

The German central bank makes losses - good for gold



The Bundesbank has used up more than 20 billion euros in provisions and reserves. This could increase the value of gold.

The losses are enormous. According to Bundesbank President Joachim Nagel, the burdens in 2024 will probably also be very high, meaning that no profits can be distributed for some time. The Bundesbank is therefore expecting another substantial loss in the current year. Last year's high interest costs, exacerbated by the European Central Bank's extensive bond-buying program, are to blame. The performance of the German Central Bank has therefore fallen drastically, even though it is one of the most respected institutions in the country. The Bundesbank had paid commercial banks significantly higher interest rates than the income from government bonds. This is because many of them have been paying low or negative interest rates for several years.

It is a good thing that central banks cannot become insolvent, but there is still the threat of transactions with negative equity. Only additional funds would help. Or a reduction in the key interest rate. But at the moment it is probably too early for that, as the focus is still on reducing inflation. In any case, this could give the gold price a boost.

What is currently positive for the gold price is the development on the precious metals market. Interest rates for fixed-term deposits and overnight money have fallen and investors in Germany seem to be pouring more money into precious metals again. Investors appear to be taking a wait-and-see approach, as order sizes have decreased. In any case, favorable gold prices are entry prices. Gold companies in the portfolio, bought at the right time, could also please investors.

Fury Gold Mines - <https://www.commodity-tv.com/ondemand/companies/profil/fury-gold-mines-ltd/> - has high-grade projects in Quebec and Nunavut as well as a large equity stake in Dolly Varden Silver and is well financed.

Skeena Resources - <https://www.commodity-tv.com/ondemand/companies/profil/skeena-resources-ltd/> - is working hard to revitalize the Eskay Creek and Snip gold projects in British Columbia. A final positive feasibility study has been completed.

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

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