive 0.119 Northern Star shares for each De Grey share, valuing De Grey at approximately A\$5 billion.

The acquisition includes De Grey's flagship Hemi Gold Project in Western Australia, a Tier-1 low-cost, long-life gold development with Mineral Resources of 11.2Moz and Ore Reserves of 6.0Moz. Forecast annual gold production is 530koz for the first 10 years.

#### Stock Price Performance

Source: 2025 Bloomberg Finance L.P.

##### Gold Road Resources Ltd (GOR)



##### Bellevue Gold Ltd (BGL)



##### Northern Star Resources Ltd (NST)



Newmont Corporation (NEM)

Newmont remains the world's leading gold producer, with a diversified portfolio that also includes copper, zinc, lead, and silver. Operating across favourable mining jurisdictions—Africa, Australia, Latin America, North America, and Papua New Guinea.

Newmont remains the only gold producer listed in the S&P 500 Index, emphasizing its market leadership and industry influence.

For Q3 2024, Newmont reported earnings per share (EPS) of \$0.81, falling short of the consensus estimate of \$0.86 by \$0.05. Despite this, the company's revenue surged by an impressive 84.7% year-over-year, reaching \$4.61 billion compared to \$2.5 billion in the same quarter last year.

Genesis Minerals Ltd (GMD)

Genesis Minerals accelerated the restart of its Laverton mill, moving production six months ahead of schedule. This positions the company to achieve FY25 production of 190-210koz, up from an earlier forecast of 162-188koz.

The company aims to achieve a production target of 325koz annually ahead of the 2029 schedule, supported by strong exploration results and improved operational efficiency.

Stock Price Performance

Source: 2025 Bloomberg Finance L.P.

Newmont Corporation (NEM)



Genesis Minerals Ltd (GMD)



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