

Six Reasons on Why Gold Investment is on the Rise Amongst Savvy Investors

So many investors are adding gold to their investment portfolio because of these reasons

NEW YORK, NEW YORK, U.S.A, June 15, 2023 /EINPresswire.com/ -- Gold has always been a coveted metal for centuries, with a history of being used as currency and as a symbol of wealth and power. In modern times, gold has continued to hold its value and is widely considered to be a safe-haven asset. Here are six reasons why owning gold could be a smart investment decision.



-Diversification: One of the main benefits of owning gold is that it can help diversify a portfolio. Gold prices have a low correlation with stocks and bonds, meaning that gold can serve as a hedge against market volatility. In times of economic uncertainty or market turmoil, gold tends to hold its value and can provide stability to a portfolio.

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Gold is a symbol of wealth, and as such has been part of human civilization for thousands of years.”

Donald Trump

-Inflation hedge: Gold is often used as an inflation hedge because it maintains its purchasing power over time. Unlike fiat currencies, which can be devalued by inflation, gold has both intrinsic and extrinsic value and can be used as a store of value. As inflation rises, the value of gold typically rises as well, making it a valuable asset to hold in

a portfolio.

-Geopolitical uncertainty: Gold is also a safe-haven asset in times of geopolitical uncertainty. In times of war, political instability, or other crises, investors often turn to gold as a reliable asset to invest in. This is because gold is seen as a stable and reliable store of value that can hold up in times of crisis.

-Limited supply: Gold is a scarce resource that is difficult to mine and produce. This means that the supply of gold is limited, which can make it more valuable. In contrast, fiat currencies can be printed at will by governments, which can lead to inflation and devaluation over time. Gold's limited supply and intrinsic value make it a valuable asset to hold.

-Tangible asset: Unlike stocks and bonds, which are intangible assets, gold is a tangible asset that can physically be held. This can be a comfort to investors who want to own something that they can see and touch. Gold is also a timeless asset that has been valued for centuries, making it a valuable addition to any investment portfolio.

-Portfolio insurance: Finally, owning gold can provide insurance for an investment portfolio. In times of market turmoil or economic uncertainty, gold can help protect wealth and provide a safety net for an investments. This can give investors peace of mind and help them sleep better at night knowing that they have a stable and reliable asset in their portfolio.

Investing in gold, Why?

There are lots of advantages to investing in gold.

-Gold is considered one of the important assets that can protect people's investments for a long time. Investing in gold does not only appreciate in value but also helps to prepare one for emergencies in the future.

-Value stability is also another reason why one should invest in gold. The price of gold is always steady, even when it fluctuates, the price never falls too much.

-Finally, gold does not need too much maintenance, unlike other precious metals.

What influences the value of gold

-The health of the global economy has a significant impact on the price of gold. When the global economy is weak or unstable, investors tend to flock to gold as a safe-haven asset, driving up demand and prices.

-Geopolitical events, such as wars, natural disasters, and political instability, can also impact the price of gold.

-When inflation is high, the purchasing power of fiat currencies tends to decline, and investors may turn to gold as a hedge against inflation, driving up demand and prices. When interest rates are high, the opportunity cost of holding gold is higher, and demand may decline, causing prices to fall.

-And finally, the basic principles of supply and demand also play a significant role in determining the price of gold. When the supply of gold is limited, but the demand is high, the price of gold tends to rise. Conversely, when the supply is high, but the demand is low, the price of gold tends

to decline.

Ways to invest in gold

Here are some ways to invest in gold:

- Physical gold: You can purchase physical gold in the form of coins or bars from a dealer or a bullion exchange. However, buying physical gold also has some downsides such as storage and insurance costs, security issues, and the possibility of purchasing fake or counterfeit gold.
- Gold Exchange-Traded Funds (ETFs): Gold ETFs are mutual fund-like investments that track the price of gold. They trade on stock exchanges, and the units of ETFs represent a certain amount of gold. This investment method can offer liquidity, and low transaction costs, and can be held in a regular brokerage account.
- Gold mining stocks: Investing in gold mining companies stocks can also provide exposure to gold. These companies' stocks may rise or fall depending on the price of gold, the company's financial performance, and other factors.
- Gold futures contracts: A futures contract is an agreement to buy or sell gold at a future date at a predetermined price. Futures trading requires a lot of knowledge and experience, and it can be a risky investment option.
- Gold options: A gold option is a contract that gives the holder the right, but not the obligation, to buy or sell gold at a specific price on or before a specific date. Gold options are also complicated investment options and require knowledge and experience.

"While gold is a good investment option, it is better to seek financial advice from a financial advisor or a professional who can help you make informed decisions about investing in gold," explains Avi-Meir Zaslavsky.

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