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World economies have not been having it good off late. With most Western and European countries just recently recovering from the 2008-2009 recessionary period, current GDPs seem to indicate that they may very well be slipping back into that stage again. Gold, which has been a dependable standard of investment till date, continues to hold fort and is seeing a constantly escalation in price. So much so, that it has superseded the price of platinum. This is not a good sign of things to come.

Investing in any precious metal is based on the underlying fact that it is of some value. There is a lot of sentimental value attached to gold and therefore it has been viewed as a solid investment that can be liquidated at any time. However, in terms of its usage elsewhere, there are other precious that are much more in use, such as that of platinum. Platinum is rarer than gold, yet it has receded in price. Silver, while cheaper than gold is used much more for commercial and industrial purposes, yet it is nowhere near the price of gold. The worry is whether the bubble of goldâ€™s price will be able to hold its own.

The reason for this increase in price of gold is simply public fear. Gold is viewed as a safe instrument of investment and has been used by countries as a means of trading for centuries. There is a sort of rapport that has been built over gold. The basic ideology is that if it is shiny and rare, then it is worth something. The price of gold tends to go up when there is instability prevalent among economies. When the value of the US dollar goes down, the price of gold tends to go up and such is the case right now.

It will take a while for people to get over this fright about economies. When they do their faith in gold will slowly come down as well stabilizing prices and demand for the precious metal. When that happens, one will be able to see a drop in the prices of gold. Till then these high rates of gold will continue. Thanks to the present situation, many people are rethinking already their need to invest in gold as jewelry. Many are turning to platinum for its resemblance to white gold. Investing in gold right now would be a good idea, however, when the prices are likely to change is anybodyâ€™s guess.

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