

Gold withdrawals from the Shanghai Gold Exchange improve



The reason is likely to be the recovery of the Chinese economy.

In June, 140 tons of gold were withdrawn by the Shanghai Gold Exchange. This was 37 tons more than in May and seven tons more than in the same month last year. Corona-related restrictions are receding in China, so the economy can pick up speed again. This can also be seen in the purchasing managers' index (PMI) for the manufacturing sector. It recovered in June to its highest level since March 2022. Chinese gold ETFs saw an outflow of gold worth \$37 million in June. In total, 18.3 tons of gold outflowed in the first half of the year, or about one billion U.S. dollars worth of gold. This is offset by the physical gold market in China. Chinese gold consumption is supported on the one hand by a weak currency in the country and on the other hand probably by pent-up wedding demand. The lower gold price could be an incentive to replenish inventories.

The gold market seems to be recovering from its low, but solid upward momentum is still a long time coming. Some gold investors are probably frustrated by the price movements in the precious metal. After all, gold is traditionally seen as a hedge against inflation, and in the U.S., inflation reached a massive 9.1 percent in June. That's a level not seen since November 1981. The prices of August gold futures, which have become more expensive, speak for an upward momentum in the gold price. They last traded at \$1,738.30 per ounce. In any case, compared to other assets, gold shows some relative strength, especially given the strong dynamics of the U.S. dollar. For gold investments, one might think of Chesapeake Gold or Tarachi Gold.

Chesapeake Gold - <https://www.youtube.com/watch?v=ZQHD1y5fPuk> - is focused on South and North America. The main project is the Metates property (gold, silver and zinc) in Durango, Mexico.

Tarachi Gold - <https://www.youtube.com/watch?v=IRnRAFCd8WI&t=4s> - is active in Mexico. The prospective Tarachi project is located in the Sierra Madre gold belt in

Sonoro. A gold project in Durango, Mexico is expected to be in production in early 2023.

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