Precious Comment: Structurally Bullish Gold, Tactically Cautious

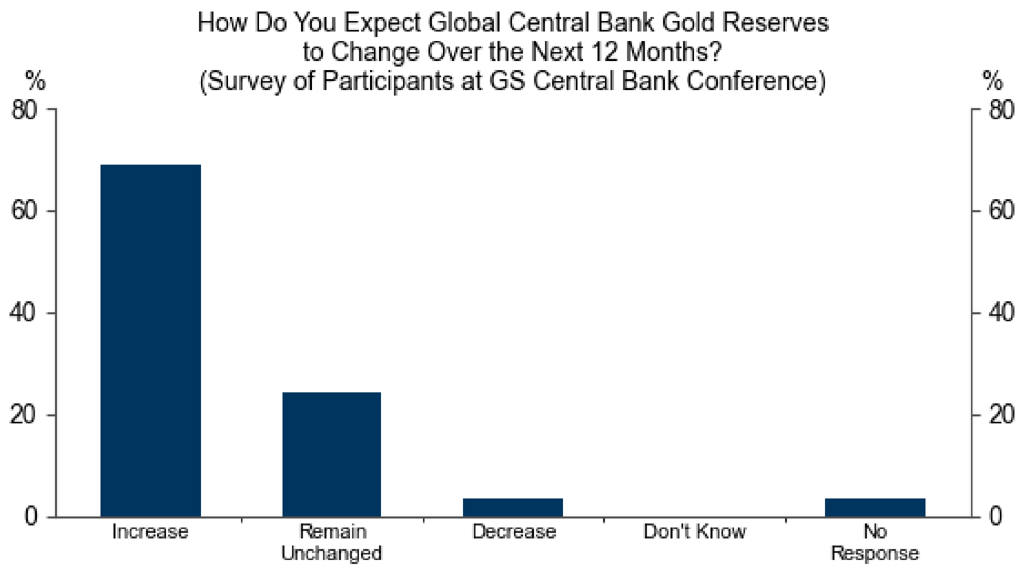
Lina Thomas
+1(212)902-8376 | lina.thomas@gs.com
Goldman Sachs & Co. LLC

Daan Struyven
+1(212)357-4172 |
daan.struyven@gs.com
Goldman Sachs & Co. LLC

- We continue to forecast gold prices reaching $5,400/toz by end-2026, as central bank diversification continues, currently relatively low speculative positioning normalizes, and the Fed delivers the 50bp of cuts our economists expect. Our base case assumes no further private sector liquidation of gold nor any additional private sector diversification in gold (beyond the modest boost from Fed cuts).
- While our central bank nowcast was weak in February (2 tonnes)—likely reflecting a pause in purchases amid extreme price volatility—we maintain our assumption that central bank gold buying averages 60 tonnes per month in 2026. Around 70% of central banks surveyed at the GS central bank conference expect global gold reserves to rise, with ~25% expecting them to remain flat.
- We view near-term risks to our gold price forecast as skewed to the downside, as gold remains vulnerable to further liquidation should Hormuz disruptions persist and bond-or equities correct further (despite much of the gold positioning and call option overhang having been cleared).
- Over the medium term, risks are skewed to the upside if the Iran episode—together with broader geopolitical developments (e.g., Greenland, Venezuela)—were to accelerate diversification into gold and to weigh on perceptions of Western fiscal sustainability.[1]

[1] The authors would like to thank Ishan Kalia –an intern on our commodities research team– for his contributions.

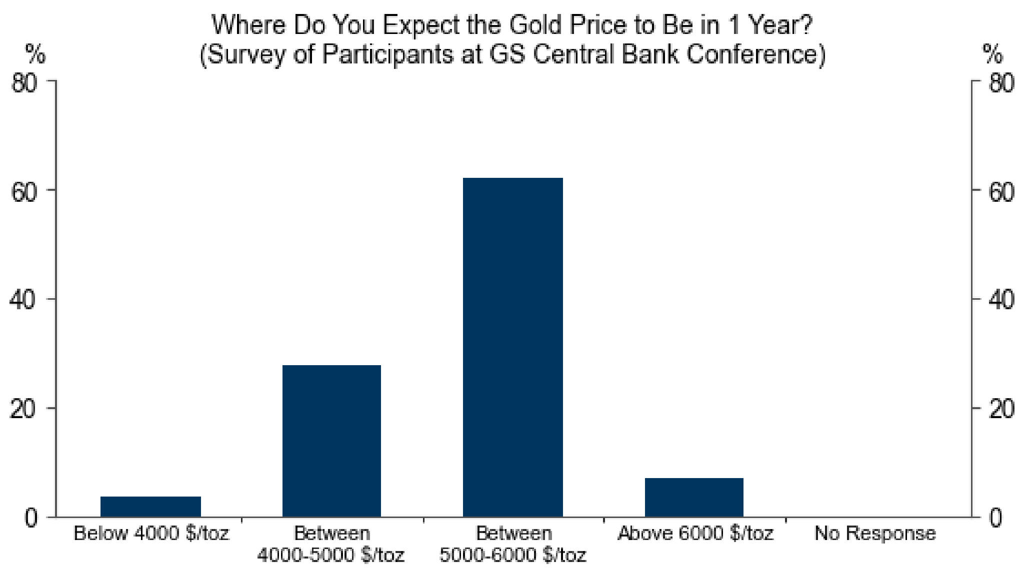
Exhibit 1: Around 70% of Central Banks Surveyed at the GS Central Bank Conference Expect Global Reserves to Rise Over the Next 12 Months



Survey conducted on 23rd April, 2026. Sample size is 29 respondents.

