



## HOW TO DIVERSIFY YOUR ASSET IN GOLD AND EARN MORE INCOME

...a step by step guide to buying, keeping and selling American Gold Gram For Profit.

With continued economic uncertainties in all corners of the globe and climatic change affecting global food prices, the potential for inflationary environment continuous to be a hot button issues in the financial community. This has led to a resurgence of how to properly invest during these periods evident in investors' choice to hold their asset in cash rather than investing in stocks or bonds.

Gold prices for the past four years have jumped roughly 172.5% in the same period global equities market indices fell to an historical low and are trading now at \$1736.2 having touched a high of \$1830, as at the time this report is being compiled. Therefore, there is no doubt that \$1000 invested in Gold market as at 2008, when global economic was under threat, is now worth \$2725.

Live Spot Gold 		
<b>SPOT MARKET IS OPEN</b>		
closes in 13 hrs. 28 mins.		
Feb 09, 2012 03:47 NY		
Time		
Bid/Ask	1736.20 -	1737.20
Low/High	1729.40 -	1740.70
Change	+4.20	+0.24%
30daychg	+104.00	+6.37%
1yearchg	+372.40	+27.31%
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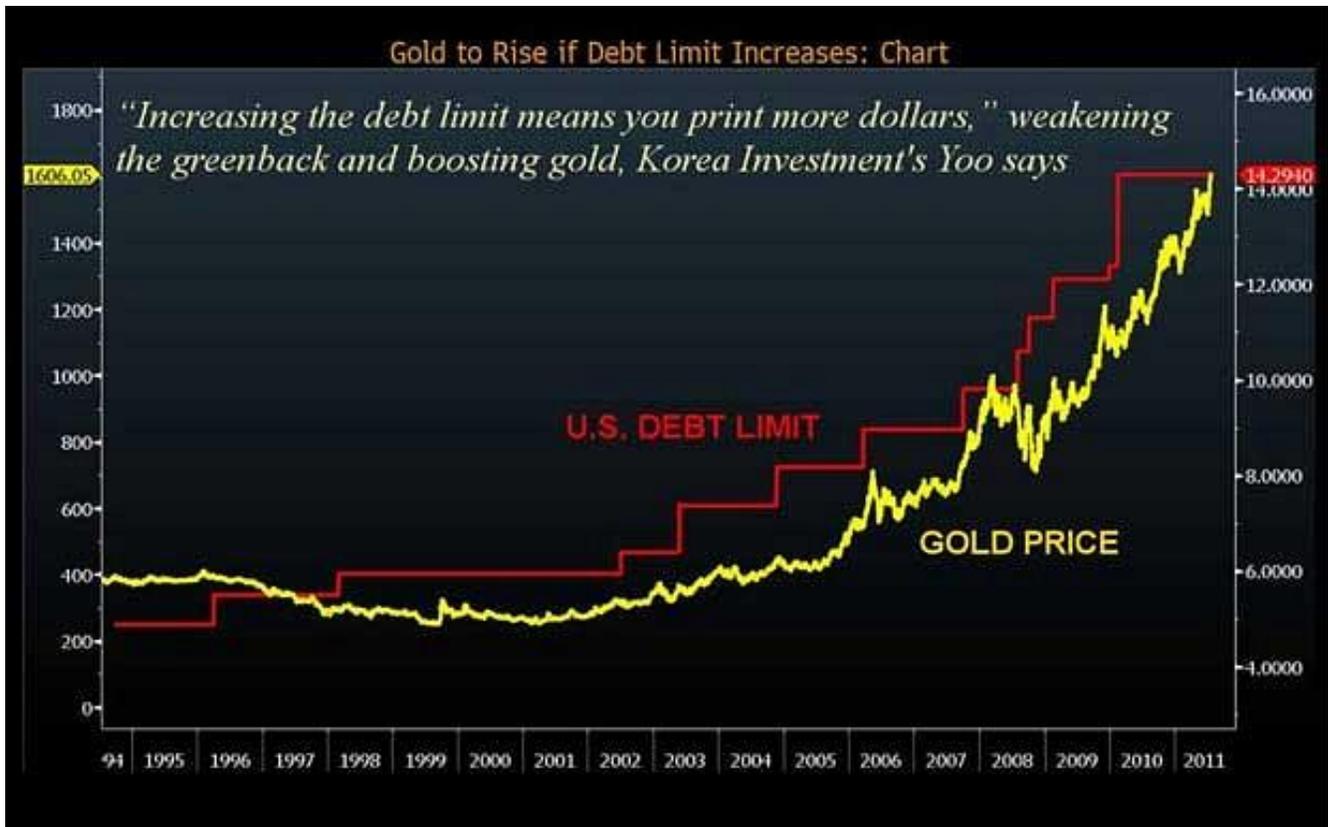
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***According to Bloomberg.com, almost 12 trillion was wiped off the value of equities since May on mounting concern about slower growth driving investors to what are perceived as the safest assets. Gold is heading for an 11<sup>th</sup> consecutive annual gain. Bullion beat every other member of the S&P's GSCI gauge of 24 commodities this year except for gasoil.***



