

## US dollar and rising interest rates weigh on gold price



The US dollar has reached its highest level since 2002. This, together with rising interest rates, is putting pressure on the price of the precious metal.

The Fed's next interest rate hike is eagerly awaited. The markets are pricing in a 90 percent probability of another 75 basis point rate hike. As bonds become more attractive when interest rates rise, the price of gold then weakens. Calculated in euros, however, the price of the precious metal shows more strength, not least because of the weakness of the euro. Recession fears have taken the place of inflation fears. Some experts see little potential for change in the gold price for the rest of the year, but there are also other opinions. If the euro were to strengthen again against the U.S. dollar, then the gold price in euro terms would tend to go down, thus generating further entry opportunities.

Supportive for the gold price and also the silver price are a prolonged Russia-Ukraine war and gold purchases by central banks. The gold price has come under the wheels, after the Fed has started to focus on inflation and according to the U.S. labor market data, the economic situation is still strong. Therefore, inflation fears are more likely to rise again, rather than a recession in the U.S., which in turn would be good for the gold price. Whether there will be a recession in the euro area if Russian gas deliveries fail to materialize, that is all still uncertain. If gas deliveries do fail to materialize, we would have to expect not only a recession, but also even higher inflation. Should Russia's actions escalate, this would drive up risk aversion in the markets. Regardless of which scenarios unfold, gold investors should take advantage of favorable entry moments, as gold has always stood the test of time in the long run. Aurania Resources or Victoria Gold would come into consideration.

**Aurania Resources** - <https://www.youtube.com/watch?v=BHvuKK-v-r8> - is working in the Andes in Ecuador on its exciting The Lost Cities Cutucu project (gold and copper).

**Victoria Gold** - <https://www.youtube.com/watch?v=m9UVP9VFjnA> - has been producing gold at its Eagle Gold Mine in the Yukon since 2019. There, Victoria Gold is the leading gold producer.

Current corporate information and press releases from Aurania Resources (- <https://www.resource-capital.ch/en/companies/aurania-resources-ltd/> -) and Victoria Gold (- <https://www.resource-capital.ch/en/companies/victoria-gold-corp/> -).

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