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Spectrum Auditing

From ancient spice routes to the City of Gold

How the world's oldest treasure found its newest home in Dubai

THE STORY

The Golden Thread: from ancient spice routes to the City of Gold

How the world's oldest treasure found its newest home in Dubai and what it means for you.

$5,597
ALL-TIME HIGH PER OUNCE · JANUARY 2026

$4,000+

2×
RISE IN JUST TWO YEARS

Gold is having a moment. It touched an all-time high of about USD 5,597 per ounce in January 2026 and, even after cooling off, still trades above USD 4,000; roughly double where it stood just two years ago. Tensions in our region have reminded the world why this metal never goes out of fashion, and Dubai, the City of Gold, sits right at the heart of the story. In this edition of Spectrum Times, we take you on a journey through time to understand where gold came from, why it moves the way it does, and what it means for investors here in the UAE.

Where it all began

Gold has been treasured for longer than money has existed. The Egyptians were burying their pharaohs with it five thousand years ago, and the kingdom of Lydia, in what is now Turkey, struck the first gold coins around 600 BCE. From the Roman aureus to the Islamic dinar to the British sovereign, every great trading civilisation eventually settled on gold.

The reasons are simple. It does not corrode, it cannot be printed, it is scarce, and it is recognised everywhere on earth. Gold needs no government to guarantee its value — which is exactly why people reach for it when their faith in institutions wavers.

The spice trade: how India became the sink of the world's gold

Long before oil, the most valuable cargo on earth was spice. Pepper, cardamom, cinnamon and cloves from India and the East commanded fortunes in Rome and, centuries later, in the courts of Europe; fine Indian cotton and silk were just as coveted. The problem for the buyers was that India wanted very little of what they produced in return. Gold was the only commodity worth trading, so ship after ship sailed east laden with gold and silver and returned carrying spices and textiles.

The drain was so severe that Pliny the Elder famously complained that India was swallowing one hundred million sesterces from Rome every single year. Hoards of Roman gold coins are still unearthed across South India today — silent witnesses to that ancient trade imbalance.

For nearly two thousand years, through the age of the spice routes, gold flowed into the subcontinent and rarely flowed out. Economic historians came to call India the sink of the world's gold. That centuries-long accumulation planted the deep cultural attachment to gold that Indian families carry to this day, a point we will return to shortly.

FIVE THOUSAND YEARS IN ONE LINE

3000 BCE	Pharaohs buried with gold
600 BCE	First gold coins, Lydia
1870–1914	Classical gold standard
1944	Bretton Woods: $35/oz peg
1971	Nixoncloses the gold window
2026	$5,597 all-time high

Gold anchors the world's money

Fast forward to the modern era, and gold graduated from treasure to the very foundation of the global monetary system. Under the classical gold standard, which ran from roughly 1870 to 1914, major currencies were defined as fixed weights of gold. Fixing each currency to gold automatically fixed exchange rates between countries - which is why gold became the X-factor in currency pegging for the whole world. A pound, a franc or a dollar was simply a claim on a specific amount of metal.

After the Second World War, the Bretton Woods agreement rebuilt this system in a new form. The US dollar was pegged to gold at USD 35 per ounce, and every other currency was pegged to the dollar. Gold remained the anchor of world money until 1971, when President Nixon closed the gold window and currencies began to float freely. The age of fiat money had begun.

The fiat era and gold's quiet comeback

Officially, gold stopped being money in 1971. Unofficially, it never left. Central banks around the world still hold about 37,000 tonnes in their vaults, because gold is the one reserve asset that is nobody else's liability. It cannot be frozen, sanctioned, defaulted on or devalued by a foreign government.

After Russian reserves were frozen in 2022, that quality suddenly mattered a great deal. Central banks in China, India, Turkey and the Gulf have been buying more than a thousand tonnes a year since then quietly re-monetising the metal the world officially retired half a century ago.

How much gold does our planet actually hold?

Here is a fact that surprises most readers. All the gold ever mined in human history amounts to roughly 216,000 to 220,000 tonnes. Melted together, it would form a cube only about 22 metres on each side, small enough to fit comfortably under the Eiffel Tower. Because gold is virtually indestructible, nearly all of it still exists, endlessly recycled from ancient coins into modern wedding bands.

What remains underground is even more striking. Known mineable reserves are estimated at only 54,000 to 64,000 tonnes, perhaps twenty to twenty-five years of production at current rates. New deposits are getting deeper, rarer and costlier to reach. This hard scarcity is the bedrock of gold's value. Unlike currency, nobody can print more of it.

> *"For nearly two thousand years, gold flowed into the subcontinent and rarely flowed out.*

37,000 tonnes

GOLD STILL HELD IN CENTRAL BANK VAULTS WORLDWIDE

1,000+ tonnes

BOUGHT BY CENTRAL BANKS EVERY YEAR SINCE 2022

DID YOU KNOW?

Every ounce of gold ever mined would fit in a single 22-metre cube — small enough to sit under the Eiffel Tower.

