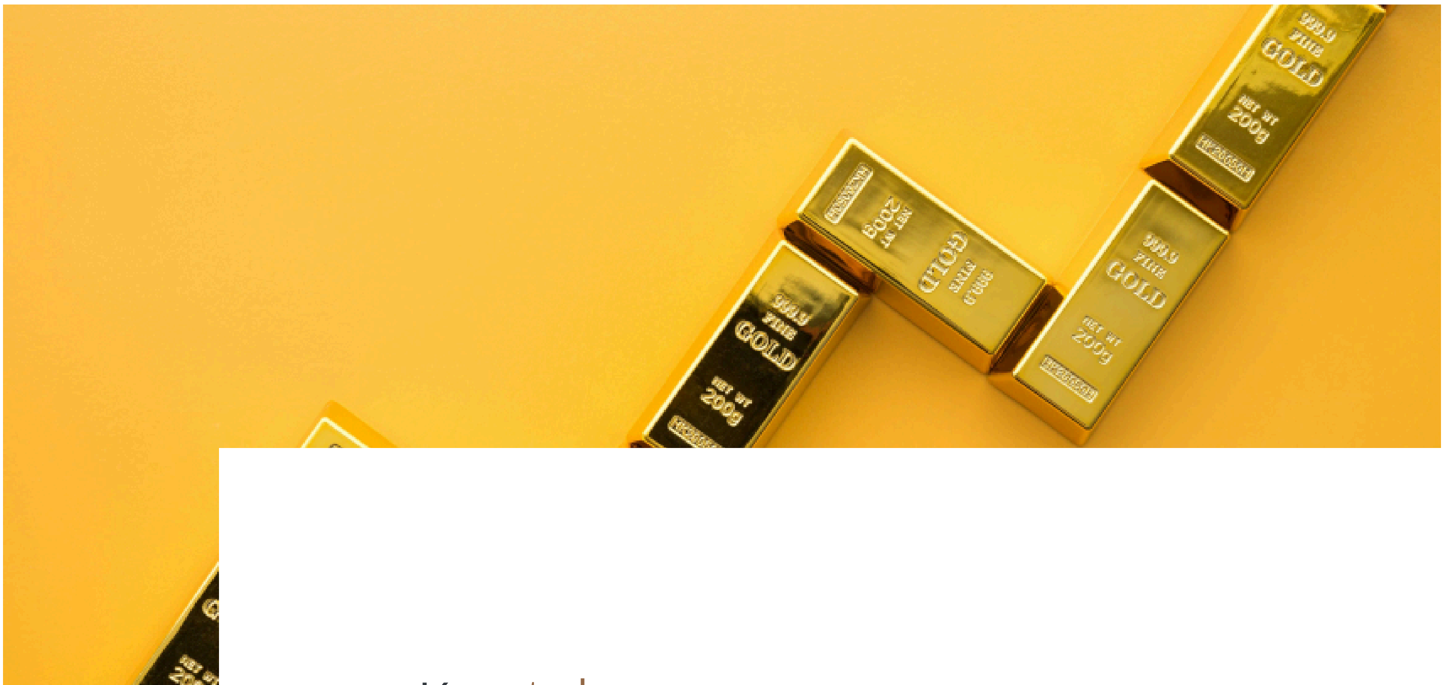
Will gold prices break $5,000/oz in 2026?

December 16, 2025

Gold prices surged in 2025 due to trade tensions, central bank and ETF demand. What is the gold price forecast for 2026 and beyond?

> **Will gold prices continue to hit all-time highs in 2026?**

Who will be the main buyers of gold in 2026?



Key takeaways

Gold prices soared in 2025, driven by tariff uncertainty and strong demand from ETFs and central banks.

Looking ahead, the 2026 and 2027 outlook for the metal remains bullish. Prices are expected to push toward $5,000/oz by the fourth quarter of 2026, with $6,000/oz a possibility longer term.

Central bank and investor demand for gold is set to remain strong, averaging 585 tonnes a quarter in 2026.

Will gold prices continue to hit all-time highs in 2026?

