

Precious Metals Prices Up

The prices of precious metals continued to rise through 2007. Gold reached a closing price of \$835, while platinum hit a staggering \$1,473 per ounce in earlier this month. In 1999, the unit price for platinum was \$360. It then rose in price to reach \$900 by 2004. Platinum prices will probably stay high, especially as the demand grows in developing markets like India and China. The environmental demand will also be strong as stricter auto emission standards will require greater platinum usage.

Ten years ago, the price of gold was as low as \$252 before beginning a steady rise to over \$800 in 2007. Gold is considered a safe investment, so its price rises during times of financial insecurity, such as the value of the dollar dropping or oil prices rising. Some analysts predict the price will stay high as the weak dollar and credit crunch will encourage investment as an alternative investment. Other believe that gold is headed for correction of \$50- \$100 soon.

The World Gold Council statistics indicate that mid-market and luxury retailers should see healthy sales, and possibly an increase. Low end and mass retailers will continue to have difficulty. Despite the high price of platinum, sales increase every year as it remains a very popular choice for bridal jewelry.

Jewelers should keep up with fluctuations in the price, buying in bulk at advantageous times. Retailers should make sure they are not paying higher prices for pieces that were made when gold was selling at a much lower price. Stay up to date with trends and make sure that you merchandise in a manner that best suits your store. Also be sure to explain to customers why the price is currently higher and let them know that the purchase reflects a good investment.

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