Why the price moves: the forces at work today

Gold pays no interest and no dividend, so its price is essentially a barometer of fear, faith and the cost of money. Five forces drive it.

- **Geopolitics.** Conflict sends investors into safe havens. The current confrontation around the Strait of Hormuz — through which a fifth of the world's oil passes — is a textbook gold catalyst.
- **Real interest rates.** When US rates are high, holding gold carries an opportunity cost. When the Federal Reserve cuts, gold tends to rally.
- **The US dollar.** Gold is priced in dollars, so a weaker dollar lifts gold. Doubts about Western deficits have added a structural tailwind.
- **Central-bank buying.** Official purchases above a thousand tonnes a year have put a firm floor under the market.
- **Inflation.** Gold remains the classic refuge when paper money loses purchasing power.

One metal, many economies

Gold's price ripples through every country, but unevenly. Importing nations such as India feel it in their trade deficit: gold is consistently among India's largest imports, and a price surge pressures the rupee. Producing nations such as China, Australia, Russia and Ghana enjoy windfall export revenues.

Central banks everywhere have seen their reserve valuations swell, effectively a huge balance-sheet upgrade since 2024. For savers in weak-currency economies such as Turkey, Argentina and Egypt, gold is less an investment than a lifeline: the only savings vehicle that outruns local inflation. And for the Gulf, gold means trade, refining, logistics and financial-services revenue.

There is a paradox visible right now. Gold recently dipped to around USD 4,030 even as regional tensions flared. After a steep run to USD 5,600, markets had already priced in bad news, so every pause in escalation triggers profit-taking. Volatility of this kind is not a flaw, it is simply what happens when fear and interest-rate mathematics pull in opposite directions.

INDIA:

THE WORLD'S LARGEST PRIVATE TREASURY

25,000 tonnes

GOLD HELD BY INDIAN HOUSE HOLDS — WORTH USD 5 TRILLION

Thatis more than the combined official reserves of the world's top ten central banks — including the 8,133 tonnes held by the US Federal Reserve — and exceeds India's annual GDP. It sits in temple vaults, bank lockers and bridal trousseaus, accumulated over generations as savings, security and celebration. Every rise in the gold price makes Indian households collectively wealthier — and makes Dubai, their favourite place to buy gold, busier.

TRAVELLER'S BOX
CARRYING GOLD TO INDIA

Duty-free jewellery: ~20 g for men, 40 g for women returning to India (by weight, subject to eligibility).

Concessional duty: after 6+ months abroad, up to 1 kg of gold at ~6% duty, paid in convertible foreign currency.

Standard duty: without the residency condition, effectively 38% or more.

Form matters: the allowance covers jewellery only — bars, coins and biscuits must always be declared.

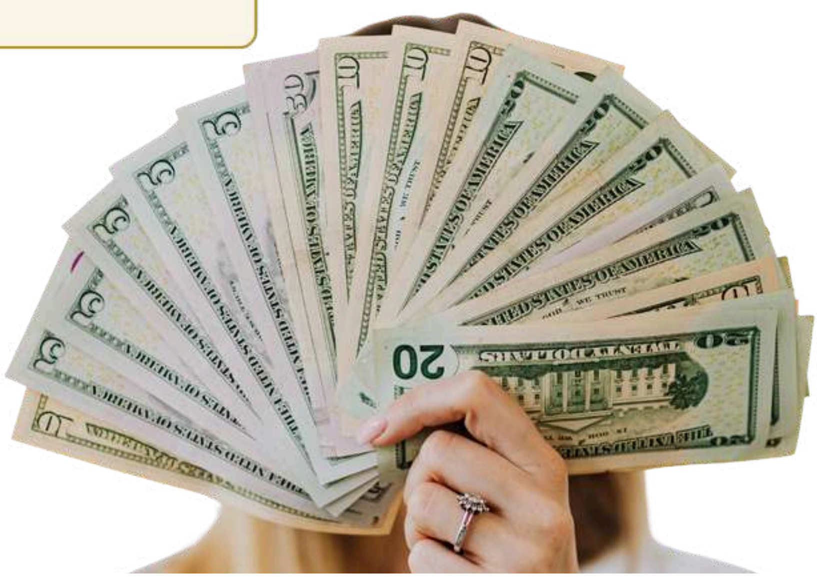
Declaration: anything above the limit goes through the Red Channel; undeclared gold risks confiscation and prosecution.

Rates change with every budget — verify with Indian customs before you travel. (India Budget 2026 position.)

Dubai and the UAE: the modern City of Gold

Dubai did not earn its nickname by accident — it engineered it. The UAE now accounts for roughly a quarter of the world's gold trade, overtaking the United Kingdom as the second-largest trading hub on earth. More than 4,000 precious-metals firms operate in the DMCC free zone, the DGCX is setting record volumes, and the Deira Gold Souk remains one of the world's great physical markets.

Four advantages explain this success: geography (two billion consumers within a four-hour flight), tax policy (no personal income or capital-gains tax; investment-grade gold effectively VAT-free), infrastructure (world-class refining, vaulting and exchanges) and stability when uncertainty rises elsewhere, capital seeks a secure, neutral, well-regulated home, and much of it lands here.



