

Eurozone inflation rate at ten percent in September - time for gold



The inflation rate is picking up speed. In August, it was still 9.1 percent in the euro zone.

So, inflation is not easy to get under control. The European Central Bank will have to raise interest rates substantially to make a difference. There was a similar situation in the 1970s. Back then, too, energy prices went up, leading to high inflation. At that time, the key interest rate was raised from four to 13 percent.

Next year, inflation is expected to fall somewhat, but still be high, perhaps at seven percent. Whether the ECB's forecasts of a two percent inflation rate in two years' time will come true seems extremely doubtful. The discrepancy between wish and reality is simply too great. For consumers, these are not pretty prospects for the near future. The energy crisis caused by the war in Ukraine is taking a toll on everyone. According to a recent survey, 25 percent are no longer saving at all. Independent asset manager Wisdom Tree has run three scenarios of how gold will perform in this environment in 2023. In the base scenario (inflation above five percent), gold is predicted to reach \$1,910 per ounce in September 2023. In the rather unlikely bull scenario (early termination of interest rate hikes), US\$2,330 per ounce is forecast. In the bear scenario (Fed gets inflation below two percent), investor interest in gold falls. Either way, gold investments simply belong in a diversified portfolio, for example with the stocks of Denarius Metals or Golden Rim Resources.

Denarius Metals - https://www.youtube.com/watch?v=PFbOw_s00ao - owns the Lomero project in Spain and the Zancudo and Guia Antigua projects in Colombia, with gold, silver, zinc, copper and lead in the ground.

Golden Rim Resources - <https://www.youtube.com/watch?v=hp43PHQCK88> -, active in West Africa has one gold project in Guinea and one in Burkino Faso, the Kouri project.

Current corporate information and press releases from Denarius Metals (<https://www.resource-capital.ch/en/companies/denarius-metals-corp/>).

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