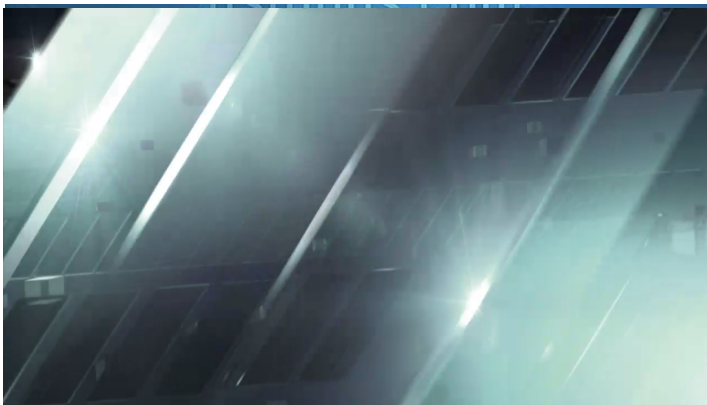


# Gold is tumbling, but here's why now might be the time to buy

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  
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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.

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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"

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Symbol	Price	Change	%Change	
<b>Gold COMEX</b>	1226.90	---	UNCH	0%

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