

Gold in the summer doldrums

The price of gold and silver is currently in the summer doldrums, and perplexing investors that think it should be rising, yet this is a regular occurrence at this time of year.

Investors concerned by the recent lack of movement in the price of gold and silver

We have received calls from investors asking why, with all the world's political problems and volatility, the price of gold and silver are trending sideways.

The answer is simply, if you study the historical charts for gold, this is normal for this time of year and called "the summer doldrums".

The precious metals follow stocks and shares, who also generally tread water in the summer, only to push forward again once the holiday season finished in September.

June and July are normally the quiet months, although this year a 6% rise in the gold price in June was unprecedented, and perhaps reflects concern about events elsewhere, including of course, the Brexit vote.

Generally speaking. the best day to buy a gold miner is August 1st, as this is normally the bottom of the cycle. Buying

starts to creep back as August progresses in anticipation of the usual September surge.

Despite all the turmoil in the world, record low interest rates, negative bond yields, and military conflicts, it would seem that gold still followed the usual price pattern. August has arrived, so I would expect to see the producers and select well run explorers start another run soon, world events permitting of course.