

The permanent value of gold



Gold does not stand for quick speculative profits but fulfills the function of a currency.

In the long run, gold maintains the real value of assets. So, it should not matter so much to investors if an ounce of gold sometimes costs more and sometimes less. In times of crisis, the true value inherent in gold becomes apparent. Around 50 percent of the total global demand for gold goes to the jewelry industry. If people are doing well economically, jewelry demand generally increases, which in turn drives the price up. If the price of gold goes down, the supply of gold goes down, because gold mines then operate less profitably. Which in turn is good for the price of the precious metal. And gold is not only in demand in the jewelry sector, but also in industry and in the investment sector, and rightly so.

Today, the risks of stagflation and fears of recession should drive the gold price. From a historical perspective, the gold price has performed well in such times. Even if the summer was rather rainy for the precious metal, gold should not be disregarded by a prudent investor. In August, the strong US dollar in particular caused headwinds for the price of the precious metal. Gold ETFs had to record outflows for the fourth month in a row. Whereby the outflows in August were lower than in July. So there, sentiment seems to be improving. But investors should not be discouraged by this. Low prices are always entry opportunities and over the centuries gold has never disappointed. Gold is also affected by the so-called currency effect. It is not really the value of gold that increases, but the currencies depreciate against the precious metal. So maybe now is the best time to join gold companies like Tarachi Gold or Condor Gold.

In the Sierra Madre gold belt in Mexico, **Tarachi Gold** - <https://www.youtube.com/watch?v=zvnfOE-2hXU> - owns the prospective Tarachi project. A second project in Mexico is expected to start gold production early next year.

Condor Gold - https://www.youtube.com/watch?v=REviBt8eE_4 - has just announced the very positive results of a feasibility study for its La India Gold Project in Nicaragua.

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