

Great Western Consortium Inc. is betting on gold as China “One Belt, One Road” appetite for gold grows.

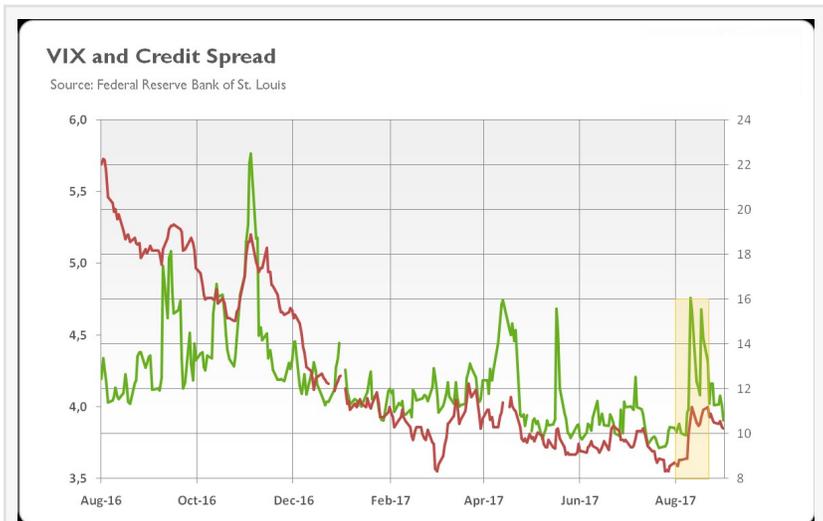
NEW YORK, USA, September 20, 2017 /EINPresswire.com/ -- US private equity major Great Western Consortium Inc. has recently made announcement to expand investments on Gold and silver as the market trend is blowing towards precious metals and related commodities. Great Western Consortium Inc currently have offices globally with their latest office recently established in the heart of Asia, Hong Kong

Great Western Consortium Inc. foresees the gold price to reach at least US \$3,000 by the year 2020. The firm’s projection for the high gold price is supported by the “One Belt, One Road” initiative from China and the political instability between North Korean and the United States will push demand for gold to a historical high.

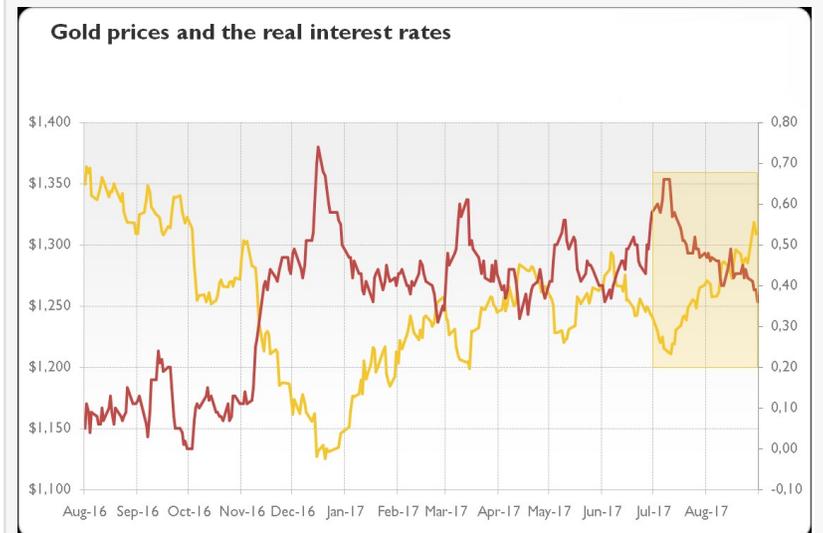
Historically gold has been one of the most effective tools to mitigate the impact of rising volatility. Looking at monthly VIX index, a measure of U.S equity volatility, explain when volatility rose, gold outperformed the S&P 500 by 62% of the time.

With current low volatility, the investor with the notion that the market will continue to advance on the back of an improving economy has less argument for gold and will not realize the low gold pricing.

Another bullish factor in the analyzed period was the decrease in real interest rates due to softened expectations for the next hikes in the federal funds rate. As



The market volatility reflected by the CBOE Volatility Index (green line, right axis) and the credit spreads reflected by the BofA Merrill Lynch US High Yield-Option Adjusted Spread (red line, left axis, in %) over the last twelve months.



Gold prices (yellow line, left axis, P.M. London Fix) and the real interest rates (red line, right axis, yields on 10-year Treasury Inflation-Indexed Security, in %) over the last 12 months

the next chart shows, real interest rates started to decline at the beginning of July, after the June FOMC minutes which were interpreted by markets as slightly dovish.

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