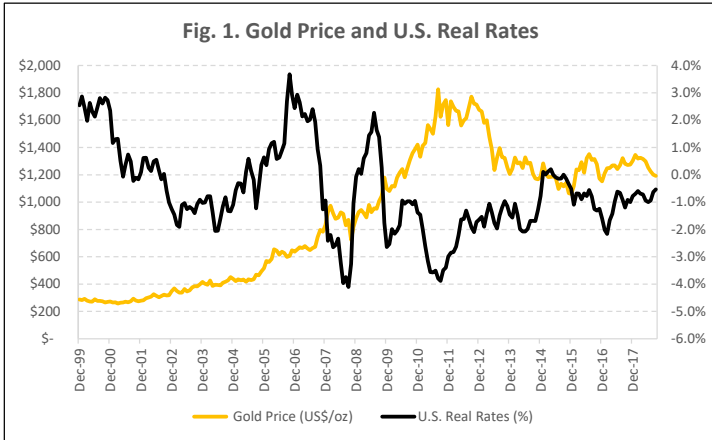


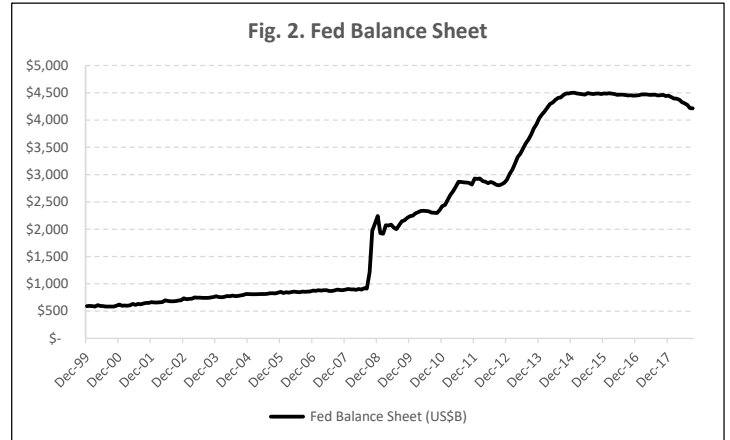
GOLD MONITOR

Chart Comments (Q3 2018)

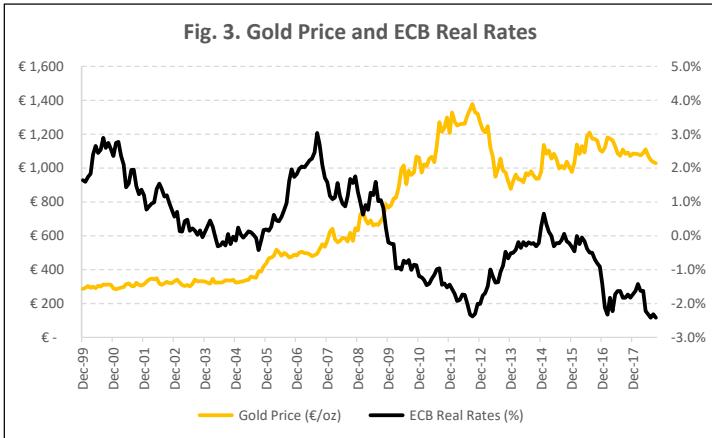
1. Real interest rates remain negative on global basis (Fig. 1, 3), which is a bullish sign for gold. Interestingly, U.S. real rates are increasing while ECB real rates are decreasing.
2. The average annual interest rate on U.S. debt continues to increase (Fig. 19). The average maturity of U.S. Federal debt is 69 months as of September 30, 2018. Interest rate increases will also impact margin costs. The net margin debt balance in the U.S. is at an all time high (Fig. 24).
3. Speculators on gold futures are currently net short (Fig. 40), which hasn't happened since 2001. This is a rare occurrence given gold futures are typically in contango.
4. Gold resources in the ground are still being valued inexpensively (Fig. 54).

