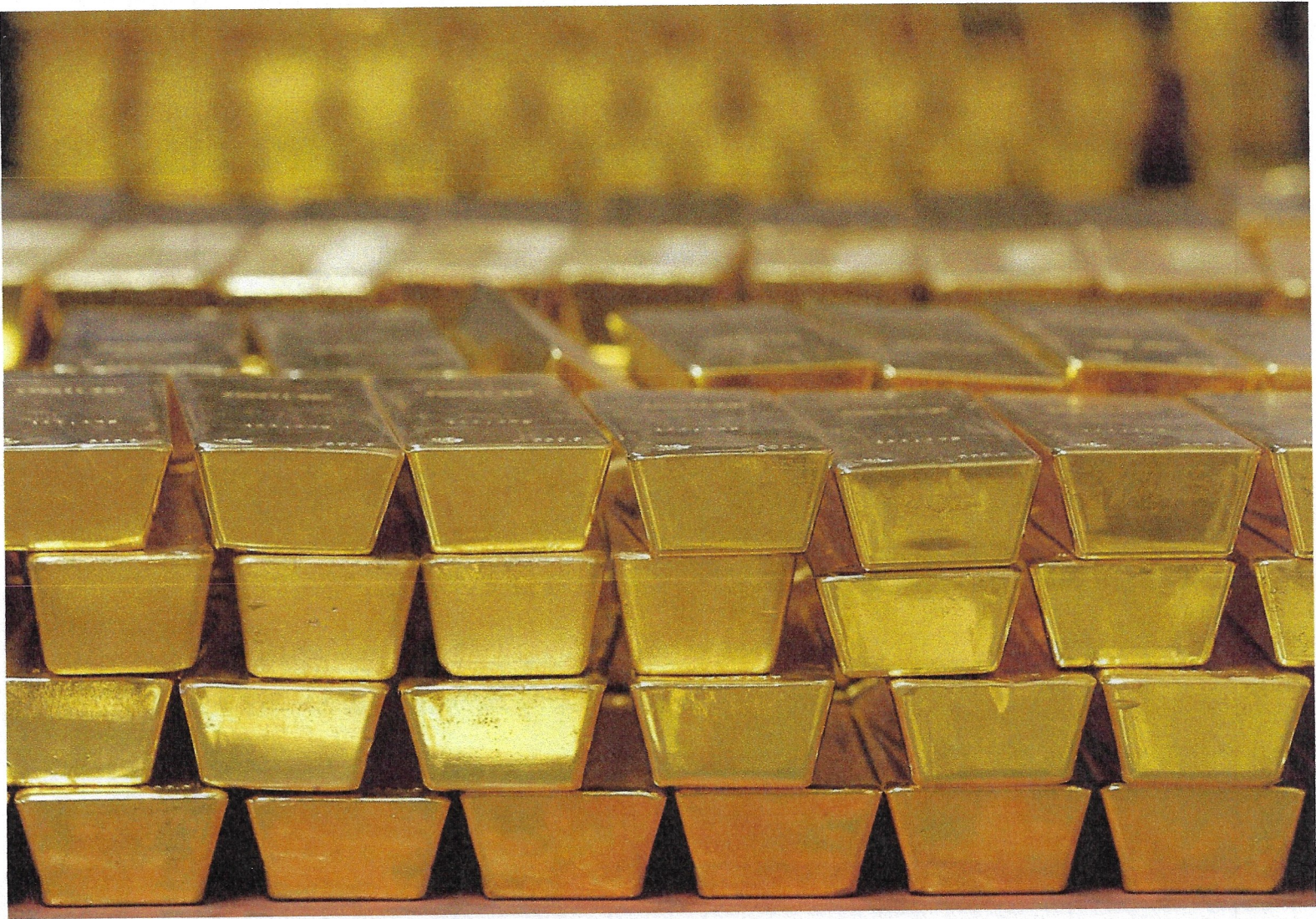


GOLD PRICES

What's behind the losses from recent records?



