

Gold price - still on the rise



The price of the precious metal has reached a new high of more than USD 2,251 per troy ounce.

The gold price rally has been intact since mid-February. At its March meeting, the Fed left the key interest rate at 5.25% to 5.5%. According to the Fed, interest rates will be cut three times in 2024, even if inflation has picked up again somewhat. This will weaken the US dollar and provide a further boost to prices. Because when interest rates peak, the US dollar is also likely to have peaked. After 13 years of a bull cycle, a correction in the US dollar, as measured by the DXY index, could therefore come. This is because lower US interest rates would make the demand for US dollar products less attractive for investment purposes.

The rise in the price of gold is primarily due to the central banks' hunger for gold and the increased geopolitical risks. The silver price has also benefited from a rise since mid-February. It is good news for gold fans that the experts are pretty much in agreement that the price of precious metals will rise not only in the short term, but also in the longer term. Real interest rates are still positive at the moment. It is therefore the interest rate cuts that are necessary for the real interest rate environment to become negative - and for the prices of precious metals to continue to rise. An inflation rate of 2.4 percent is expected in many cases by the end of the year.

This is not far off the target of two percent. Industry experts are also predicting strength in central bank gold purchases, for example the head of central banks at the World Gold Council, Shaokai Fan. The largest buyer of gold among the central banks last year was China. Chinese citizens also play a leading role in the purchase of gold bars and gold jewelry. So, there should be more golden times ahead. This is particularly true for gold companies. The producers include Karora Resources and OceanaGold.

Karora Resources - <https://www.commodity-tv.com/ondemand/companies/profil/karora-resources-inc/> - was able to produce more

than 160,000 ounces of gold in Western Australia last year. Between 170,000 and 185,000 ounces are planned for this year.

OceanaGold - <https://www.commodity-tv.com/ondemand/companies/profil/oceanagold-corp/> - is a medium-sized gold and copper producer with projects in the USA, New Zealand and the Philippines.

Current company information and press releases from OceanaGold (- <https://www.resource-capital.ch/en/companies/oceanagold-corp/> -) and Karora Resources (- <https://www.resource-capital.ch/en/companies/karora-resources-inc/> -).

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