Section I. Macro


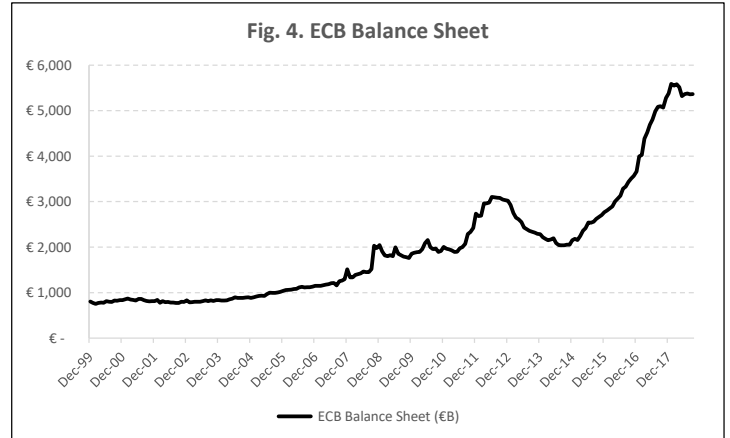
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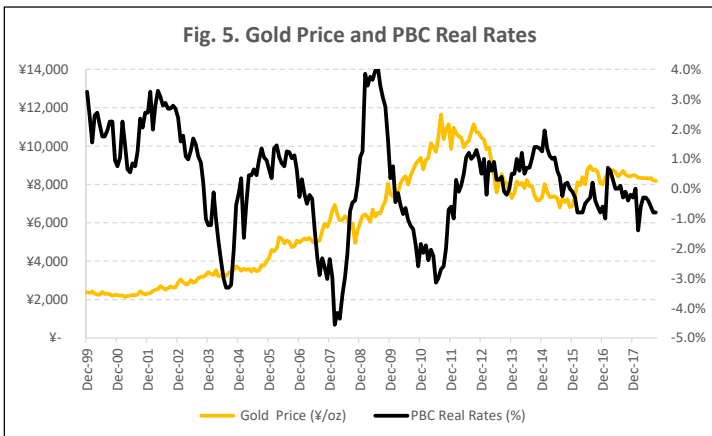
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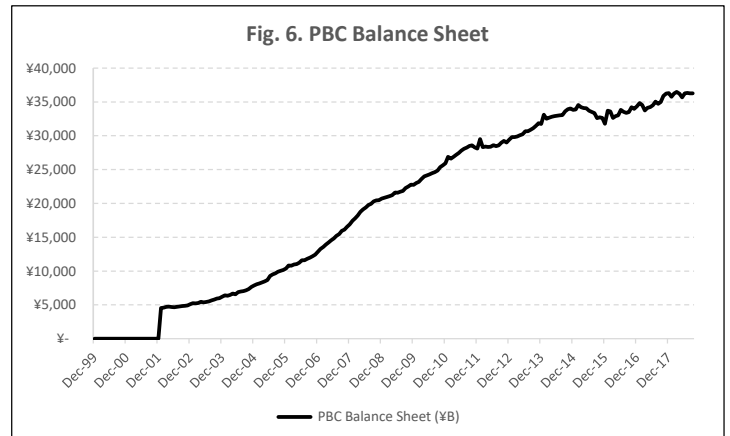
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Source: Bloomberg.

