

Gold Prices Surge Amid Dollar Weakness and Global Instability

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Gold prices climbed sharply on Friday, propelled by a faltering US dollar and mounting geopolitical and economic turbulence. The precious metal, long revered as a safe-haven asset, saw robust demand as investors sought stability in uncertain times.

Spot gold advanced 0.5% to \$3,353.80 per ounce by 2:47 PM GMT, while US gold futures mirrored the gain, closing at \$3,360.50 per ounce. Edward Meir, an analyst at Marex,

attributed the rally in precious metals to the dollar's decline. In a recent interview, Meir stated, "We see little reason for a bearish outlook on gold in the medium term, given rampant US spending, ongoing trade frictions, inflation concerns, and relentless criticism of the Federal Reserve."

The US dollar weakened by 0.5%, making gold more affordable for investors holding other currencies, thus bolstering demand. This comes against a backdrop of global unease, with trade tensions simmering and economic policies under scrutiny. President Donald Trump recently remarked that he has no immediate plans to dismiss Federal Reserve Chair Jerome Powell but expressed frustration over the Fed's reluctance to slash interest rates, leaving the possibility open. Market analysts anticipate two US rate cuts by year-end, totalling 50 basis points, a move that typically enhances gold's appeal as a non-yielding asset.

Elsewhere, Indonesia continues to hammer out details of a newly struck trade agreement with the United States, while US Treasury Secretary Janet Yellen assured Japan's Prime Minister of a potential "good agreement" between their nations. These developments underscore the fragile state of global trade, further driving investors toward gold.

Other precious metals displayed mixed performance. Spot platinum dipped 0.7% to \$1,448.03 per ounce, despite touching its highest level since August 2014 earlier in the day. Palladium, however, rose 0.7% to \$1,289.50, its peak since June 2023, while silver gained 0.5% to \$38.31 per ounce. Adrian Ash, head of research at BullionVault, noted in a recent interview, "The focus in precious metals has shifted from safe-haven gold to silver, platinum, and palladium, as investors eye pro-growth industrial alternatives."

With economic uncertainty showing no signs of abating and the current US government's policies adding to global financial unease, gold's allure as a hedge against instability remains strong. Investors are likely to continue flocking to the metal as a bulwark against unpredictable markets.