What will gold be worth by the end of 2024? Here's what some experts predict.

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There could be a significant shift in gold prices this year, experts say.
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Gold may be seen by many as a safe store of value, but that doesn't mean that the price of gold per ounce always stays the same. On the contrary, gold prices can move up or down significantly like other assets, depending on factors like supply vs. demand and what's happening in the broader economy.

Recently, gold has been on the upswing, with many investors turning to this precious metal to try to counter high inflation and economic uncertainty. April saw record gold prices of just over $2,400 per ounce, and over the past year, gold cost per ounce has gone up around 16%, according to World Gold Council data.

"Gold is an uncertainty hedge and historically performs well during times of war. Gold is also traditionally viewed as an inflation hedge, and the stubbornly high inflation levels have encouraged investors to add this hard asset to their investment portfolios as a way to protect against rising prices," says Chris Gaffney, president of world markets at EverBank.

But will gold prices continue to rise going forward, or has it reached its peak? Here's what the experts say.

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Experts don't always agree on where gold value is heading, nor is it possible to know for sure what will happen. But if you want to get a sense of some potential scenarios for what gold will be worth by the end of 2024, consider the following:

Gold will approach $2,500 per ounce

One possible scenario is that gold prices will keep rising this year. Although the precious metal has dipped down a bit below the recent record gold value, it remains up substantially for the year and could surpass previous highs.

With gold rising this year to "an all-time high, there could be continued strength fueled by growing uncertainty around geopolitical affairs, the Federal Reserve's stance on interest rates and inflation, and our own upcoming election. Given that these pressures are only likely to increase through the remainder of the year, investors and central banks will likely maintain their appetite for gold to safeguard their portfolios against inflation and market instability," says Michael Unger, vice president of investments and planning at Coral Gables Trust.

As such, he expects that gold value will reach between $2,400 and $2,500 per ounce.

"This would support an additional upside of approximately 7% and take the 2024 return to 20%," he says.

Similarly, Gaffney also predicts that gold costs will approach $2,500 per ounce by the end of the year.

"I view the recent pullback in gold price as a healthy reset in a continued bull market for precious metals and expect additional volatility in prices as the year progresses. However, the overall bullish trend should continue, given all of the factors which have propelled gold to these recent highs," he adds.

Gold will break $2,600 per ounce

Another possible scenario is that gold values will blow past the recent record gold cost due to the unique mix of circumstances that seem to be occurring this year.

"There are a variety of factors in 2024 which will likely drive gold prices higher, including geopolitical tensions, interest rate cuts, central bank buying and others," says Patrick Yip, senior director of business development at APMEX.

"Since 2000, gold has had an average annual return of 9.5%. With gold already rallying north of 10% year to date, it would not surprise me to see gold's return at the top quartile of returns seen since 2000, which would mean a 25%+ annual return. This would result in a year-end price north of $2,600," he adds.

Gold will drop below $2,000 per ounce

While some see record gold prices continuing to increase, not everyone agrees.

Gold prices typically depend on real interest rates, which is the difference between the headline interest rate and inflation rate, Charles Rinehart, chief investment officer at Johnson Investment Counsel, explains.

High real interest rates correspond with low gold prices, while low real rates coincide with higher gold prices, he says. That's because there's an opportunity cost at play, where investors have to weigh the income they could generate from other assets, like bonds, instead of gold.

"Real interest rates have climbed and now represent a meaningful foregone income for those holding gold. When viewed through the lens of this historical relationship, current real rates suggest gold is currently overvalued and could fall 20% or more from current prices," says Rinehart.

The bottom line

Gold prices recently hit a record, and they might not be done climbing. Some experts predict gold could rise to around $2,500 or even north of $2,600 per ounce, yet others predict a reversal from record gold prices.

Much could depend on what happens outside of the retail gold investing world.

There's been strong gold demand from central banks recently, due to factors such as geopolitical tensions, explains Rinehart.

"This suggests the price of gold has likely, at least for now, transitioned away from being a function of real rates and toward being a function of geopolitical uncertainty," he says.

"As such, emergent signs of increasing international stability and cooperation are likely to drive prices lower, while any escalation of current wars or further breakdowns in the stability of international trade relations and financial connectivity are likely to keep gold prices elevated," he adds.

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