

# Gold and silver lows offer buying opportunities

The investment market for gold and silver is at a “major multi-year low”, Ian Williams has said, signalling a good time for investors to buy.

The chief executive of boutique fund house Charteris Treasury Portfolio Managers and manager of the £4.5m Way Charteris Gold & Precious Metals fund, said the precious commodities were at a deep low in the investment cycle.

He said: “Gold and silver have a seasonal pattern, with a tendency to bottom around July and rise for the rest of the year.”

Mr Williams pointed to the gold forward rate and gold futures, which are in backwardation, meaning the price is trading below the expected spot price at contract maturity.

He said this was “very unusual” and signalled a “massive shortage of physical gold for immediate delivery”, adding:

## ADVISER VIEW

Gordon Bowden, director of Buckinghamshire-based Quainton Hills Financial Planning, said: “In general, for some clients, I recommend having a small amount of commodity exposure through an exchange traded fund, as long as investors want a hedge against equity markets.”

“This suggests we are at a major multi-year low, with investor sentiment universally bearish towards both gold and silver assets, and record speculator short positions being held in both metals.

“Sentiment acts as a reverse indicator when the herd is this bearish. With our expectation for gold to reach its next peak in December 2020, we see this as an excellent buying opportunity.”

**Information:** [ftadviser.com/fa](http://ftadviser.com/fa)