

The "Halloween Effect"



There is a certain seasonality in various commodities, such as gold or silver. Halloween often marks a trend reversal.

When trading stocks, it doesn't hurt to look at seasonality. From a statistical perspective, patterns and probabilities repeat. If Halloween is all about the spooky, for investors this date is often the beginning of a time when nice returns can be made. For stocks, it's even the best time to buy. That's because stocks tend to perform better during the winter months, from November to April, than they do from May to October. Thus, some investors take advantage of the Halloween effect by buying stocks right after and selling them six months later. This strategy is closely related to the "Sell in May strategy." Economist Peter Arendas examined the U.S. Dow Jones benchmark index from 1980 to 2017, and the Halloween effect occurred in 28 of the 37 years examined, a rate of nearly 76 percent. The Dow Jones gained an average of 8.42 percent in the winter months, but only 1.56 percent in the summer months. Originally, the Halloween effect came from the City of London in the late 16th century and has been passed on from trader to trader ever since.

When asked why this effect occurs on Halloween, people point to the upcoming holiday season and the extra spending it creates for shoppers. On top of that, there is probably the traditional end-of-year stock rally. So, time to look around at gold companies, such as Fury Gold Mines and Fiore Gold.

Fiore Gold - <https://www.youtube.com/watch?v=oi0GmtOrxLM> - was able to achieve a record quarterly gold production of more than 13,000 ounces at its Pan Mine in Nevada. Overall, the company is striving to become a producer with a total of 150,000 ounces of gold annually.

Fury Gold Mines - <https://www.youtube.com/watch?v=bfEJaSmPGxg> - has prospective projects in Quebec, British Columbia and Nunavut, with several million ounces of gold in its properties.

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

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