

Forex Symbol «GOLD»

Gold is very important for the international foreign exchange markets due to the fact that this metal is the final form of money of any currency. From the very beginning of human history, gold was the presentation of money to purchase various goods. To date, gold is one of the most popular products in the world; for the simple reason that it itself has an intrinsic value that it is unlikely to lose in today's economy. Gold is the guarantor of the stability of the prices of many goods the world, so it is a fundamental form of money for all countries.

If we consider the value of paper money, we can see that they actually have almost no intrinsic value. The cost of paper money is determined only by the degree of confidence in the economic system of any state. The value of money is determined by the reliability and power of the state, which prints the money.

Gold has intrinsic value, in contrast to the assurances of the State to pay its debts. For this reason it can not lose their value in the global financial system. Gold as the basis of the monetary system is the guarantor of the stability of any currency, so the large stock of gold has a state, the stability of its currency. Today, many professional traders predict the price of a particular currency at the current price of gold on world markets, because it largely determines the further the price of a particular currency.

At the international gold market remains a demand for this product at a rate of 4 tons per year. At the same time, the annual production level of this metal is gradually reduced, due to the reduction of natural resources. As a result, demand is outstripping supply, which determines the rise in the cost of the precious metal.

The amount of gold in the market, in contrast to the currency of any country, can not be just increased. For example, if a country needs to increase the amount of its currency to meet the demand arose for it, she need only print the necessary amount of cash and make it available on the market. The amount of gold in the market can be increased only by infusion of the largest central banks of countries that have solid reserves of this metal, built up over many years, any increase in gold production in the mines. The result can be seen that increasing the amount of gold in the market more difficult task, as opposed to increasing the number of currencies.

To date, the price of gold is determined primarily by the U.S. dollar. At the international Forex market this instrument indicated as XAUUSD. Gold prices for other currencies is determined primarily by the level of demand for this product in a particular country, in case of transfer of the national currency of the country in dollars for which you can buy gold on international markets.

In the case of a price increase in gold value of U.S. dollar falls, this is reflected in the value of other currencies in international markets. In recent years, an increase the price of gold occurred. This fact is explained by a decrease in the level of production of the precious metal and an increase in demand. In addition, all major currencies are very susceptible to the process of inflation, which might undermine the value of paper money.