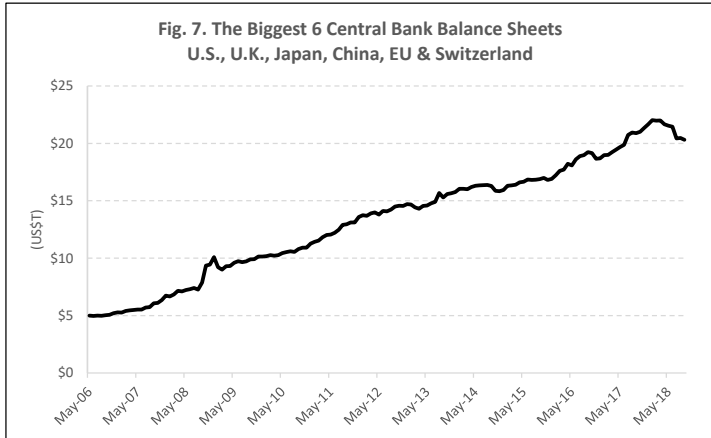


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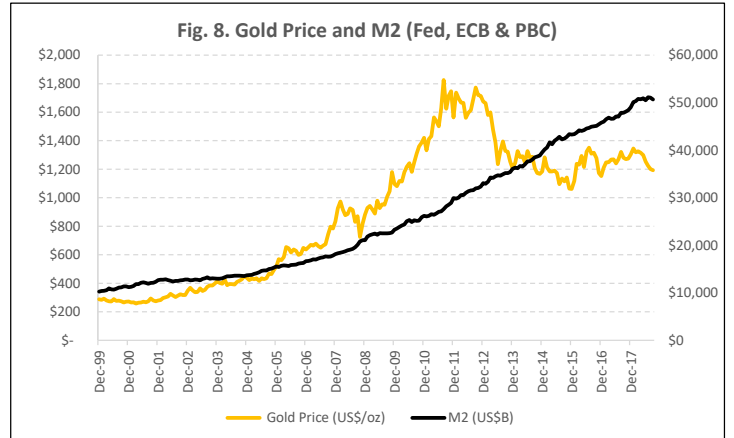


Source: Bloomberg.

