

High inflation and the consequences



Inflation in the euro zone was 9.1 percent in August, caused by rising energy and food costs.

In the meantime, the European Central Bank has also stated that the inflation rate will remain above the target of two percent for some time to come. ECB economists forecast an inflation rate of 5.5 percent for next year. For the first three months of 2023, however, eleven percent may be reached, also due to energy costs. This means that the purchasing power of each individual will presumably decline over a period of years, and assets will lose value. Even if there will be two percent again after the ECB's key interest rate increases, this is too little to counteract the devaluation of assets. Basically, the only thing that can help here is equities.

Things are not looking any better in the USA either. First came the global pandemic and a worldwide economic standstill. A government stimulus followed and then inflation. The U.S. economy will also be in an inflationary phase for years, which will have a severe impact on the economy. Arguably, interest rates should have been raised even as inflation began to rise. But the Fed remained inactive for a long time, and the ECB even longer.

From a historical perspective, this has never happened before, that the Fed has not raised its key interest rates at least to the current level of inflation. When the Fed first raised rates, inflation was already at 8.5 percent. Such immense interest rate hikes are not possible with U.S. government debt at well over 120 percent of gross domestic product. The situation is similar in Euroland, where some member states are extremely

indebted. In view of this development, private investors can only be advised to invest in gold, the metal that preserves value. The stocks of Fury Gold Mines and CanaGold Resources would be suitable for this purpose.

Fury Gold Mines - https://www.youtube.com/watch?v=Dn_KRPL6GDM - owns high-grade gold projects in Quebec and Nunavut.

CanaGold Resources - <https://www.youtube.com/watch?v=yR-sLuv5eJs> - is well financed and focused on advanced gold properties, some with significant existing gold resources in North America.

Latest corporate information and press releases from Fury Gold Mines (- <https://www.resource-capital.ch/de/unternehmen/fury-gold-mines-ltd/> -).

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