

THE GOLD TIMES

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The South African Gold Coin Exchange
— THE MARKET LEADERS —

The Coin SHOP

SafeGold
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GOLD - A LIQUID ASSET

Gold is an internationally accepted form of hard cash. In current times, we have seen the gold price increase, more so now as the world faces a global crisis, but the one thing you can be sure is that gold is tradable, it is recognised throughout the world as a means of exchange.

In 2000 the gold price was \$276.50 for an ounce, today it is trading at just over \$1,700, that's over 600% increase in the price of gold. In 1967, if you bought R10,000 worth of gold today it would be worth R11m, making gold a "safe-haven" for wealth preservation.

Gold does not offer any income return, unlike investment in company shares, property or holding cash. The former can be valued based on the current earnings of the company and the dividends that it is expected to pay out in the future. Property values are generally based on the rental income the property may achieve. The latter, cash provides a return in line with current interest rates. Ultimately, the only real value on gold is the value people place on it, coming from sentiment of fear of what the future may hold. The fact that gold doesn't produce any income can be interpreted as a faulty argument, but that should not be gold's role in your investment portfolio.

However, no matter which way you look at it gold is a hedge against inflation. Not just if a country is faced with hyper-inflation, but like in current times, countries are now struggling to measure inflation as shopping is completely disrupted.

Cash sitting in the bank has the risk of becoming worthless in terms of buying power, but gold is retaining its value as it is priced in US Dollars.

One of the reasons that gold has performed well for South Africans - because gold is priced in US Dollars, is that when the Rand falls, the price of gold rises in Rand terms.

Gold should not make up the 'sum total' of your investments however, it is generally recommended you should diversify and ideally place 10-15% of your investment portfolio into gold, and think of gold as long-term protection.

You've decided to buy some gold for your investment portfolio, the question remains what is a good investment opportunity in gold, and when should it be bought?

Gold coins - For decades, large quantities of gold coins have been issued by sovereign governments around the world. There are many advantages of buying gold coins:

- It's a physical asset, you can hold it in your hands.
- Can't be hacked or erased.
- It has high liquidity, and can be sold anywhere in the world.
- It's portable.
- It's a store of value, that comes with low maintenance and carrying costs
- Requires no specialised knowledge.

It's proven that gold should be bought at any time, and to quote "The bright investor buys gold in the good times, bad times & all the times."