Section I. Macro



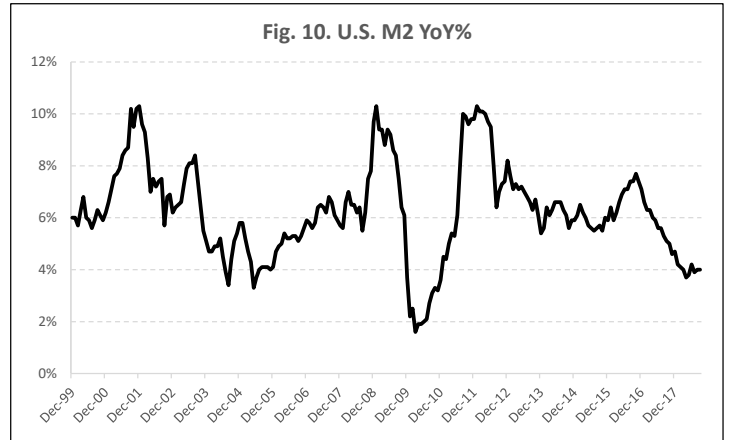
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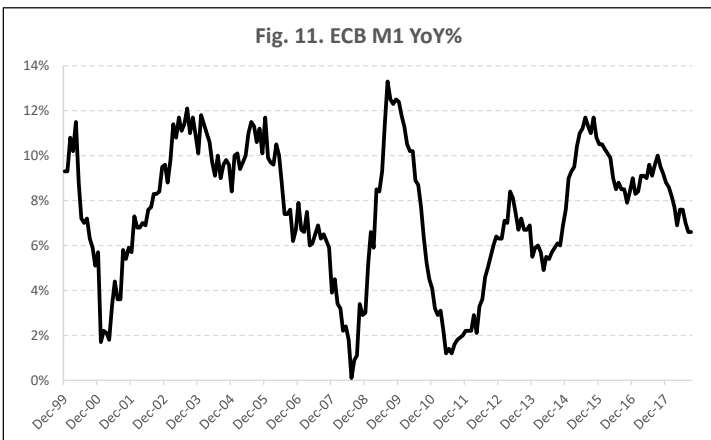
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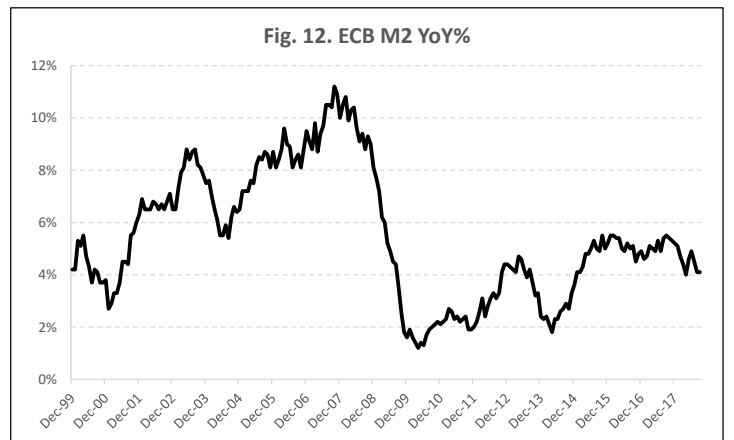
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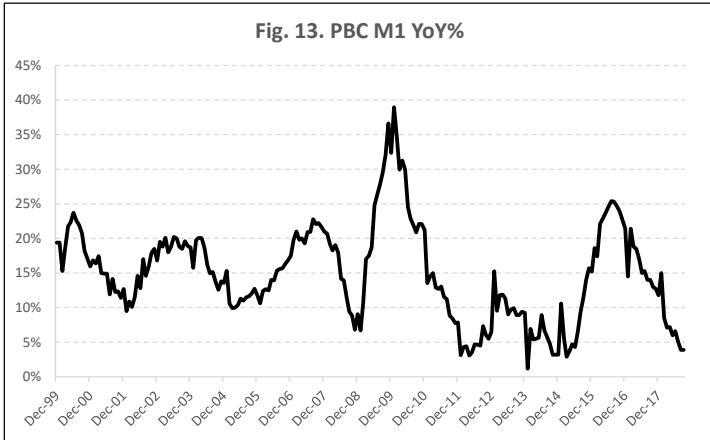
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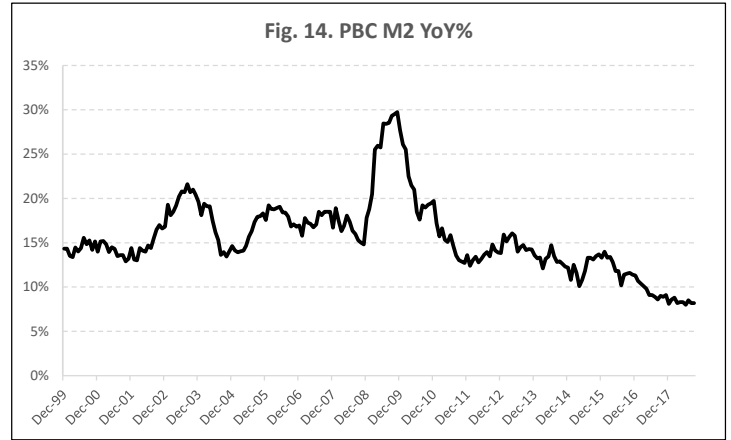
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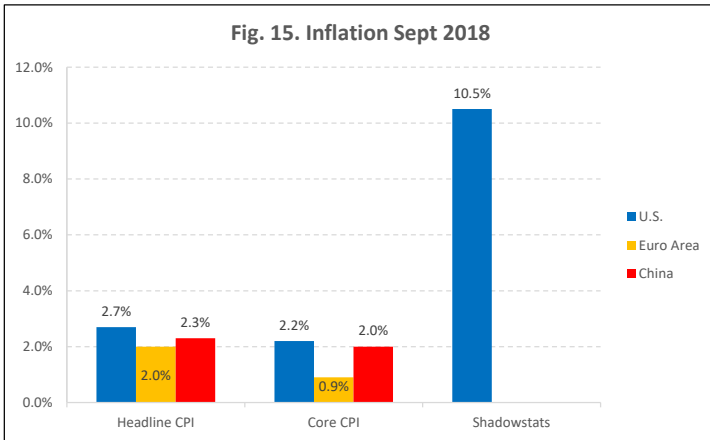
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Section I. Macro