Gold prices posted continuous gains in 2025, climbing as much as 55% and surpassing $4,000/oz for the first time in October. Trade concerns, reduced demand for the U.S. dollar and increased central bank buying combined to create ideal conditions for this historic upswing.

After the explosive demand-led surge seen throughout 2025, what is the outlook for gold prices in 2026 and beyond?

“While this rally in gold has not, and will not, be linear, we believe the trends driving this rebasing higher in gold prices are not exhausted,” said Natasha Kaneva, head of Global Commodities Strategy at J.P. Morgan. “The long-term trend of official reserve and investor diversification into gold has further to run. We expect gold demand to push prices toward $5,000/oz by year-end 2026.”

Overall, J.P. Morgan Global Research is forecasting prices to average $5,055/oz by the final quarter of 2026, rising toward $5,400/oz by the end of 2027.

Gold price forecasts

	1Q 2026	2Q 2026	3Q 2026	4Q 2026	2026	1Q 2027	2Q 2027	3Q 2027	4Q 2027	2027
Gold	4,440	4,655	4,860	5,055	4,753	5,140	5,170	5,270	5,400	5,245

Source: J.P. Morgan Commodities Research, $/oz, quarterly and annual averages

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Traditionally, a weaker dollar and lower U.S. interest rates increase the appeal of non-yielding bullion. Economic and geopolitical uncertainty also tend to be positive drivers for gold, due to its safe-haven status and ability to remain a reliable store of value. It has low correlation with other asset classes, so can act as insurance during falling markets and times of geopolitical stress.

But given gold’s diverse and fluid drivers of demand at the moment, the metal has recently served both as a debasement hedge – or a form of protection against the loss of a currency’s purchasing power due to inflation or currency debasement – and in its more traditional role as a non-yielding competitor to U.S. Treasuries and money market funds.

“In the third quarter of 2025, investor (ETFs, futures, bars and coins) and central bank gold demand totalled around 980 tonnes, over 50% higher than the average over the previous four quarters,” said Gregory Shearer, head of Base and Precious Metals Strategy at J.P. Morgan.

Following the recent price rises, the surge in demand is even starker from a notional perspective, as around 950 tonnes translates to approximately $109 billion of quarterly demand inflow at average gold prices of $3,458/oz in the third quarter of 2025 – about 90% higher than the average of the previous four quarters.

Who will be the main buyers of gold in 2026?

Following gold’s relentless run higher, some investors have questioned who the major buyers of gold will be in 2026. Underpinning J.P. Morgan Global Research’s price forecasts is continued strong investor and central bank gold demand, which is projected to average around 585 tonnes a quarter.

“We continue to lean on the relationship between tonnes of quarterly investor and central bank demand and prices to derive our gold price forecast,“ Shearer said.

As a rule of thumb, this relationship – which explains around 70% of the quarter-on-quarter (qoq) change in the price of gold – implies that around 350 tonnes or more of quarterly net demand from investors and central banks is needed for gold prices to rise each quarter. Every 100 tonnes above 350 is worth around a 2% qoq rise in the price of gold.

"Looking to 2026, we see around 585 tonnes of quarterly investor and central bank demand on average, comprising around 190 tonnes a quarter from central banks, 330 tonnes a quarter in bar and coin demand and 275 tonnes of annual demand from ETFs and futures, mainly front-loaded over next year," Shearer added.

