

## Effects of the war on commodity markets



Not only many people, but also commodity markets are affected by Putin's attack on Ukraine.

After all, Russia is the world's third-largest gold producer, accounting for around ten percent. Only China and Australia produce more of the precious metal. And the Bank of Russia has been very eager to buy gold in recent years. The risks of rising inflation rates and the danger of a weakening economy are increasing, economists say. The whole thing will certainly not remain without economic consequences. Stagflation threatens, meaning high inflation and weak economic growth. Rising energy prices are a particular burden in this country because of the presence of energy-intensive industries. On the positive side, renewable energies could begin to accelerate in this country. We are already reading that this will all be at the expense of prosperity in Germany.

The economic upturn actually expected for this spring therefore appears to be more than jeopardized by the Russia-Ukraine crisis. Goods will become more expensive and also scarcer, for example currently certain medicines. This is not only noticeable when filling up with gas, but also at the bakery and when buying food in general. Cooperation with Russia will have to be rethought. Hopes that Russia will move in the direction of democracy and the rule of law are rather low. Whatever the short- and long-term consequences of the war, individuals' fortunes will almost certainly suffer. The current flight to the safe haven of gold demonstrates the reliance on the time-tested precious metal. A few stocks of gold companies should not be missing from the portfolio. For example, Chesapeake Gold or Condor Gold would come into question.

**Chesapeake Gold** - <https://www.youtube.com/watch?v=G5jfZrL3P3I> - focuses on the discovery, acquisition and development of gold-silver deposits in North and South America. The Metates project is the flagship project.

**Condor Gold** - <https://www.youtube.com/watch?v=4W-YVIlInQNU> - is a gold exploration and development company. The focus is on the La India gold project in Nicaragua.

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