

But still the golden 2022



At Canadian broker TD Securities, confidence is growing that gold should rise this year. Thus, the time has come for gold stock engagements.

Bart Melek, head of commodity strategy at well-known broker TD Securities, can imagine that the rate hike expectations currently prevalent in the market will be disappointed. "The possibility of weak economic data after the omicron and somewhat lower inflationary pressures, as well as the lack of a strict inflation target, are all factors that will likely keep the Federal Reserve from pulling the trigger on a rate hike in March, as consensus increasingly expects," Melek's latest statement is quoted as saying in his precious metals report by industry information service Kitco.

The market currently expects the Fed to raise interest rates four times. More are to follow in 2023. The first upward step is expected as early as March. But in fact, the Fed could still pull the Corona card out of its sleeve, surprising many. After all, the labor market in the U.S. does not look as robust as desired. The government's high level of debt should prohibit a strong wave of interest rates anyway. Thus, even if interest rates rise from the summer, real yields will remain negative. That should be good for gold. But then the further statement of TD Sec man Melek surprises. For he sees gold in the second half of the year rather at a good 1600 dollars per ounce. Even if Melek is a market expert. Can't he also be wrong, as he reproaches the other market players? The fact is that negative real interest rates are usually good for gold. Therefore, it might actually be worthwhile in the medium term to go against the opinion of individual experts by making investments. This could happen, for example, in the form of shares of companies with fundamentally good gold projects. One could think of Condor Gold or Fiore Gold with smaller stakes in order to keep the risk of Melek being right manageable.

Condor Gold - <https://www.youtube.com/watch?v=mFuZJgdUMh0> - owns the La India gold project in Nicaragua. It is forecast to produce an average of 157,000 ounces of gold annually for the first two years.

Fiore Gold - <https://www.youtube.com/watch?v=4wzUoeJmHrM> - has four projects, most notably the Pan Mine in Nevada.

Latest corporate information and press releases from Fiore Gold (- <https://www.resource-capital.ch/en/companies/fiore-gold-ltd/> -).

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