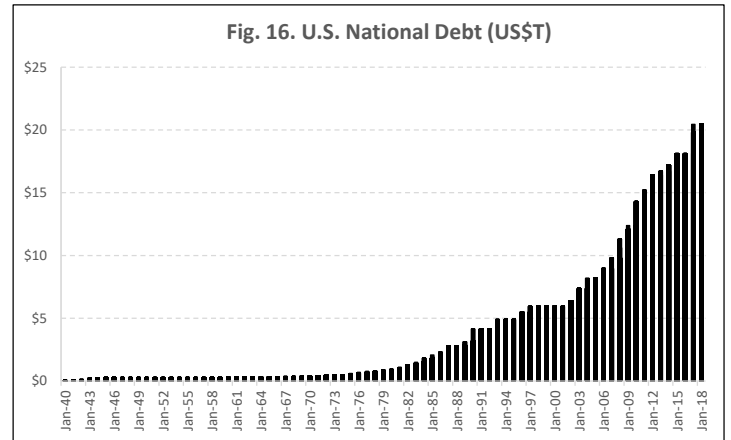
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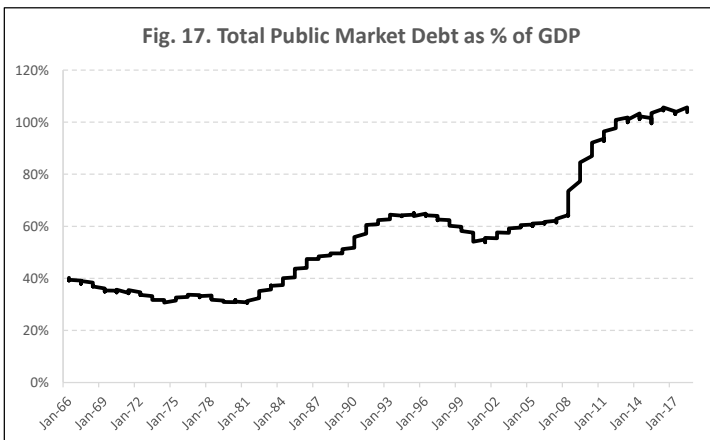
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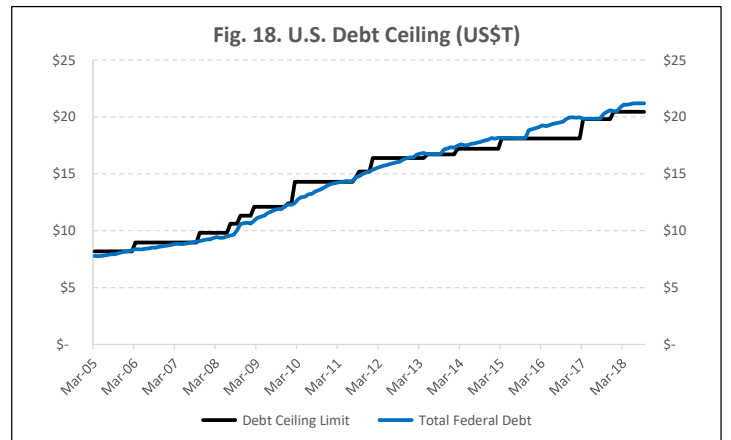
Source: Bloomberg, Shadow Government Statistics.



Source: Bloomberg.

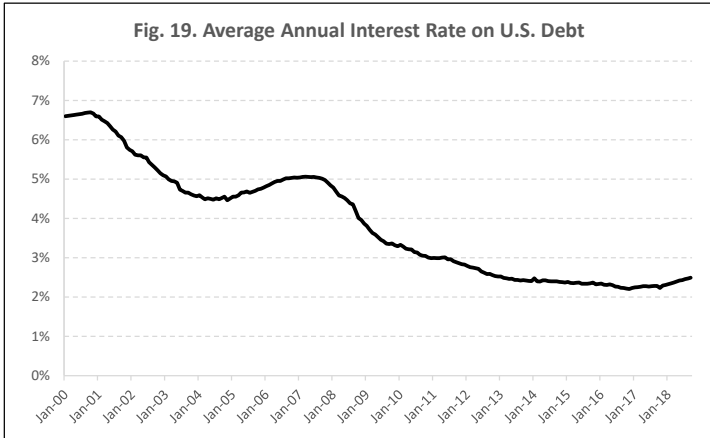


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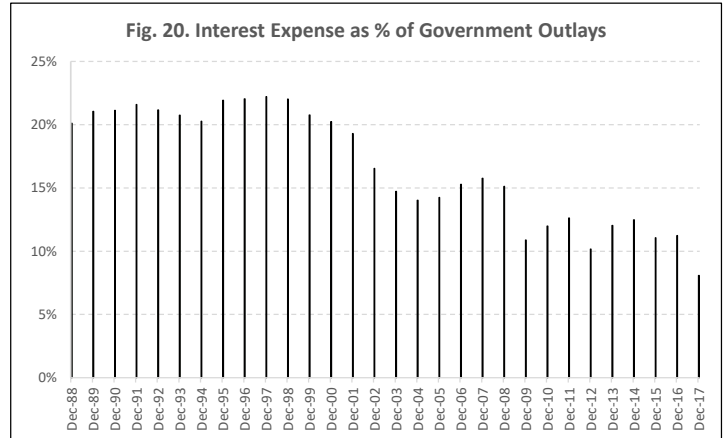


