



Stock Investors: Watch This 1 Thing for Higher Gold

Description

Joe Biden's choice of Kamala Harris as VP this week may have done little to move the markets in either direction. But this could largely be because Harris was a conventional and predictable choice. The November election will be a different story altogether. Calling the VP pick and calling the election are two very different things. Suffice it to say that November will likely bring some increased turbulence.

This could keep gold prices high. Pundits have been [throwing some big numbers around](#), with calls for US\$3,000 and even US\$3,400 doing the rounds. From election uncertainty to the ongoing public health crisis, the case for higher gold remains as compelling as ever.

Vaccine efforts could complicate the U.S. election

This week saw two big news items coming at the same time. The development of Sputnik V, Russia's headline-stealing vaccine breakthrough, was announced at the same time as Joe Biden's VP pick. What's particularly interesting is the way that these two developments may play together. But how are these two events connected? The answer: Operation Warp Speed.

The Trump administration has put in a place a multi-billion-dollar operation that ties together some of the world's largest pharmaceuticals companies. A Joe Biden administration would have to face the choice of either dismantling Trump's operation or telling the Democrat base that he's keeping it. Neither is a palatable option.

Consider also that the prospect of higher corporation taxes is unlikely to sit well with the markets. That prospect is particularly unpalatable during a potential replay of the Great Depression. Here's a thought experiment: if the markets could vote, would they vote for higher corporate taxes? However terrible the status quo may be, the status quo is always what the markets try to preserve.

Expect stock market volatility this fall

Investors should draw up a watch list and keep cash on hand. When stocks on the watch list pass a

buy trigger, investors should build into the weakening market. This way, investors can make use of a steadily declining market without having to try and time the bottom. Instead of missing out on value opportunities, investors can gradually increase positions in quality companies at lower outlay.

For instance, investors may choose to start or increase a [position in a major gold miner](#), such as **Newmont**. Unlike some other names in the gold production space, Newmont is still fairly well valued. This makes it a strong choice for investors looking to build positions in a deteriorating market. If November precipitates a selloff, Newmont shares would look increasingly tasty.

This method helps to reduce the risk of capital loss incurred by backing the truck up on value. Instead, smaller packets of shares can be purchased as the market declines. Depending on the outcome of the U.S. election, a selloff could be either brief or prolonged. Either way, though, with a little planning investors should be well able to make use of this big event to further secure their own financial independence.

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