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Gold, a precious metal adds beauty in the personality of the persons. It is considered as the best and pure metal which is used in every good and traditions cause. Gold makes a good relation among the people. Usually people save gold as their wealth because of its natural high value. This made it evade against fluctuations in economy. The continuous buying behavior also results in inflation in price of the gold.

Before purchasing gold, a buyer should know the factors which affect the price of gold. The factors help the purchaser to accurately predict whether he is investing in correct thing or not and also help them to know the trends for the direct investments.

Factors Influencing Gold Rates:

Demand & Supply â€“ The very first factor which affects the price of the gold is its demand and supply. This factor is applicable for all types of commodities. When the demand of the commodity increases at increasing rates (especially of gold in Asian Market), at the same time situation comes when it is become impossible to meet that exact demand and such cases price of the gold increases. Also when due to strikes in production houses supply decreases, price of gold increases. Other than this there are many hidden factors which affect the gold rates. which we will discuss here namely bank policies, value of dollar, social conditions etc.

Policies of Banks â€“ Central Bank policies on savings and their interest rates also results in price inflation. The higher interest rate they offer, more people will attract to invest whereas less interest rate will leads to less purchasing rate of the gold. This policy followed with all types of commodities and not only with gold.

Social Conditions â€“ Social conditions include war times, emergencies as the value of the currency remains in doubt. Once the people get to know the actual price they rush to purchase and wait until the price increases in order to have the profits and savings.

Value of US Dollar â€“ The price of gold is also affected by the value of US Dollar because it is the Global trading currency and all type of trading is done by considering Dollar as the standard unit.

With the help of all the above mentioned factors, it will become easy for an investor to invest shrewdly. This will help an investor to judge regarding his investment and helps him to estimate the time in which he can invest easily.

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If you are wandering to purchase gold you should first know the a price of gold and you must consider the mentioned factors which will help you to take better decision while doing your investments.

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price of gold, rate of gold

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