

Inflation and no end - good for the gold price



The fact that inflation has not yet peaked in some countries is illustrated by the example of the United Kingdom.

Inflation of 10.1 percent in July marks another record high in the UK. That is, after all, the highest increase in 40 years. And the central bank there is even predicting up to 13 percent inflation to come. Food prices and energy prices in particular have caused the new record level. The fact that economic output is expected to fall at the same time makes matters even worse. So if inflation is forecast to be on the retreat for other countries, that is not necessarily the case.

This development should have a price-increasing effect on the gold price. If countries in the euro zone get into trouble, this should be priced into the precious metal. For example, in Italy, consumer prices are also rising, GDP growth is becoming much weaker and public debt has reached enormous heights. In Italy, inflation was consistently above ten percent between 1973 and 1984. It was only later that inflation rates were brought down. And historically high inflation rates can also be found in other EU countries. In Spain, consumer prices rose by 10.7 percent year-on-year in July. Looking at the euro area as a whole, inflation reached 8.9 percent in July (HPVI index).

According to a survey, 68 percent of Germans expect inflation figures to continue to rise, while only seven percent expect them to fall. More than half of German citizens are concerned about retirement provisions. In the long term, an investment in gold or gold shares can provide some security and stability or value retention.

With gold projects (Witwatersrand Basin), PGM metals projects and an exposure to battery metals, **Sibanye-Stillwater** - <https://youtu.be/PVts2qwFfPw> - shines on five continents.

Denarius Metals - <https://youtu.be/0vavK-uZyxQ> - is active in Colombia (Guia Antigua project, Zancudo project), with the flagship project being the Lomero project (gold, silver, copper, lead, zinc) in Spain.

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