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Goldex set to revolutionise the gold trading market

What does Goldex do?

Goldex is a company set up by Sylvia Carrasco and Fernando Ripolles which aims to use modern technology to aggregate live gold prices in the same way that the markets were able to aggregate live equity prices after the Big Bang in London, back in the late 1980s.

What's the opportunity?

Goldex is planning to do to the gold market what the Big Bang did to equities

If gold is bought purely as an investment asset, then the cost and ease of dealing is of prime importance.

This may sound like a platitude, but actually it's not as easy as it sounds to source the best price for gold at any given moment, given that the AM and PM fixes are largely abstract and the spot gold price doesn't in itself allow for spreads or other dealing costs.

This is where Goldex comes in, and the company has the experience to do it.

Carrasco and Ripolles were right at the centre of the action all those years ago: they've seen how it's done and what an impact it can make.

What does the chief executive say?

"The physical gold market is quite siloed for its different users," explains Carrasco.

"The model for every single gold dealer is pretty much the same: they own an asset and then sell it on to a buyer. So every single participant in the market acts as a principal. And the dealers make up the price and make commission on the spread."

If all dealers were signed up to a reputable platform and were able to provide competing bids and offers, the situation would change. That platform is Goldex.

"All dealers tell you they offer the best prices," says Carrasco.

"But statistically that's not possible. It's a minefield. So what we do at Goldex is we connect multiple dealers, all these market participants, and we have them posting bids and offers on our platform."

Is this about the gold price?

Carrasco herself is a great believer in the long-term value of gold, but it's not the role of Goldex to take a view on price at all.

"When you want to buy gold, the smart order router identifies who is offering the best price," she explains. "It can even

Share Information

Code: GOLDEX

Listing: PRIVATE-UK

Sector: Financial Services

Website: goldexapp.com

Company Synopsis:

Goldex is an intuitive app for gold investors that provides the first global marketplace delivering instant and fair pricing for physical gold. Its technology enables seamless buying and selling of gold at the best prices 24 hours a day, 7 days a week. All gold bought through Goldex is legally owned by its investors, insured and safely stored in independent vaults.

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split the purchase into multiple execution messages in order to give the consolidated best price to the customer, which is exactly the same way as the bond and equity markets work."

And there's an additional advantage which isn't immediately obvious to those not well versed in the ins and outs of gold trading.

When it comes to selling, the seller is in some sense a hostage to fortune to the dealer, because in most conventional transactions the dealer has been holding the gold in any case all along. The dealer will therefore be intricately involved in the sales process and minded, perhaps, to shave a couple of points off the price on the basis that possession is nine tenths of the law.

That can't happen in the Goldex system, because the platform will automatically find the best price for the seller.

"So, we're a multi-dealer hub," says Carrasco. "It's as close as you'll ever get to best execution."

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