

Inflation high - demand for gold high



Inflation in the UK is at its highest level in a decade. The British Royal Mint has a lot to do.

Investors are looking for inflation hedges. The British Royal Mint just recorded its second-strongest day this year. So physical demand for the precious metal is strong. To be precise, it was November 30 when the British Royal Mint counted twice as many transactions as usual on average for its gold products. Ten-ounce gold bars crossed the counter the most that day. The only other day in 2021 with more buyers was May 14, when the gold price fell back to US\$1,900.

Normally, the pre-Christmas period is rather quiet in this area. But now it looks different, investors are reacting to monetary policy and inflation. Because even if the Bank of England tries to raise interest rates in the new year, they are unlikely to get above the inflation curve. So real interest rates will remain negative. In the UK, the situation is similar to that in many euro member states; inflation is causing a decline in purchasing power because of the negative real interest rates. The consumer price index rose by 4.2 percent in the UK in October, compared with 3.1 percent in September. In the Kingdom, the consequences of the measures taken in the course of fighting the pandemic are coming up against the effects of the Brexit.

But even without Brexit, gold can be used to counteract currency devaluation. Because gold cannot be multiplied at will like fiat currencies, it retains its value. Gold companies are therefore in focus, such as **Osisko Gold Royalties** - https://www.youtube.com/watch?v=IJM_Vslaxmw -, a royalty company that also provides diversification with more than 160 licenses and precious metal purchases in North America.

Chesapeake Gold- <https://www.youtube.com/watch?v=VOJals6qVK8> - is also committed to the search for gold. Its Metates project in Durango, one of the largest

undeveloped gold and silver deposits in the world, is 100 percent owned by the company.

Current corporate information and press releases from Osisko Gold Royalties (- <https://www.resource-capital.ch/en/companies/osisko-gold-royalties-ltd/> -).

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