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

What's the best way to buy gold?

The answer depends, of course, on what you're buying it for.

But if it's 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.

But this is where Goldex comes in.

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.

That may sound like a considerable technical undertaking, but 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.

"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."

It's true it's possible to shop around from one dealer to the next for best price, but that's a process that will take time, meaning that the actual idea of live prices becomes somewhat nebulous, and in any case, only a few dealers are likely to be within reach of a given customer.

But what if all dealers were signed up to a reputable platform and were able to provide competing bids and offers?

That's the question that Carrasco and Ripolles asked, figuring that in coming up with a new platform they would surely be creating a better way for investors and other traders to buy and sell gold.

"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."

And although Carrasco herself is a great believer in the long-term value of gold, it's not the role of Goldex to take a view

### Share Information

**Code:** GOLDEX

**Listing:** PRIVATE-UK

**Sector:** Financial Services

**Website:** [goldexapp.com](http://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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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 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."

But who uses the Goldex app?

Well, according to the company's vision, at the moment they are offering this service to retail investors through their own app, where they offer not just the best prices, but also charts, news and trade recommendations, and it won't stop there.

Carrasco envisages that institutions that have a larger retail investor base behind them will also be able to offer the best gold prices in physical gold to their own customers. They are already in conversations with multiple companies that are keen to get involved.

And how big is the overall potential?

Well, says Carrasco, the gold market is bigger than the S&P and NASDAQ. There's over US\$200bn worth of physical gold traded over the counter on a daily basis. If Goldex could eat into just a small chunk of that pie, then the payoff could be huge.

The company is already eyeing expansion into India, one of the world's biggest gold markets, and is expecting to launch there next year.

"The idea is that we will deliver multiple time returns to our current investors," says Carrasco.

"Every start-up's dream is to become a Unicorn and we are convinced that Goldex has everything going for it: an authentic USP and vision, a fantastic team, incredible investors behind us and the expertise after having done with equities previously. "

The good news is that it's not too late for new investors to come in. Goldex is currently in the process of a funding round to allow for the Indian expansion. There are many conversations already taking place between the company, venture capitalists and corporates.

When asked if she is happy to spread the word, Carrasco says "of course, I never take anything for granted and I am never complacent when it comes to fund raising, so yes, I am more than happy to discuss our fund raise opportunity if someone wants to know more."

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