



## Article Side

Understanding the fluctuating prices of gold by [Aaron Babcock](#)

Article published on March 19th 2012 | [Jewelry](#)

Just as the price of any other commodity would, that of gold constantly fluctuates. For those who plan to invest in gold, their primary concern will be on what triggers the constant price change in gold. The price of gold is something that is determined by the Gold Fix or what is also known as the London Gold Fixing. Via teleconferencing, between five international members of this council, the price of gold is set everyday at around 1030 GMT and once again at 1500 GMT. These determine the international price.

One of the key reasons for the change in prices is the supply and demand factor. Of late there has been a rather high demand for the precious metal from countries such as China and India as well as Russia. There is a preference for it over the American dollar. This past year, the central bank of Mexico invested in 100 tons of gold bullion and as of this current quarter China has already invested in 200 tons of gold imports versus the 260 tons it brought in for the whole of 2010.

The price of gold is bound to change when there is a mismatch between demand and supply. With the several number of strikes taking place in gold mines, the supply has been coming down. What can balance this, is if the gold that is currently with the investor is released into the market, then the prices are bound to stabilize. A surplus will be created without a risk of an oversupply at any point soon.

The price of gold can go up when there is political instability to worry about. When a country is at war or has suffered a natural disaster, most people tend to lap up gold as they believe the value of their currency will not hold its own. Some of the recent events that spooked the international gold buying community were the Eurozone crisis as well as the Arab stock market investors that made the switch to commodities like gold rather than investing in stocks and shares. Thanks to this, 2011 saw a rise in the price of gold by over 8% rise.

At the same time, the value of the dollar seems to be heading south and this has spiked the demand for gold. Every time there is a recession, the value of the dollar goes down.

If you plan to invest in gold, then you should be able to study the market well, before you make any move.

Article Source:

<http://www.articleside.com/jewelry-articles/understanding-the-fluctuating-prices-of-gold.htm> - [Article Side](#)

[Aaron Babcock](#) - About Author:

Welcome to Gold Buyer Austin Texas, We are one of leading a [gold buyers](#) in Austin. We also a [sell gold](#) at very affordable price. We have years of combined experience and expertise in dealing with precious metals set us apart from the competition. For more details on a [cash for gold](#) offers visit our official website.

Article Keywords:

cash for gold,gold buyers,sell gold

You can find more [free articles](#) on [Article Side](#). Sign up today and share your knowledge to the community! It is completely FREE!