ANALYSIS: GOLD PRICE TO REACH $1,300 BY THE END OF 2017

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Source: Israel Diamond Institute

A new piece on Art of Jewelry looks at the performance of gold prices so far in 2017, as well as a forecast of its performance by the end of 2017. To date, gold price on the Comex market in New York has gained nearly 10% from the beginning of the year.

According to the piece, gold is now at its highest point since November 11, “erasing much of its losses since the US presidential election”. Investors in gold, according to the piece, are betting on “Trump's plans for fiscal stimulus, including a $500 billion infrastructure spending program”, which “will lead to strong US economic expansion, higher interest rates and a more robust dollar”.

As for the remainder of 2017, the forecast is that gold will only gain in value as the year progresses. According to David Wilson, Head of Metals Research at Citigroup who spoke to Bloomberg TV, “gold should top $1,300 towards the end of the year” for several reasons: Trump’s “reflation trade" reverses, “subdued real interest rates coupled with moderating dollar strength” and “political concerns about upcoming elections in the Netherlands, France and Germany and the impact on the European Union”.

According to Mining Weekly, quoting Finance Ministry numbers, Russia has “remained the world's third largest gold producer in 2016”, while China and Australia took the first and second spots, respectively. The Russian gold mining industry has benefited from the weak ruble and strong gold prices in 2016. The expectation is that Russia will remain the world's third largest gold producer in 2017.

China's 2016 gold output rose to 453.49 tonnes, and China is targeting up to 550 tonnes of annual gold output in 2020. In Australia, gold output hit a 17-year high of 298 tonnes in 2016. Russia, the third largest producer, produced 288.55 tonnes of gold in 2016 - down from 289.51 tonnes in 2015.