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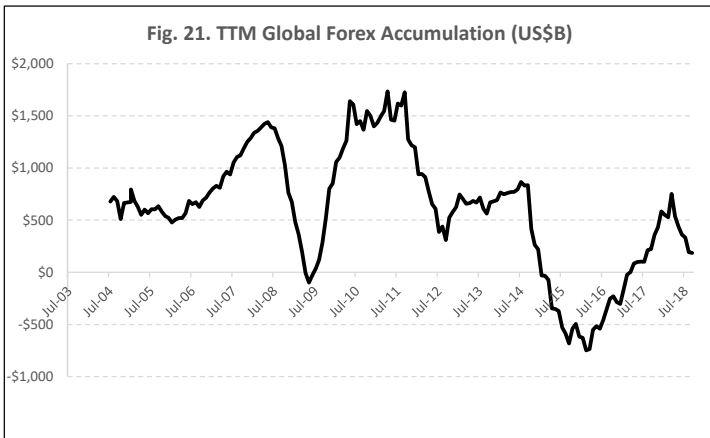
Section I. Macro



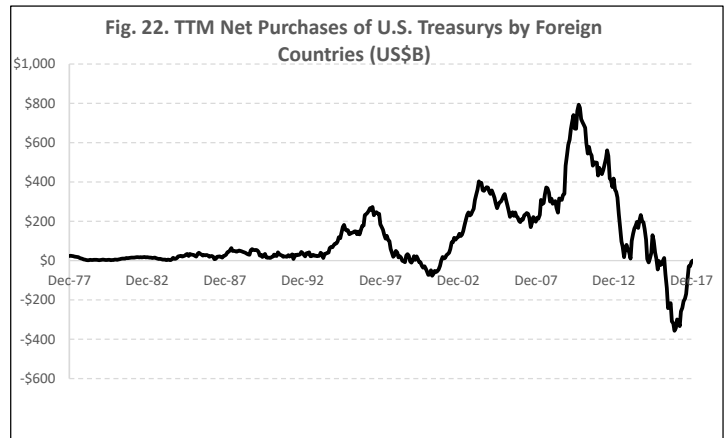
Source: U.S. Treasury, Meridian Macro.



Source: Bloomberg, U.S. Treasury.



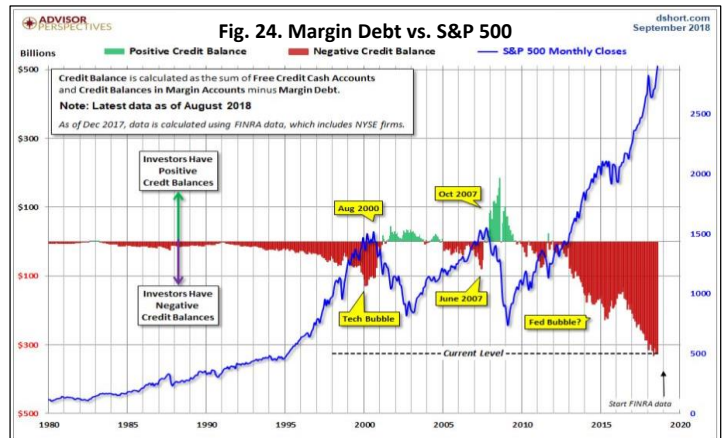
Source: Bloomberg.



Source: Bloomberg.



Source: Bloomberg, MacroMavens.



Source: Advisor Perspectives.

