

At the time of this writing, gold has been the clear winner among the many asset classes that investors can efficiently access. Gold is higher by more than 30% through late September, more than twice the total return of any other major asset class. It has been many years since gold has drawn the amount of attention it receives right now. Fed Chair Powell stirred the refining fires of gold recently by announcing that the Fed would allow inflation to rise above the long-term target of 2% that has historically been the standard. Historically, when inflation rises the U.S. dollar falls and gold is the beneficiary. If that relationship remains intact, the demand for gold is likely to remain above normal and could take the yellow metal even higher.

- Gold miners have performed even better than the commodity they track, having risen more than 50% earlier this year before correcting recently, but are still higher by around 35% at the time of writing according to the ETF GDX.
- There is a lot of debate about how accurate inflation readings are and if they remain relevant for most consumers in today's economy. Consensus remains that we are in more of a deflationary environment, but that can change rapidly.
- Every word from Federal Reserve press releases is parsed for clues as to what the Fed intends to do. When Chair Powell bluntly states they will allow inflation to rise above 2% without taking away accommodation, that is bullish for gold.