Mining CEOs expect gold prices to keep rising on ground that all of the ingredient for a higher gold price are still intact; geopolitical risk, economic uncertainties, rising deficit concerns and debt profile, long-term decline US dollar index and global inflationary environment driven by rising global food prices.

On short term perspective, the bullish outlook on gold price could be contracted, as seen in the recent surge of interest in US government debt and demand for dollar

denominated asset as a safe haven investment alternative to Euro zone all through the third quarter of 2011, which offers a great buy opportunity for long term gold investors.

Importantly, on the monthly continuation chart for Comex gold futures, the precious metal remain in a solid 11-year-old uptrend. Analyst claimed that the US deficit and global inflationary pressure portends continuous uptrend potentials in gold unless short term gold prices drop below a strong long-term technical trend line support at \$1550.00.

While the near term posture of gold has returned an estimated inflation and equities market beating return of 72.5% from 2010, the more important long-term bullish uptrend in gold has not changed at all

## **Simple Steps To Owning Gold Asset.**

As the value of currency weakens, the price of gold tends to go up. You can profit from this pattern in a variety of ways-trading GOLD ETFs, Gold Mining shares and Gold gram. For the purpose of simplicity, convenience and risk management, this report will cover how you can make consistent income with gold gram, which is easier to understand and trade as a newbie while in subsequent editions I will be writing on gold mining shares and ETFs.

### **1. KNOW WHICH COINS TO BUY.**

Gold coins can be segregated into various types. The most common bullion coins are American Gold eagle, South African Kruggerand which sells for approximately their base value. We prefer gold coins stored in grams, which is a unit of an ounce of gold, which allow the smallest gold investors to start with as little as \$100, which could be more or less.

**2. SHOP AROUND AND PLAN WHERE YOU WILL STORE THE COINS.**

Since gold is trading at \$1600 per ounce. That means, you need at least N250,000 to invest and this has accounted for the reason investors believe that gold is a market for institutional investors. There are many ways you can buy gold without spending upto \$1600. You can buy from private firms, preferably ones that have been selling for years and have bullion vault in form of gold grams. You do not need to order the gold coin delivered right to your door step. Consider a safe bullion vault offered by some gold dealers. This will help you keep them since your trading objective is short term profit, so that you can easily dispose them without paying any processing fee. Similar to keeping gold in a safety box, this is the most secured form of investment in physical gold. The gold is stored in a vault owned and managed by a recognized bullion dealer or depository. Specific grams are numbered and identified by hallmark weight and fineness. These are then allocated to each particular investor. The holder of gold in an allocated account has full ownership of that gold. The bullion dealer or depository that owns the vault where the gold is stored may not trade, lease or lend the gold except on the specific instructions of the account holder.

**3. KEEP TRACK OF GOLD VALUE.**

Most business newspaper reports the price of gold daily and you can get instantaneous updates online at several sites.

**4. KEEP TRACK OF US DOLLAR INDEX STRENGTH.**

This is widely reported. There tends to be an inverse relationship between gold price and US dollar index value. You can follow weekly

analysis of dollar index from a gold analyst for possible gold price direction.

**5. AIM TO SELL YOUR GOLD GRAM AT THE PEAK OF DEMAND.**

This is where both research and analysis steps in. you want to sell nearer to the top before the value of gold starts going down, so that you will walk away from the transaction with more money that you spent in gold. Since timing the market does not always work, you should consider selling when gold price is at the middle of an uptrend using a high probability and low risk trading model. You can sell when there is sign of bearish market and you are sitting at a sizeable profit percentage.

**Ndukwe Ogechi Ukabi** has over 6 years of experience in gold markets in addition to his background in investment and market analysis. Blending fundamental and technical analysis, Ndukwe's reporting considers a variety of economic and financial cross-currents to give traders a comprehensive assessment of gold market activity and also covers the dollar index market and global stock market.

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