Section II. Gold

Fig. 25. Gold Supply and Demand (tonnes)

	2010	2011	2012	2013	2014	2015	2016	2017
Supply								
Mine production	2,744	2,846	2,911	3,073	3,150	3,223	3,263	3,269
Net producer hedging	(109)	23	(45)	(28)	105	13	33	(30)
Recycled gold	1,683	1,668	1,691	1,263	1,189	1,120	1,295	1,160
Total supply	4,318	4,536	4,558	4,308	4,444	4,356	4,591	4,398
Demand								
Jewellery	2,043	2,090	2,133	2,722	2,526	2,455	1,995	2,122
Technology	460	429	381	356	349	332	323	333
Sub-total above fabrication	2,503	2,519	2,514	3,078	2,875	2,787	2,318	2,455
Total bar & coin demand	1,204	1,500	1,308	1,723	1,052	1,075	1,049	1,029
ETFs & similar products	430	232	306	(912)	(184)	(125)	547	203
Central bank & other inst.	79	481	569	624	584	577	390	371
Gold demand (Fabr. Basis)	4,216	4,732	4,697	4,513	4,326	4,314	4,304	4,058
Surplus/Deficit	103	(196)	(139)	(206)	117	42	287	340
Total demand	4,318	4,536	4,558	4,308	4,444	4,356	4,591	4,398
LBMA Gold Price (US\$/oz)	1,225	1,572	1,669	1,411	1,266	1,160	1,251	1,257

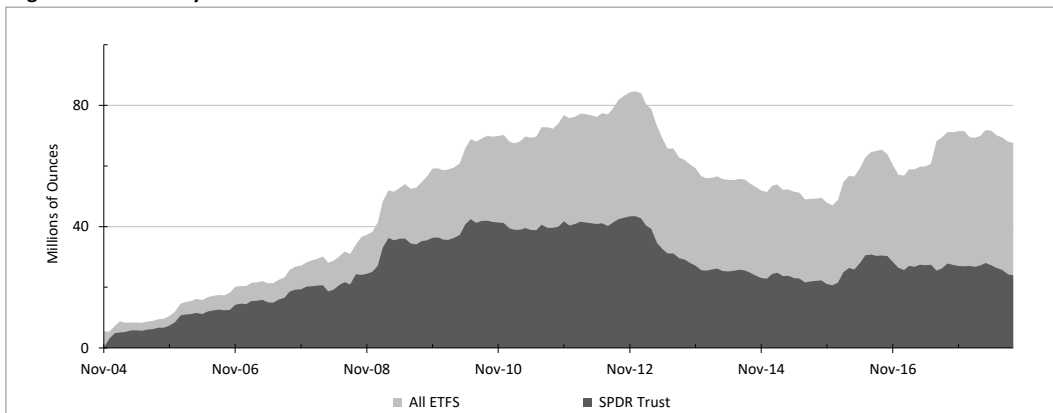
Source: World Gold Council.

Fig. 26. Market Value of Above Ground Gold/U.S. Financial Assets

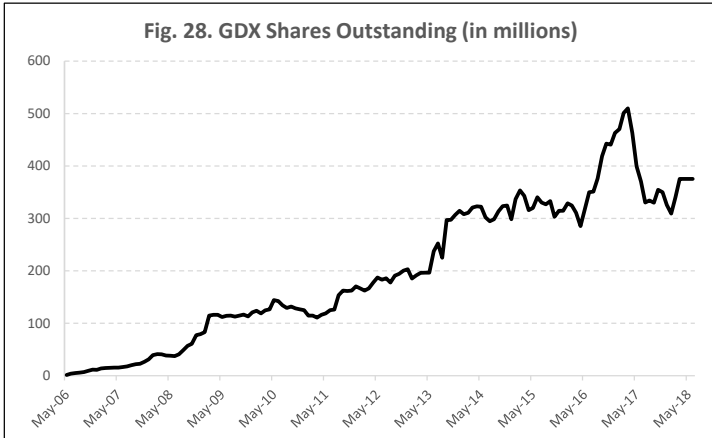


Source: U.S. Geological Survey, World Gold Council, Federal Reserve, Bloomberg.

