

Low gold prices are entry prices



Times like now, when the gold price is not so high, investors should use

Inflation, which has received a lot of attention, is still high. In this country, consumer prices rose by 8.7 percent year-on-year in January. In December, the inflation rate was still 0.6 percentage points lower. After being as high as 10.4 percent in October, it first went down a bit and now inflation has picked up again. In the euro zone, the inflation rate for January was 8.5 percent (after 9.2 percent in December). Interest rate hikes by central banks, for example in the USA, are still expected. In the wake of these expectations, yields on U.S. bonds have moved upward. For gold, this development is not particularly conducive. This means that the gold price could still lose some ground, even if it shows strength on the whole. However, this should not scare investors; on the contrary, they should use the time to position themselves favorably on the gold market.

But the Fed's interest rate hikes are temporary. In view of the enormous national debt, the Fed must take a different path, otherwise recession is to be expected. And when the Fed's tightening has come to an end, the hour of gold is likely to strike. By raising interest rates, the Fed has simultaneously reduced its balance sheet. So the Fed's holdings of U.S. Treasury bonds have fallen significantly after the massive bond-buying the Fed did in the wake of the pandemic. The consequence of the reduction in the Fed's balance sheet is that the market is less liquid. Incidentally, in 13 Fed rate hike cycles since 1950, there have been ten recessions, and a soft landing only three times. So investments in gold should actually pay off in the foreseeable future.

One could think of gold stocks like **OceanaGold** - <https://www.commodity-tv.com/play/oceanagold-ceo-insight-on-gold-production-increase-cost-reduction-and-exploration-potential/> - or **Trillium Gold Mines** - <https://www.commodity-tv.com/play/oceanagold-ceo-insight-on-gold-production-increase-cost-reduction-and-exploration-potential/>

[tv.com/play/mining-newsflash-with-aurania-resources-hannan-metals-labrador-uranium-and-trillium-gold/](https://www.resource-capital.ch/de/unternehmen/oceanagold-corp/) -.

OceanaGold is already producing, with projects located in the U.S., the Philippines and New Zealand. The company was very successful operationally and financially in 2022 and so dividends are being paid again.

Trillium Gold Mines owns a large prospective property package in the Red Lake mining district in Ontario. In addition, there are properties in Larder Lake, Ontario.

Current corporate information and press releases from OceanaGold (- <https://www.resource-capital.ch/de/unternehmen/oceanagold-corp/> -) and Trillium Gold Mines (- <https://www.resource-capital.ch/de/unternehmen/trillium-gold-mines-inc/> -).

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