

The turnaround after a period of ultra-loose monetary policy



The ECB raised the key interest rate more than expected and adopted new crisis instruments.

Now banks no longer have to pay for parking excess money at the ECB. That's because the main refinancing rate has been raised by 0.50 percent. This is the first increase in eleven years. The ECB had to act, because it is currently far from the targeted two percent inflation. Most recently, consumer prices rose by 8.6 percent. The ECB also wants to be able to help highly indebted euro countries such as Italy with new instruments. After all, the aim is to avoid a euro crisis. However, it will be more than difficult to raise the inflation rate to the desired level by raising interest rates. From a global perspective, public debt is extremely high. High inflation figures should actually make gold a profiteer. This is opposed by aggressive interest rate hikes, which strengthen the U.S. dollar, which is not so beneficial for the gold price.

If the ECB and the Fed tighten monetary policy, raise interest rates sharply, then there could be a crisis situation of an economic nature. Then reforms would probably have to be introduced to get the economy going again. Gold would then probably first rise, then fall. If the ECB were to tighten less, the euro would continue to depreciate and the U.S. dollar would become stronger, actually not a good solution either. Even if gold would then rise in euro terms. If, on the other hand, the world should return to money printing, stagflation would probably be the result, weak stock markets, gold would tend to rise. However it continues, who believes in the long-tested gold, can also put a few shares of gold companies in the depot, for example, from Golden Rim Resources or Fury Gold Mines.

Golden Rim Resources - https://www.youtube.com/watch?v=Ua_SEHO89WQ - is a West African gold explorer with the flagship Kada project in Guinea. In addition, there is the Paguanta project in Chile (copper, silver, lead, zinc) and the Loreto porphyry copper project, also in Chile.

Fury Gold Mines - <https://www.youtube.com/watch?v=iPcFnyi7i3M> - operates in Nunavut, Quebec and British Columbia and has highly prospective projects there.

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

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