

## Extreme pessimism - good for gold



The USA is sliding into recession, Europe is not doing much better, and with high currency devaluation. If that isn't the perfect breeding ground for the golden summer rally.

The relative strength index (RSI) indicates when a market is oversold. This is the case when the RSI is below 30. Its scale goes from 0 to 100. Above 70, a market is overbought. In mid-July, this was the case. When the price of gold plummeted from 1750 U.S. dollars per ounce to 1700 U.S. dollars, the RSI dropped to a good 25. A buy signal. In fact, one could have bought gold very briefly even below 1700 dollars per ounce. But this seems to be over now. The ounce now costs significantly more than 1750 dollars again. What are the new drivers, are they sustainable? Trigger was not least the expectation on and then the confirmation of the large interest step of the US Federal Reserve. In addition, there was now data that the U.S. is in a technical recession.

The International Monetary Fund has also lowered the growth rate for the global economy somewhat. However, growth in the most important regions for gold, such as China and India, will continue to be clearly positive. This leaves room for gold purchases by the emerging society there. They certainly also feel that hedging is important in these times. Gold is the tried and tested means for them to do so. Gold fans should not forget another aspect of the gold market: seasonality. In the summer and autumn months of the northern hemisphere, the price of gold goes up, especially from July to October. Thus, a summer rally can actually be seen as supported from three sides: Seasonality, sentiment and economic conditions. It therefore does not seem too late to continue building gold positions. Those who want to try this more speculatively even with some leverage, reach for fundamentally good shares of gold companies such as Aurania Resources and Chesapeake Gold from today's perspective.

**Aurania Resources** – <https://www.youtube.com/watch?v=BHvuKK-v-r8> - has a particularly interesting project with its The Lost Cities Cutucu project in the Andes in Ecuador. It contains gold and copper.

**Chesapeake Gold** - <https://www.youtube.com/watch?v=WMWx8SM2IEQ> - is focused on South and North America. The main project is the Metates property (gold, silver and zinc) in Durango, Mexico.

Current corporate information and press releases from Aurania Resources (-  
<https://www.resource-capital.ch/en/companies/aurania-resources-ltd/> -).

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