

BRICS drive gold



Many are puzzling over the current strength of gold. The explanation could be simple and there may be more to come. Time for gold stock investments.

Close to the USD 2,200 mark, many market observers are wondering what is happening to the price of gold. Who is buying? Why now? Is inflation coming back and nobody has noticed? Are the markets already playing King Donald's win in the US elections?

It could be easier: The BRICS countries appear to be building a new accounting system for their internal trade exchanges. BRICS is a hitherto relatively loose cooperation on an economic level between some leading emerging non-industrialized countries. It originally included Brazil, Russia, India, China and South Africa. From January 1, 2024, the bloc was expanded to include Saudi Arabia, Egypt, the United Arab Emirates, Iran and Ethiopia. In a recent interview with the Russian news agency TASS, Yuri Ushakov, an advisor to the Kremlin, explained that the BRICS states are planning to develop a new payment system based on the blockchain.

Why is that? To reduce dependence on the US dollar in trade and thus weaken the dollar, of course. This would then also weaken the USA, as it would no longer be able to finance itself without restrictions. The global market has noticed this and probably sees it as a threat to the entire global financial system. As in past millennia, in such a case people always turn to the asset that retains its value the most or that can transport the value they have earned into the future: Gold.

Anyone who does not yet hold part of their assets in gold and therefore has a certain amount of protection should not let high gold prices stop them from doing so. If you already own physical gold, you could consider buying shares in companies with fundamentally good gold projects as an additional investment. This is because gold shares have leverage on the gold price but have lagged behind the gold price in recent years. This could currently mean double leverage if the gold price rises and weaker

leverage if the gold price falls. Promising gold stocks include Fury Gold Mines and OceanaGold.

Fury Gold Mines - <https://www.commodity-tv.com/ondemand/companies/profil/fury-gold-mines-ltd/> - owns high-grade projects in Quebec (where up to 22.20 grams of gold per tonne of rock was recently identified) and Nunavut as well as a large block of shares in Dolly Varden Silver.

OceanaGold - <https://www.commodity-tv.com/ondemand/companies/profil/oceanagold-corp/> - is a medium-sized gold and copper producer with projects in the USA, New Zealand and the Philippines.

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

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