

Meta: Russia Ukraine war is a major depression for the global economy. However, gold can still make a significant difference during a crisis. Let's discuss how.

## Russia-Ukraine War: How Gold Can Play a Part in It?

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Filename: Gold-coins

Alt-text: A monochrome picture of scattered gold coins.

Vladimir Putin was mistaken if he thought that his troops can enter Ukraine and be welcomed with open arms. The war happening in Ukraine has devolved into a stalemate. It has turned into a war of attrition that can last until either the side runs out of soldiers or weapons. Regardless of which side emerges on the top., gold can be a winner in the conflict's outcome.

This means you may want to consider [investing in gold coins](#) as the war has affected gold prices and [increased the value of precious metals](#). The whole world has been upset by Russia's actions

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in Ukraine not only militarily or politically, but also monetarily. None ever expected an all-out attack of one nation on a non-aggressive state such as Ukraine.

The US and Europe are also struggling to respond to the situation. The first actions against Russia were sanctions that had little to no consequences. That's because Russia has been under several sanctions since 2014 and the country had years to formulate a more comprehensive sanction.

However, the scope and scale of their recent sanctions had negative effects on ordinary Russians. While it may appear as if Russia may not be able to bounce back, the ruble was mainly unaffected. Let's discuss how gold is still the biggest winner to give you a better idea.



Filename: Gold-bullion-and-coins

Alt-text: various gold bullions on a sheet of a musical score.

## Can Gold Beat the Sanctions?

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Brussels and Washington's policymakers considered the sanctions against Russia would lead the Russian economy towards a crash that could weaken Putin's grip. Many thought that Russia doesn't have anything to offer to America apart from natural gas and oil. This means, that if the Russian industries were sanctioned and the banks were cut off from the West, the effects would be insignificant.

If you are feeling confused about your gold investments, a [gold investment dealer](#) such as Orion Metal Exchange can help you determine your investment options. The company provides services such as secure home delivery, [private vault storage](#), and more.

Continuing with the [West's sanctions](#), industrial materials production such as aluminum, palladium, and nickel make Russia essential when it comes to the sale and production of metals in the industry. With the war situation, [nickel markets are in disarray](#) throughout the globe. The market was brought to its knees because of Russia's sanctions and another Chinese steel producer that had short positions in nickel almost went bankrupt as a result.

Russia is a major contributor to fertilizer production and the increasing costs of fertilizers can also impact food prices. A majority of the farmers may also halt food production as they can't get access to fertilizers and the prices can make food production uneconomical.

Putin decided to take the upper hand and demanded that only rubles should be accepted for payment of natural gas and oil. Russian banks were also shut down from doing business in the West.

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Filename: Gold-bullion

Alt-text: Several sizes of gold bullions.

The Russian Central Bank took some major steps by fixing the ruble to gold. The bank declared that it will [purchase gold for 5,000 rubles per gram](#). Every ounce of gold can cost around 155,505 rubles according to exchange rates which would be just under \$1,850 per ounce. This means three things.

## 1. Setting A Gold Price Floor

The central bank's actions establish a price floor for gold and if the prices were to drop, under \$1,850, the gold can start flowing into Russia. This would make Russians take advantage of the fixed prices.

## 2. De Facto Gold Standard

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Russia has moved one step closer to achieving an [official gold standard](#). With the promise of buying gold at a fixed price, Russia has defined the ruble monetary unit as a 1/5000 per gram of gold. The costs of this decision can become more prominent in the future.

### 3. Monetary Security

Russia can now ensure a steady supply of money. The nation is one of the world's biggest producers of gold and makes for about 10% of the world's gold production. The actions taken by the central bank monetized gold with both international and domestic implications.

Domestically, the demand for gold significantly increases as Russia protects itself from household sanctions and the weaknesses of the ruble. The central bank even suspended gold purchases at one point due to the strong demand from Russian households.



Filename: Dollar-banknotes

Alt-text: A closeup of dollar banknotes

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Undoubtedly, Sanctions have had a major impact on the Russian economy but the country was prepared. They had the option to pivot gold and that's what they did. In cases of economic emergencies such as the Russia Ukraine war, [investing in precious metals](#) can protect your wealth.

If you're looking to [buy gold coins online](#) or get investment advice about [how to invest in gold](#), [Orion Metal Exchange](#) has been helping investors with their retirement plans and more for 50 years. We can help safeguard retirement plans and savings so that you stay prepared for any economic or global turmoil. [Contact us today](#) to learn more about our [metal products](#) and [advisory services](#).

## About The Author

The Author is an investor who likes writing about investments in commodities such as precious metals. Currently, they are spreading awareness among investors about portfolio diversification.

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