Source: Goldman Sachs Global Investment Research

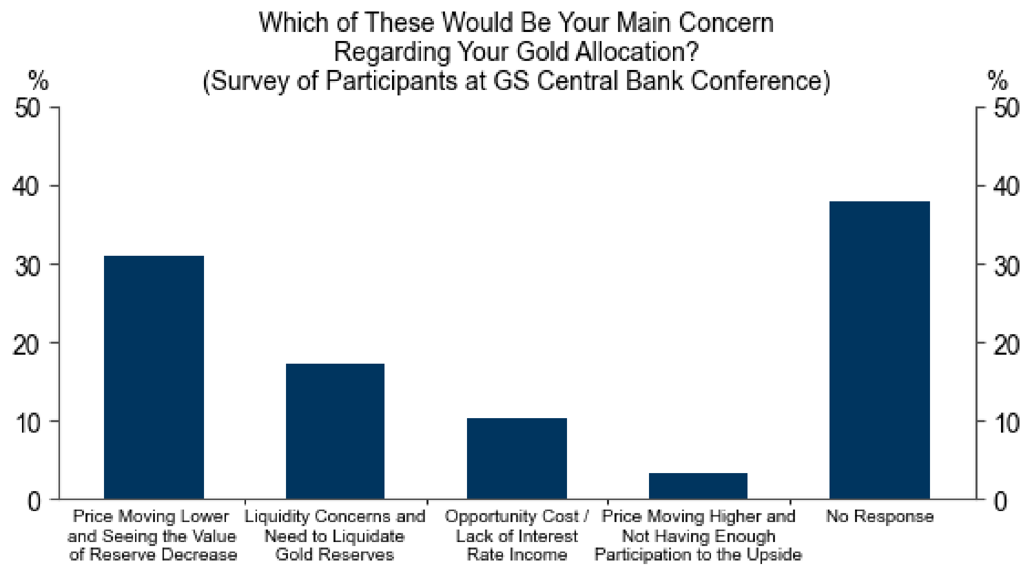
Exhibit 2: About 70% Of the Central Banks Surveyed Expect Gold Prices to Settle Above $5,000/toz in 1 Year



Survey conducted on 23rd April, 2026. Sample size is 29 respondents.

Source: Goldman Sachs Global Investment Research

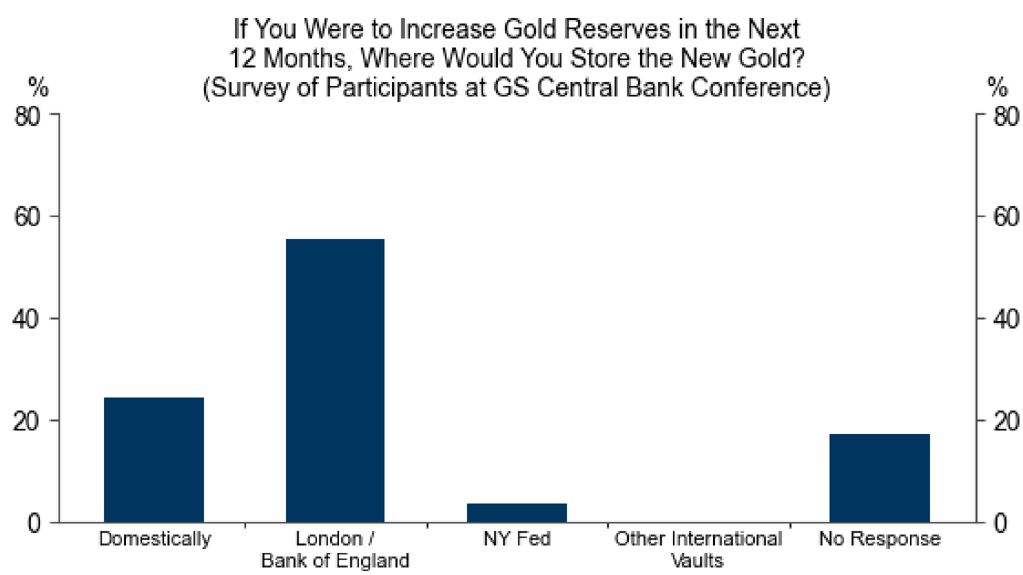
Exhibit 3: Surveyed Central Banks Are More Concerned About Reserve Value Losses from Falling Gold Prices Than About Liquidity Constraints



Survey conducted on 23rd April, 2026. Sample size is 29 respondents.

