

# The Extreme Bounds of Gold

Dirk G. Baur<sup>a</sup>, Brian M. Lucey<sup>b</sup>, Samuel A. Vigne<sup>c</sup>

<sup>a</sup>*University of Western Australia, 35 Stirling Highway Perth WA 6009 Australia  
email: dirkgbaur@gmail.com*

<sup>b</sup>*Trinity Business School, Trinity College Dublin, Dublin 2, Ireland  
email: blucey@tcd.ie (corresponding author)*

<sup>c</sup>*Trinity Business School, Trinity College Dublin, Dublin 2, Ireland  
email: vignes@tcd.ie*

---

## Abstract

Using Extreme Bounds Analysis (EBA) in the spirit of Leamer (1983), Granger and Uhlig (1990) & Sala-I-Martin (1997) we examine the determinants of the prices of Gold between 2003 and 2015. We identify a wide variety of potentially explanatory variables, apply both a naive and a more sophisticated EBA analysis and conclude that traditional explanatory variables still play an important role in determining the price of gold, but also, that other less traditional variables such as the UK Economic Uncertainty index and the Case-Shiller Real Estate index seem more important than initially suggested.

*Keywords:* Gold, Extreme Bounds Analysis, Leamer, Sala-i-Martin  
*JEL Code* B23; C55; F21; F23 ; F37 ; G15; Q02

---