WAYS TO INVEST IN GOLD — PROS AND CONS

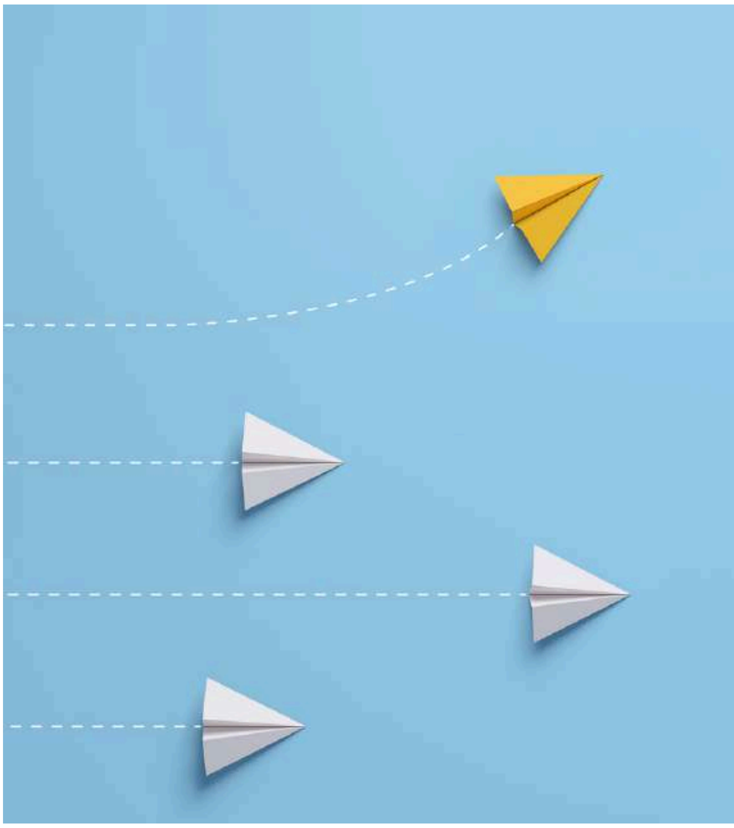
Route	Pros	Cons
Physical bars & coins	Direct ownership, no counterparty risk; bought near spot in Dubai; universally accepted.	Needs secure storage and insurance; small spreads; no income while held.
Gold jewellery	Wearable wealth with cultural and family value across generations.	Making charges of 8–25% lost on resale; purity varies; least efficient route.
Gold ETFs	Low cost (~0.3–0.5% p.a.); highly liquid; no storage worries.	You own a fund unit, not metal; needs a brokerage account; fees compound.
Digital gold platforms	Start with very small amounts; convenient 24/7 app-based dealing.	Regulation still evolving; you depend on the platform's custody.
Mining shares & funds	Leveraged exposure; profits can outrun the gold price; some pay dividends.	Equity risk, not pure gold risk; falls harder in downturns.
Futures & derivatives (DGCX)	Powerful hedging and trading tools; deep liquidity on Dubai's exchange.	Leverage cuts both ways — for experienced traders, not savers.

A sensible allocation for most portfolios is 5–15%. Think of gold as insurance first and investment second — and size it that way.

Is gold a safe bet?

The word "safe"deserves honesty. Gold can fall 20 percent in a few months, as the retreat from January's peak reminded everyone. Over long horizons, however, its record is unmatched. It has held its purchasing power across five millennia while every paper currency ever created has depreciated or disappeared. It carries no default risk and depends on no government's solvency.

It is deeply liquid — sellable within minutes anywhere from Zurich to Deira — and it tends to rise precisely when shares, bonds and currencies fall, which is the very definition of portfolio insurance. Its supply grows barely 1.5 percent a year, while paper money supplies expand far faster.



So, is this an opportunity?

Our honest answer: **yes, with discipline.**

The case for optimism is strong: central-bank buying, questions over Western deficits, constrained mine supply, and a region that keeps reminding the world why safe havens exist. If tensions around the Strait of Hormuz escalate further, gold's safe-haven bid returns instantly.

The case for caution is equally real. Gold has already doubled in two years, and buying any asset after a steep climb requires humility. Those who rushed in near USD 5,600 have felt the sting of the pullback.

The sensible path lies between the two. Accumulate systematically rather than in one lump sum - regular monthly buying smooths the volatility. Keep gold to a measured share of your portfolio. Prefer low-cost formats such as bars and ETFs over ornamental jewellery. And if you live in or near Dubai, use the structural edge this city offers: spot-price access, tax-free gains and world-class custody that investors elsewhere can only envy.

The turbulence around us is sobering, and we wish the region calm. But it carries gold's oldest lesson: when trust in institutions wavers, humanity returns to the one asset that requires trust in nothing. Today, more than ever, the road to that asset runs through Dubai.

> "
> *Gold will not make you rich quickly. Its job is to stop you becoming poor slowly.*

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