Source: Goldman Sachs Global Investment Research

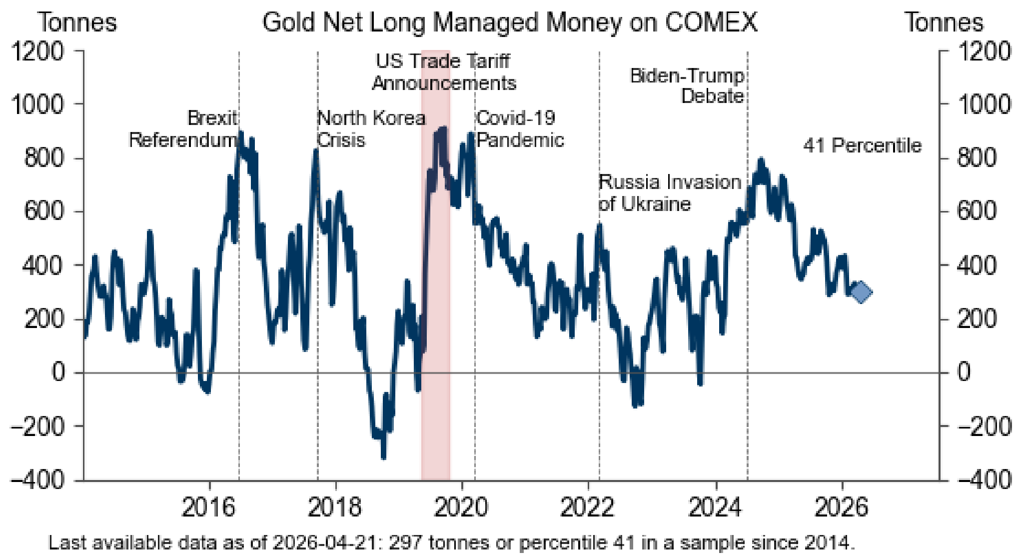
Exhibit 4: While the Bank of England in London Remains the Most Popular Storage Location for Central Bank Gold, Domestic Storage Is the Second-Most Preferred Option



Survey conducted on 23rd April, 2026. Sample size is 29 respondents.

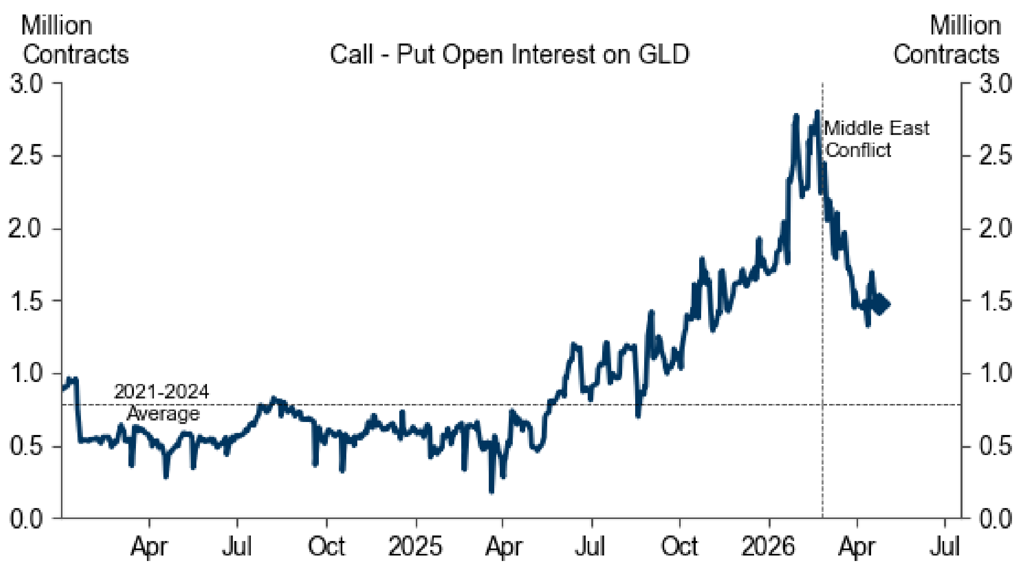
Source: Goldman Sachs Global Investment Research

Exhibit 5: Net Speculative Positioning Has Edged Down to Around the 41st Percentile



Source: CFTC, Goldman Sachs Global Investment Research

Exhibit 6: Near-Term Risks Skew to the Downside, With Gold Still Vulnerable to Liquidation If Hormuz Disruptions Persist and Bond-or Equity Prices Correct. Medium-Term Risks Skew to the Upside If Diversification Accelerates — Potentially Via Renewed Call-Option Demand — Should the Iran Episode Weigh on Perceptions of Western Fiscal Sustainability



Source: Bloomberg, Goldman Sachs Global Investment Research