

Macro Roundup Article

Headline: **Gold Rising**

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Tweet: .@FedGuy12 notes that a surprising surge in gold prices “appears in part due to a structural shift in sovereign reserve allocation that looks to continue for years,” particularly by countries with increasingly hostile relationships with the US.

Summary: China appears to be shifting its diversification efforts towards gold, but its gold allocation remains significantly below that of other countries who have also drawn the ire of the U.S. Countries out of favor with the U.S. often increase their holdings of gold, which is outside of U.S. influence when held in domestic custody. Russia significantly increased its gold holdings after U.S. sanctions relating to the 2014 Crimean War. Turkey has also significantly increased its gold allocations in recent years, likely in part due to rocky relations with the U.S. Interesting, China’s allocation to gold remains low even amidst open U.S. hostility. China’s recent gold buying spree indicates it may be changing its mind, but it has a long way to go to reach the level of diversification of other countries.

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Primary Topic: Financial Markets

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