Central banks

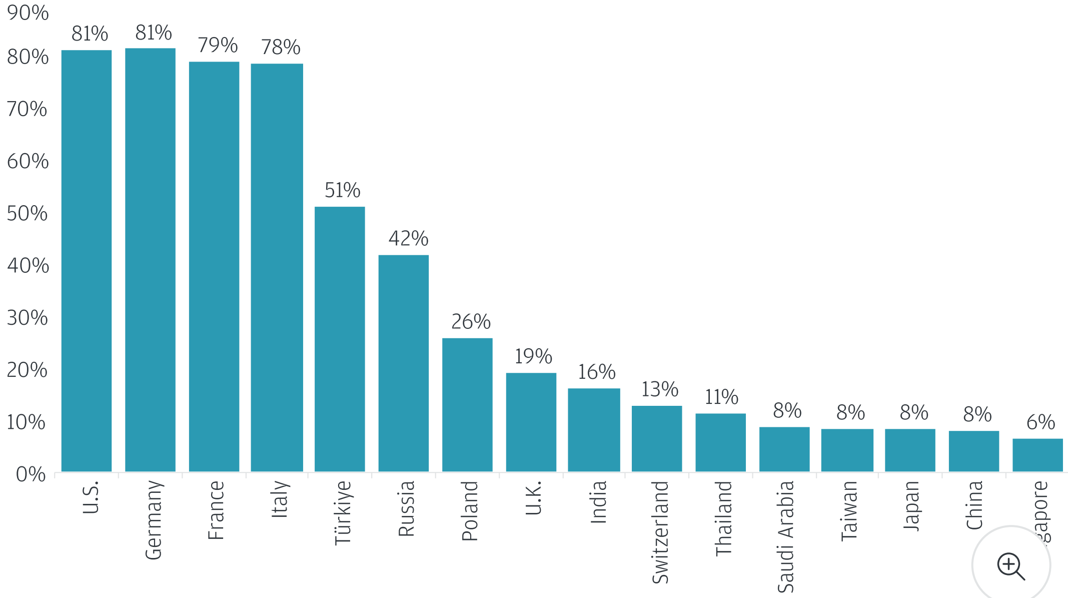
Even with three consecutive years of more than 1,000 tonnes of central bank gold purchases, the structural trend of higher central bank buying has further to run in 2026, according to J.P. Morgan Global Research.

Around 755 tonnes of central bank purchases are expected in 2026—a step lower than the peak of the last three years of more than 1,000+ tonnes, but still elevated when compared with pre-2022 averages, which were closer to 400–500 tonnes.

This decline is more of a mechanical change in central bank behavior rather than a structural shift. With prices around $4,000/oz and above, central banks simply don't need to purchase as many tonnes of gold to move their gold share to the desired percentage.

"We believe central bank demand will remain elevated next year and have been encouraged by strong buying in the third quarter of 2025, even with much higher gold prices," Shearer said.

Gold as a percentage of total reserve holdings across select central banks



Source: World Gold Council, IMF, J.P. Morgan Commodities Research

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Diversification away from USD reserve holdings, while still moderate, has been accelerating in recent years, according to Currency Composition of Official Foreign Exchange Reserves (COFER) data from the International Monetary Foundation (IMF).

Globally, central bank gold holdings amount to nearly 36,200 tonnes and account for almost 20% of official reserves, up from around 15% at the end of 2023, according to reported IMF data through the end of 2024.

If central banks with a reported share of gold under 10% were to increase their gold holdings to 10% at a price of $4,000/oz, this would require a notional shift into gold of around $335 billion, or the equivalent of around 2,600 tonnes of purchasing.

Even at $5,000/oz, the same exercise results in a $194 billion notional shift into gold, or the equivalent of 1,200 tonnes of purchasing.

“With this in mind, we continue to monitor the largest reserve holders with a reported gold share below 10%. Brazil reported purchases of 15 tonnes in September and another 16 tonnes in October, while the Bank of Korea also publicly discussed ‘plans to consider additional gold purchased from a medium- to long-term perspective,’” Shearer said.

At the same time, some of the largest buyers in recent years have been central banks whose gold holdings already exceed 10%. According to a 2020 BIS study, central banks in emerging markets (EM) or those using commodity currencies benefit from holding more than 20% of their reserves in gold, as it provides strong protection against foreign exchange risk.

