

Markets

Gold to Reach \$3,000—50% Above Its Record, Bank of America Says

By [Elena Mazneva](#)

April 21, 2020, 4:03 AM PDT

Updated on April 21, 2020, 6:49 AM PDT

Bank of America Corp. raised its 18-month gold-price target to \$3,000 an ounce -- more than 50% above the existing price record -- in a report titled “The Fed can’t print gold.”

The bank increased its target from \$2,000 previously, as policy makers across the globe unleash vast amounts of fiscal and monetary stimulus to help shore up economies hurt by the coronavirus.

“As economic output contracts sharply, fiscal outlays surge, and central bank balance sheets double, fiat currencies could come under pressure,” analysts including Michael Widmer and Francisco Blanch said in the report. “Investors will aim for gold.”

Bullish Bet

BofA sees chance for gold to hit record \$3,000

■ Spot gold



BofA expects bullion to average \$1,695 an ounce this year and \$2,063 in 2021. The record of \$1,921.17 was set in September 2011. Spot prices traded around \$1,678 on Tuesday and are up 11% this year.

To be sure, a strong dollar, reduced financial market volatility, and lower jewelry demand in India and China could remain headwinds for gold, BofA said.

“But beyond traditional gold supply and demand fundamentals, financial repression is back on an extraordinary scale,” the report said.

– *With assistance by Jack Farchy*

(Updates prices in fourth paragraph)

In this article

BAC
BANK OF AMERICA
 22.66 USD ▼ -0.24 -1.05%

GC1
Gold
 1,753.50 USD/t oz. ▲ +16.60 +0.96%

