

Re: Arabs converting to the Euro?

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 - *Date:* 18 Mar 2006 08:05:37 -0800
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gold is high relative to the dollar, but it should go higher as the dollar erodes a few more tens of percent in value. conservatively assuming a 10% inflation rate of the dollar per year for the next 3 years, gold will hit \$700 per ounce. if the dollar crashes gold can go up to \$2000 per ounce. the key to buying gold is to buy with very little premium above the melting price, so that you only lose a maximum of 5-10 percent in real value upon selling the gold (but this could still be far more profitable than storing money in dollars and maybe losing 5-8 times that amount due to inflation eroding the value of the savings). one company called tulving, at www.tulving.com, is reputable and they sell krugerrands at only 1.5% above the melting or bullion value. probably the lowest premium you'll find, more or less.

gold can be a pain in the butt to sell off and liquify. you also pay capital gains taxes if the dollar value of gold rises above what you paid for it. There is no adjustment to inflation with the capital gains tax. So you can pay tax if the dollar value per ounce rises, even if the real value, adjusted to inflation, of your gold has declined.

The tax system likes to skim off the top and even punish people for investing their \$\$\$\$. beware.

I think I understand.

I thought gold was at an all time high right now? As for Gold, what should I do, go on ebay and buy some Krugerrands?