These Charts Destroy Nearly Every Argument 'Goldbug' Investors Have Ever Made


We try to give gold bugs and gold skeptics equal due here at Business Insider.

But a paper published last month by commodities expert Claude Erb and Duke/NBER Professor Campbell Harvey bring some of the problems with gold bulls' theories into sharp relief.

Titled "The Golden Dilemma," the pair scan 2,000 years of gold production and pit Warren Buffett's contention that gold is a bubble against Ray Dalio's argument that Treasury yields are a mirage.

They take aim at the following conceits:

• gold provides an inflation hedge
• gold serves as a currency hedge
• gold is an attractive alternative to assets with low real returns
• gold a safe haven in times of stress
• gold should be held because we are returning to a de facto world standard
• gold is "underowned"

Here we take you through their graphs debunking most of those...

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