Investors

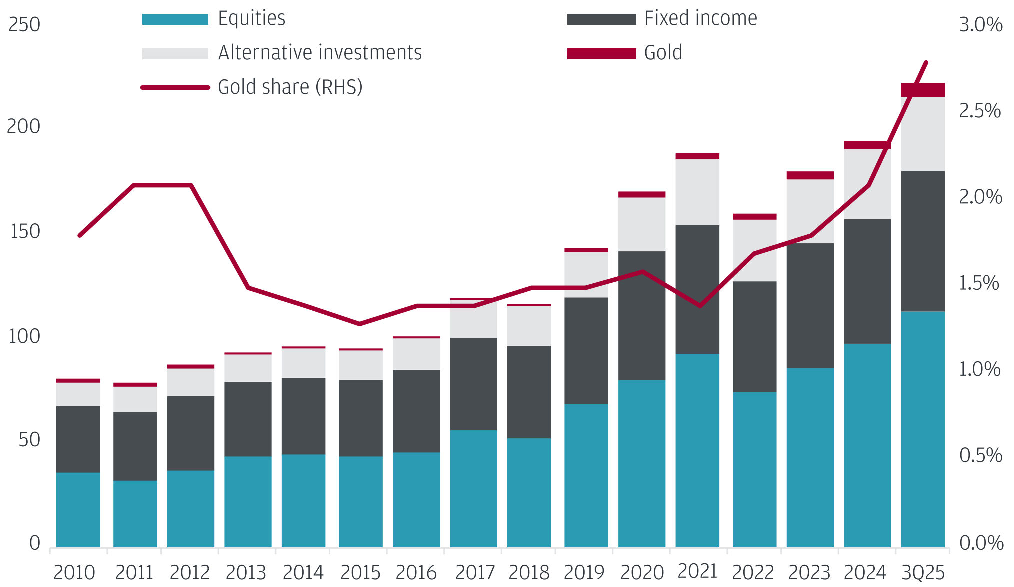
Central banks haven't been the only ones increasing their relative share of gold holdings over the last couple of years, with investor demand set to expand too.

In the financial gold markets, investors' futures positioning remains long, or with an expectation the price will rise in value in the future.

While it is the quickest component from a flows perspective, futures positioning is only one relatively small part of broader gold investor holdings, which also include gold ETFs and physical bar and coin holdings.

J.P. Morgan Global Research forecasts ongoing robust investor demand for gold, with around 250 tonnes of inflows into ETFs expected in 2026, while bar and coin demand is once again set to surpass an elevated 1,200 tonnes of annual demand.

Investors now hold 2.8% of AUM in gold



Global financial assets ($tr) and gold's share (inclusive of bar & coin holdings)

Source: World Gold Council, Metals Focus, CFTC, MSCI, IMF, J.P. Morgan

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As of the end of September, driven by the sharp rally in prices as well as robust investor inflows, investor holdings of gold (via ETFs, bars and coins, and COMEX futures) reached around 2.8% of total assets under management (AUM) of equities, fixed income (ex-central bank reserves) and alternatives.

"While gold's share of total investor AUM has grown by around one percentage point over the last two years as prices and demand have increased, we still see the potential for this share to rise toward 4–5% over the coming years," Shearer noted.

> *"We believe central bank demand will remain elevated next year and have been encouraged by strong buying in the third quarter of 2025, even with much higher gold prices."*

Gregory Shearer
Head of Base and Precious Metals Strategy,
J.P. Morgan

Historically, ETF holdings are driven primarily by changes in interest rates, as lower rates increase the attractiveness of non-yielding gold as a risk-free asset.

Gold ETFs could continue to attract inflows in the coming months on expectations of a Federal Reserve (Fed) easing cycle, driving support for prices. This would also align with gold's usual pattern during the early stages of Fed rate cuts: after a brief dip and a period of stability for two to three months following the first rate cut, gold prices typically start rising again from the fourth month onward.

"Looking longer-term, we think part of this year's outperformance of gold ETF holdings versus expectations, based on changes in U.S. yields alone, is symptomatic of a more structural trend of greater investor diversification into gold," Shearer noted.

There is also further potential for gold's ownership pool to grow next year, with sources ranging from Chinese insurance companies to the crypto sphere.

"While precisely timing the catalysts and inflows that will push prices higher remains difficult, we continue to have strong conviction that gold demand will have enough firepower to continue to push prices toward $5,000/oz in 2026," Shearer said.

"If anything, we think our investor demand assumptions are potentially on the conservative side. We have laid out a scenario where if diversification of just 0.5% of foreign U.S. asset holdings into gold took place, it would be enough new demand to drive prices to $6,000/oz. With gold mine supply relatively inelastic and slow to respond to these higher prices and demand expected to remain robust, risk continues to skew toward reaching this multi-year target much quicker than expected," Shearer added.

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