

A weakening economy and inflation are keeping gold prices high



Everything looks at energy and other prices, inflation and how the central banks react.

The U.S. Federal Reserve wants to raise interest rates, but it is not yet known how many steps this will be. Because the economy should not be damaged, that is the problem. Inflation and a weakening economy are not easy to get a grip on. According to gold expert Ronald-Peter Stöferle, the market has already priced in interest rate steps to 3.5 percent by mid-2023. Stöferle believes a recession in the U.S. and Europe is possible. After all, the planned interest rate steps are quite aggressive. The market even expects interest rate cuts again for the USA in 2023.

One possibility, which has been used in the U.S. before and Japan is currently doing, would be to set a cap on bond yields (yield curve control). If necessary, the central bank could then buy government bonds, which would be quantitative easing. What happens to the gold price then? As we have already seen in the recent past, inflation or negative real interest rates are the ideal ground for the gold price to rise. According to industry experts, these negative real interest rates, especially in the U.S. and Euroland, will probably continue for years. Gold as a protection against inflation works and will increasingly drive investors into the safe haven gold. Because there are hardly any safe investment options left in the current situation of rising inflation and weak economic development, except for the tried and tested gold. Gold shares therefore belong in every portfolio. Skeena Resources or Fury Gold Mines would be suitable.

Skeena Resources - <https://www.youtube.com/watch?v=qwQHfVfmBy4> - has very large land positions in the Golden Triangle of British Columbia and is working to revitalize the formerly producing Eskay Creek gold-silver mine.

Fury Gold Mines - <https://www.youtube.com/watch?v=OxpuMtl-rsE> - has very good projects in Quebec and British Columbia.

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

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