

Gold: The Asset of Stability in an Unstable World

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WHEN EVERYTHING ELSE WAVERS, GOLD STANDS FIRM.

"When everything else wavers, gold stands firm."

Gold has long been the world's ultimate "safe haven," especially in times of economic and financial turmoil. In 2025, gold prices in Thailand soared to an unprecedented **50,000 baht per baht-weight** — the highest level in history.

The trend has been clear since 2019: an upward march, fueled by economic anxieties, geopolitical tensions, and financial instability. But the dramatic spike in 2025 largely stems from the "Trump 2.0" phenomenon — a wave of aggressive tariffs and protectionism that rattled markets worldwide and renewed gold's status as a critical shield against uncertainty.

Gold: The Financial World's Last Refuge

Gold's timeless appeal lies in four enduring strengths:

1. Intrinsic Value and Resilience

Unlike stocks or corporate bonds, gold holds inherent worth. It is immune to defaults, bankruptcies, or political failures — making it uniquely stable through crises.

2. Universal Acceptability and High Liquidity

Gold is accepted everywhere, convertible into cash without dependence on any government or banking system — a true sovereign asset.

3. Protection Against Inflation and Risk Diversifier

Gold typically moves inversely to risk assets and the U.S. dollar. When markets falter or inflation bites, gold serves as a safe store of purchasing power.

4. Endorsement by Central Banks

Even in a fiat currency world, central banks continue to hold gold, recognizing it as a foundation of financial security independent of any national currency.

Global Stress Test 2025: Gold Stood Alone

The turbulence of 2025 has been nothing short of a **global stress test** across asset classes — and few have emerged unscathed. Major stock indices faltered: the Nasdaq slid by 15%, Thailand's SET50

fell 12%, and Hong Kong's Hang Seng plunged 18%. Even Bitcoin, once hailed as "digital gold," suffered a sharp 25% drop as its volatility undermined its safe-haven appeal. In contrast, **gold rose by 25%**, standing out as one of the very few assets that delivered positive returns amid the turmoil.

While tech stocks, emerging markets, and cryptocurrencies stumbled, gold quietly but firmly reaffirmed its role as the ultimate store of stability when markets unravel. In a volatile world, gold's purpose becomes clear: it is **not about making extraordinary gains — it is about not losing**.

Forces Behind Gold's Price: A Mirror of Global Sentiment

1. Global Economic Conditions

Recessions, banking crises, and wars push investors toward gold. Conversely, robust growth can reduce demand.

2. Inflation and Interest Rates

As fiat money loses value, gold's appeal as an inflation hedge strengthens — especially when interest rates climb.

3. U.S. Dollar Movements

Gold often rises when the dollar weakens, enhancing its attractiveness globally.

4. Industrial and Investment Demand

Growing jewelry demand from China, India, and the Middle East, alongside investment in gold ETFs, sustains gold's base.

5. Geopolitical Tensions

Conflict, sanctions, and global diplomatic strains consistently drive gold demand higher.

Central Banks and Gold: Anchoring Stability

The 2024 World Gold Council survey reveals how central banks view gold today:

- 88% say gold preserves value during severe crises.
- 82% see it as essential protection during monetary turbulence.
- 76% view it as critical for diversification away from any single currency or credit risk.

Recent Shifts: A Stronger Vote of Confidence in Gold

- 29% of central banks plan to boost gold reserves within a year — the highest since 2018.
- 69% expect gold's role in global reserves to keep growing.
- 81% believe global official gold holdings will remain stable or expand.

In 2023 alone, central banks added a net total of **1,037 tonnes** of gold — the second-highest annual total on record. Notable moves included Poland's boost of over 100 tonnes and China's reserves surpassing **2,200 tonnes**.

This wave of buying signals not just a lack of trust in fiat currencies, but also a **geopolitical recalibration** away from dollar dependence.

Conclusion: Gold vs. Other Assets—Stability Over Yield

In today's unpredictable world, **stability matters more than returns**.

The return of protectionism under Trump 2.0 — with soaring tariffs and escalating trade conflicts — has sparked a global flight to safety. Stock markets have wobbled, corporate earnings are under pressure, and emerging "safe havens" like Bitcoin have proven too volatile.

Against this backdrop, gold stands firm — a timeless anchor of trust.

Gold offers no dividends. It pays no interest. But when confidence collapses, **stability becomes the most valuable asset of all**.

Gold's dominance is not eternal. New forces — from digital currencies to shifting reserve strategies — could reshape the global financial landscape in the years ahead.

When everything else wavers, **gold stands firm**.

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Strategic Outlook and
Transformation Management
Office of the President