

## No need to worry about precious metals



Fed policy may become a catalyst for higher gold prices.

Interest rate cuts will come, and history shows that they often come very quickly in inflationary times. Indeed, in the past nine Fed rate hike cycles, there were only five months between the last rate hike and the first rate cut. In a particularly inflationary period, from 1966 to 1989, in four of five Fed cycles, the corresponding time span was only one to two months. And if interest rates go down, this helps the price of gold go up. Chart analysts currently see positive developments in gold stocks in particular. For this, the Advance Decline line of the gold mining index GDX is consulted. This is a trend indicator that is considered one of the best leading indicators. Without going into more detail about this AD line and its calculation, it shows that similar to 2016 and 2018, a positive development of gold mining stocks can be expected in the medium term.

In the short term, unfortunately, the picture is not yet so positive, because a further downward movement in the stock market, less good for precious metals, is possible until the Fed turns around. Because traders and investors are rather risk averse in view of a threatening escalation in the Russia-Ukraine war. And there is still a risk of a further sell-off due to the strong U.S. dollar. Caused by the energy crisis and the Fed's aggressive rate hikes, the U.S. dollar is trading near 20-year highs. But any weakness yet to come represents a very good buying opportunity. That's where investors could look to stocks like Osisko Development or Condor Gold.

**Osisko Development** - <https://www.youtube.com/watch?v=5ILnR9Y6Vfc> - owns a highly prospective property in British Columbia, Canada, with its Cariboo gold project. Further projects in Mexico and the USA round off the portfolio.

**Condor Gold** - <https://www.youtube.com/watch?v=kXpdbVWy1S4> - is pleased to report very positive results from the feasibility study for its La India Gold Project in Nicaragua.

Current corporate information and press releases from Osisko Development (-  
<https://www.resource-capital.ch/en/companies/osisko-development-corp/> -).

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