
July 30, 2015 By Paul Shea — 1 Comment

Under: Economic News, News

SPDR Gold Trust (ETF) (NYSEARCA:GLD) buyers are in a risky situation. Those that have been holding onto shares in the ETF have lost more than 7 percent since the start of the year. “Store of value” may no longer be the best way to think about gold and nothing scares gold bugs more than whispers of “secular bear market.”
Claude Erb, a former commodities trader with TCW Group, saw the crash in the price of gold coming back in 2012 before the sell-off began. He’s now warning that gold could fall as low as $350 an ounce as startled traders escape from price falls and lose faith in the value of the yellow metal.

**Gold market may oversell**

Mr. Erb made those comments to Mark Hulbert over at MarketWatch. The $350 number is based on the fair value of gold which he estimates at $825 in today’s market. Erb says that in bear markets gold gets oversold as risks of a falling price drive out those looking to secure their savings in the metal and protect from inflation.

To see a list of high yielding CDs go [here](#).

The $350 bear target is based on the selling of gold during the crash in the price of the metal in the 1970s and 1990s. Mr. Erb says that gold bulls are going through the stages of grief right now. When he published his first report with Duke University professor Campbell
Harvey, they were in denial.

Now they’ve moved onto bargaining. When the price of the metal dips below $1000 they’ll get angry and once it’s crossed the $825 level on its way to $350 they’ll start into depression and finally acceptance.

Mr. Erb’s $350 price target may seem like a bit much, but targets of $1,000 or less have become common in the weeks since the price of gold hit its current slide. Buyers of the SPDR Gold Trust (ETF) (NYSEARCA:GLD) have felt every bump on the way down.

**Gold heads lower**

With a rate rise coming before the end of the year, at least if the *ho-hum report from the Fed* on Wednesday is anything to go by, an more on the way in the years ahead, Wall Street appears to be turning on gold.

Ramin Nakisa of UBS appeared on CNBC on Thursday and called gold a “wasting market.” He said that the lack of a gold bump from the crisis in Greece was very telling for the future of the metal. Normally, says Nakisa, a small crisis like that would send investors to gold for safety. That *simply didn’t happen in 2015*.

Those with a love for gold, and a hefty part of their savings in SPDR Gold Trust (ETF) (NYSEARCA:GLD) shares, will be hoping that the most bearish of Wall Street analysts are wrong, but it’s clear that the dynamics that drove the price of the ETF to more than $180 in 2011 are no longer driving the market.

The price of gold was up by a fraction on Thursday morning, but was still trading below the
$1,100 level that was seen as a key support level until very recently.

**Marriott Hotels**

Book at Marriott's Official Site. Get Our Lowest Rates + Earn Rewards

---

**National Highest Yield MMA and Savings Accounts**

<table>
<thead>
<tr>
<th>Institution</th>
<th>APY</th>
<th>Rate</th>
<th>Minimums</th>
<th>Have Questions?</th>
<th>Learn More</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Palladian Private Bank</td>
<td>1.10%</td>
<td>Intro rate: 1.30% Intro months: 6 Rate post intro: 0.90%</td>
<td>To open: $10,000 To avoid fees: $10,000 Monthly fees: $0.00 Check writing: No</td>
<td>877-448-6500 (Toll-free, no obligation)</td>
<td></td>
</tr>
<tr>
<td>EverBank</td>
<td>1.01%</td>
<td>Intro rate: 1.40% Intro months: 6 Rate post intro: 0.61%</td>
<td>To open: $1,500 To avoid fees: $0 Monthly fees: $0.00 Check writing: Yes</td>
<td>866-242-1924 (Toll-free, no obligation)</td>
<td></td>
</tr>
<tr>
<td>ally Bank, Member FDIC</td>
<td>0.99%</td>
<td>Intro rate: 0.00% Intro months: 0 Rate post intro: 0.99%</td>
<td>To open: $0 To avoid fees: $0 Monthly fees: $0.00 Check writing: No</td>
<td>877-315-2559 (Toll-free, no obligation)</td>
<td></td>
</tr>
</tbody>
</table>

Get started. Open an account today. Member FDIC.

Earn a top 5% yield- always! Open an Account today. FDIC insured.

Institutions may have different rates on other sites. Identify yourself as a Bankrate.com customer for these rates. Rates are subject to change. Some institutions pay for links, though many do not. All institutions insured by FDIC.

---

**From The Web**

4 Billionaires Say: Something Big Coming Soon In U.S.A Stansberry Research

Is Donald Trump The Best Candidate for 2016? Vote Here. Newsmax.com

#1 reason not to buy a new computer
How Much Money Do You Really Get from a Reverse Mortgage?
NewRetirement

#1 Worst Exercise That Ages You Faster
MAX Workouts Fitness Guide

The #1 Worst Exercise for Aging
Old School New Body eBook

And the Best Stock for 2015 is ..... VentureCapital News

How This Razor is Disrupting a $13 Billion Industry
Dollar Shave Club

From The Web

4 Billionaires Say: Something Big Coming Soon In U.S.A
Stansberry Research

This Man Is A Genius For What He Did To His Basement
ViralNova

Is Donald Trump The Best Candidate for 2016? Vote Here.
Newsmax.com

#1 reason not to buy a new computer
SpeedFixTool

How Much Money Do You Really Get from a Reverse Mortgage?
NewRetirement

#1 Worst Exercise That Ages You Faster
MAX Workouts Fitness Guide

The #1 Worst Exercise for Aging
Old School New Body eBook
More From The Web

- Is Donald Trump The Best Candidate for 2016? Vote Here. (NewsmAX.com)
- #1 reason not to buy a new computer (SpeedFixTool)
- How Much Money Do You Really Get from a Reverse Mortgage? (NewRetirement)
- #1 Worst Exercise That Ages You Faster (MAX Workouts Fitness Guide)
- The #1 Worst Exercise for Aging (Old School New Body eBook)
- SPDR S&P 500 ETF Trust (NYSEARCA:SPY) Jumps In Pre-Earnings Rally
- SPDR S&P 500 ETF Trust (SPY) Lifts As Greek Default Risk Assumed
- SPDR Gold Trust (ETF) (GLD) Hangs On Fed Minutes
- iShares Barclays 20+ Yr Treas.Bond (ETF) (TLT): Rate Expectations

More From Learn Bonds

Comments

Gold Is Real says
JULY 31, 2015 AT 11:55 AM

I hope all the sellers and shorts bring down the paper value of GLD all the way down to $1 because we all know that currency is real and gold is worthless (wink). Long live paper and trees!!

Reply
Leave a Reply

Your email address will not be published. Required fields are marked *

Name *

Email *

Website

Comment

POST COMMENT
Bad News For Social Security and Medicare

Sponsored By Stansberry

40% of People Surveyed Regret Making One Big Mistake When Collecting Social Security… Click Here

WHAT’S NEXT FOR MARKETS?

Read “Global Macro Shifts”

FRANKLIN TEMPLETON INVESTMENTS

© 2015 Franklin Templeton Distributors, Inc.