Gold bars are stacked in a vault at the United States Mint in 2014 in West Point, N.Y. MIKE GROLL — ASSOCIATED PRESS FILE

BY WYATTE GRANTHAM-PHILIPS

THE ASSOCIATED PRESS

NEW YORK>> Less than a day after gold soared to another record high, prices for the precious metal plunged — marking the biggest sell-off in years.

Gold futures in New York closed at a record \$4,374 per troy ounce on Monday, before falling more than \$250 (or 5.74%) Tuesday. That's the largest, single-day percentage drop seen since September 2011, according to data in FactSet. And despite some brief rebounds, losses continued to pile up Wednesday — with gold futures trading at about \$4,036 as of 11 a.m. ET.

Prices are still up since the start of 2025.

Gold sales often rise sharply amid wider economic uncertainty, as anxious investors seek a “safe haven” for their money. More have turned to gold amid President Donald Trump's barrage of tariffs on imports from around the world, rising concerns about

inflation and the now weekslong U.S. government shutdown. And even before that, geopolitical tensions and strong demand from central banks bolstered gold's gains over recent years.

But precious metals can be volatile — so it's not uncommon for gold to see day-to-day fluctuations in value. Some analysts say this week's pullback was triggered by hopes of cooling trade tensions between the U.S. and China, for example.

Meanwhile, criticism had already been growing that gold's price had gone too far, too fast. Others speculate there could be broader correction.

Here's what we know.

Again, gold futures were trading at \$4,036 per troy ounce — the standard for measuring precious metals — as of as of 11 a.m. ET. Wednesday.

Spot prices had previously closed Tuesday at just over \$4,125, down from a record more than \$4,355 on Monday.

Silver also saw some losses this week. Silver futures in New York fell more than 7% on Tuesday, before seeing slight rebounds Wednesday morning. Prices were trading at \$47.60 per troy ounce as of 11 a.m. ET, down from a record \$53.44 hit last week.

Why have prices tumbled?

No investment's price consistently goes up forever, and some fluctuation isn't surprising after such meteoric rises.

"Why precious metals sold off yesterday — and whether this is the beginning of a broader correction — remains to be seen," Ipek Ozkardeskaya, a senior analyst at Swissquote wrote in a Wednesday note.

Ozkardeskaya said Tuesday's losses were "triggered by hopes of easing trade tensions between the U.S. and China and a rebound in the U.S. dollar." Still, she noted that the future is far from guaranteed, and many of the same factors that drew buyers to gold this year remain.

"What probably better explained yesterday's precious metals sell-off was mainly the fact that the metals are now trading in deeply overbought market conditions with heightened volatility," she added, noting that further price pullback is possible.

Again, despite this week's losses, gold futures are still up 50% overall since the start of 2025. And silver has climbed even higher, up 60% year to date.

Is gold worth it?

Advocates of investing in gold call it a safe haven — arguing that the commodity can serve to diversify and balance your investment portfolio, as well as mitigate possible risks down the road as a hedge against rising inflation. Some also take comfort in buying something tangible that has the potential to increase in value over time.

Still, experts caution against putting all your eggs in one basket. Not everyone agrees gold is a good investment.

Critics say gold isn't always the inflation hedge many claim — and that there are more efficient ways to protect against potential loss of capital, such as derivative-based investments.

And again, as seen this week, it's not on common for gold to have day-by-day swings in value.

The Commodity Futures Trade Commission has previously warned people to be wary of investing in gold. Precious metals can be highly volatile, and prices rise as demand goes up — meaning "when economic anxiety or instability is high, the people who typically profit from precious metals are the sellers," the commission noted.

Mercury warnings

The recent frenzy for gold has also resulted in health and environmental consequences — with officials pointing to rising demand for mercury, a toxic metal that is key in illegal gold mining worldwide.

Mercury is widely used to separate gold during artisanal or small-scale mining. But it pollutes water, accumulates in fish, makes its way into food and builds up in people's bodies, leading to neurological and developmental harm.

