

## Moderate losses in gold price should not be a deterrent



Gold sellers seem to have taken over at the moment.

It is probably the fear that the Fed will continue to raise interest rates for longer and that the hoped-for interest rate cuts will be a long time coming, which is currently driving investors more to sell gold. But even if the sell-off in the precious metal continues for a bit longer, this will not change the good long-term performance. Everyone should have gold, because it serves as a hedge. Times that are not so good for precious metals in the short term will also pass again. Lowering inflation on a sustained basis is an almost impossible undertaking. And a recession that severely affects the economy is also not wanted by the Fed. The question remains how far the Fed will go. One significant aspect is the enormous national debt in the USA. In addition, many pension plans are heavily invested in bonds. In the long term, the Fed is expected to raise the key interest rate to five percent. But at the same time, demand for energy and food will remain high, and so will demand for commodities. This in turn is good for the gold price.

And gold scores with special properties compared to paper currencies. Gold is a tangible asset without the risk of a bank, insurance company or country behind it; it is independent of third parties. There is no risk of default. Bonds do yield interest, but there is someone behind them who must be trusted. Also, gold cannot be multiplied the way paper money can. The extent to which the zero-interest rate policy has peeled away savings is well known. And because of high inflation, real wealth continues to decline. Gold also acts as a liquidity reserve. Gold is traded worldwide and known coins or LGMA certified bars are accepted worldwide. One way to bet on gold is through the

stocks of gold companies, which absolutely belong in a well-diversified portfolio. There would be, for example, Tarachi Gold or GoldMining.

**Tarachi Gold** manages gold properties in North America (Mexico). The sale of the Magistral project puts the company in a strong cash position for further development and exploration activities.

**GoldMining** is targeting gold and copper in North and South America. Gold resources amount to around 26 million ounces.

Latest corporate information and press releases from GoldMining (- <https://www.resource-capital.ch/en/companies/goldmining-inc/> -).

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