

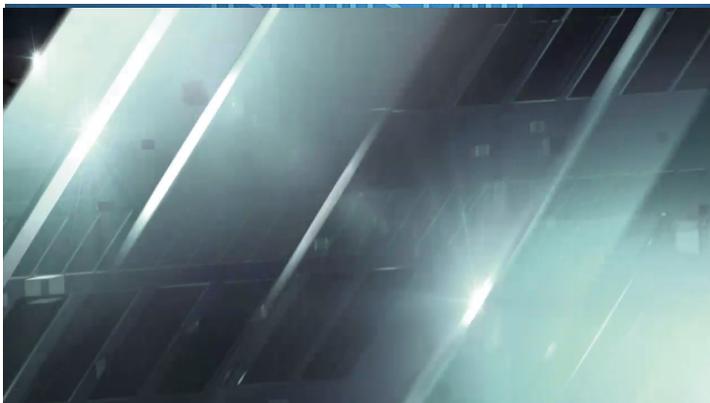
[TRADING NATION](#) | [VIDEOS](#) | [TRADER BIOS](#) | [COMMENTARY](#)

Gold is tumbling, but here's why now might be the time to buy

      | 37 SHARES

- Gold's latest swing lower could be a screaming buying signal, says investment firm manager Frank Holmes.
- He says gold could rally by more than 20 percent within the next 12 months.

[Stephanie Landsman](#) | [@stephlandsman](#)
Thursday, 4 May 2017 | 11:46 AM ET



Gold's latest swing lower could be a screaming buying signal.

Frank Holmes, who runs an investment management firm specializing in [gold](#), says he's optimistic that the precious metal could rally by more than 20 percent within the next 12 months — a forecast that's not just based on "fear" of a negative geopolitical event, rising interest rates or an economic soft patch.

"There is the 'love' driver, and that's also very significant, the U.S. Global Investors CEO and CIO said Wednesday on CNBC's "[Trading Nation](#)."

Holmes' "love driver" refers to the ravenous appetite for gold in China and India. He calls them major players, accounting for 40 percent of the world's population.

His comments come as gold tries to recapture its luster. Gold hit its lowest level Thursday since March 17.

Prices are now trading around \$1225 an ounce, nearly 4 percent less than the same time last year.

TRADING NATION



[Wall Street's 'dean of valuation' makes a surprising call on Tesla](#)

Professor Aswath Damodaran lays out the way Tesla could justify its valuation.



[Valuation expert Damodaran says he 'doesn't get' Shiller's portfolio advice](#)

Yale's Robert Shiller says nervous investors should diversify globally. Aswath Damodaran says that probably won't help.



[Investors are missing the glaring risk of a recession: David Tice](#)

Notorious bear bashes the bull market.



[Two great reasons to buy biotech: Technician](#)

Biotech looks ripe for a breakout, and one top technician says there are two prime reasons to buy now.

MORE FROM TRADING NATION

[Silver ETF extends its longest losing streak ever](#)

[Crude is crashing, and here's where I see it going next: Trader](#)

[How traders are trying to make money off of the jobs report](#)

[The dirty truth about value investing](#)

[Gold is tumbling, but here's why now might be the time to buy](#)

[This historical stat could show that Apple has more room to run](#)

[The real reason the 'fear index' is at 10-year lows](#)

[Why gold is now 'walking on a tight rope'](#)

You May Also Like

[Investors are missing the glaring risk of a recession: David Tice](#)

[Wall Street's 'dean of valuation' makes a surprising call on Tesla](#)

[Crude is crashing, and here's where I see it going next: Trader](#)

[Valuation expert Damodaran says he 'doesn't get' Shiller's portfolio advice](#)

HIDE 

Holmes predicts gold will become more attractive even as the Federal Reserve continues its interest rate hike policy. Rising interest rates typically have a negative impact on gold prices, and Wall Street is predicting at least two more hikes this year.

The Fed voted to keep rates steady on Wednesday, but acknowledged economic growth is slowing.

The latest statement isn't discouraging Holmes from abandoning his bullishness for gold, even if volatility increases.

"I think we are going to see these see-saws which are great trading opportunities for gold investors," he said.



Stephanie Landsman
Producer, CNBC's "Fast Money"

RELATED SECURITIES

Symbol	Price	Change	%Change	
Gold COMEX	1226.90	---	UNCH	0%

Jeffrey Brown, dean and professor at the University of Illinois College of Business, discusses his recent paper with Brian Sullivan.



[David Tice makes the bear case on the market](#)

David Tice, former manager of the Prudent Bear Fund, discusses stocks, gold and bitcoin with Brian Sullivan.



[Trading Nation: Volatility to return?](#)

Matt Maley, Miller Tabak, and Erin Gibbs, S&P Global, discuss the tight trading range in the S&P 500 with Brian Sullivan.

You May Also Like

Investors are missing the glaring risk of a recession: David Tice

Wall Street's 'dean of valuation' makes a surprising call on Tesla

Crude is crashing, and here's where I see it going next: Trader

Valuation expert Damodaran says he 'doesn't get' Shiller's portfolio advice

HIDE ▾