

The spectre of inflation is haunting



For the first time in almost 30 years, the inflation rate in Germany is approaching the four percent mark again.

The inflation rate in August was a whopping 3.9 percent. The inflation rate was higher in 1993, when it was 4.3 percent. It is primarily energy prices that are responsible for this today. Energy costs Germans 12.6 percent more than it did a year ago. This is because 60 euros are now due for certificates per tonne of carbon dioxide (CO₂) when diesel, oil, natural gas or petrol are burned. From July to December 2020, the VAT had been reduced. The fact that this is over is also making itself felt. Thus, services and goods will become more expensive.

Experts expect prices to continue to rise in the near future, with a possible inflation rate of five percent. Another bitter pill that citizens will have to swallow is real wage losses. With the Corona pandemic still in place, many employers are reluctant to raise wages; people have become cautious. In the second quarter of 2020, for example, compared to the same period last year, earnings for wage and salary workers rose by 1.9 percent. At the same time, however, consumer prices went up by 2.4 percent. So this is a calculation that is unlikely to please the citizens.

And the savings in the accounts are also not doing well due to the low interest rate policy. This means that savings are losing value, which is not a good scenario at the moment. In order to preserve the value of savings, however, there is a tried and tested store of value vehicle, namely gold. Also the values of the gold companies should not be missing in an investment. Gold Terra Resource or Caledonia Mining, for example, would come into question.

Gold Terra Resource - <https://www.youtube.com/watch?v=4mwHvYTmwAU&t=212s>
- owns the 800 square kilometre Yellowknife City Gold Project in the Northwest Territories, a high-grade property.

Caledonia Mining - <https://www.youtube.com/watch?v=suUbH5gFIW0> - has been producing successfully for years at the Blanket gold mine in Zimbabwe with the help of local investors.

Current corporate information and press releases from Gold Terra Resource (- <https://www.resource-capital.ch/en/companies/gold-terra-resource-corp/> -) and Caledonia Mining (- <https://www.resource-capital.ch/en/companies/caledonia-mining-corp/> -).

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