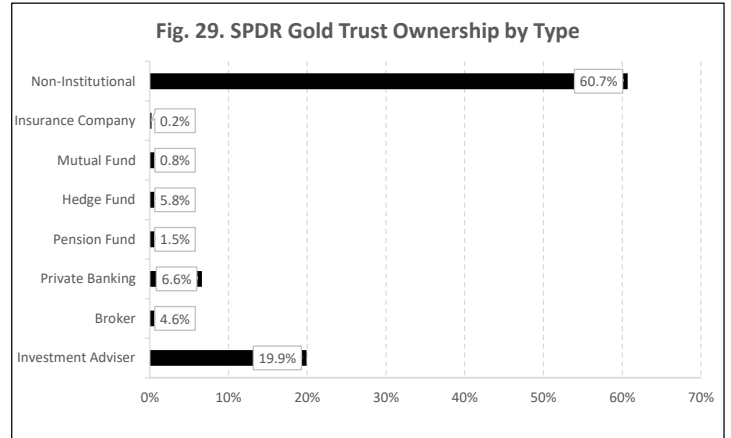
Fig. 27. Gold Held by ETFs



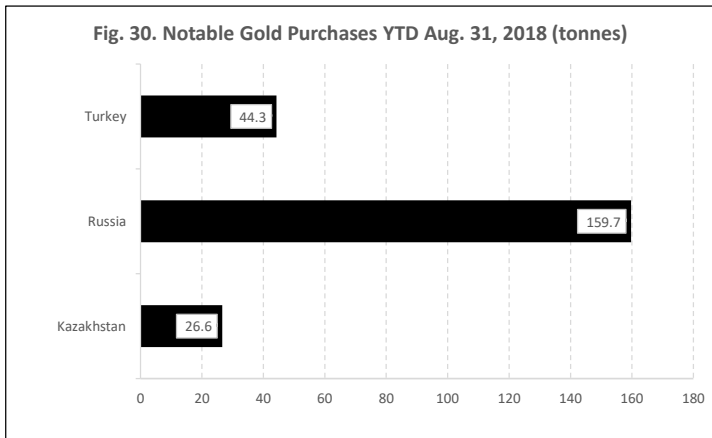
Source: Bloomberg.

Section II. Gold


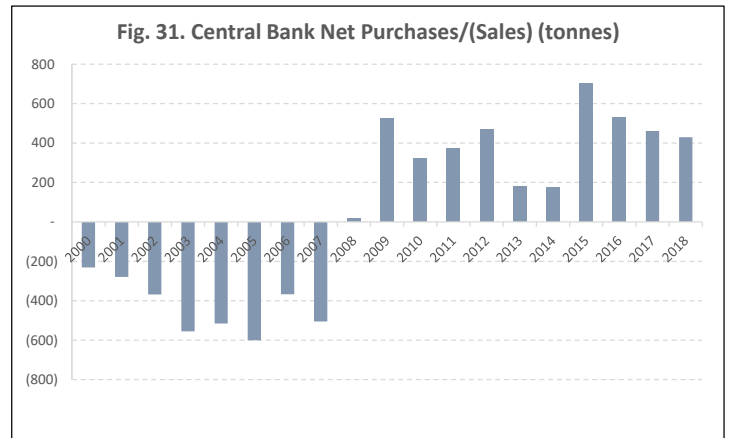
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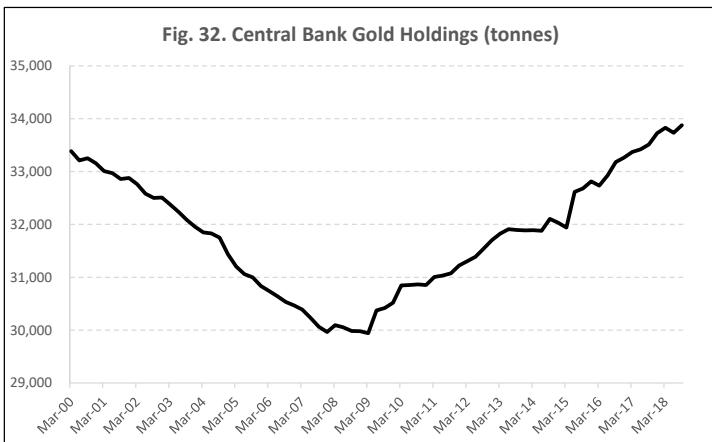
Source: FactSet.



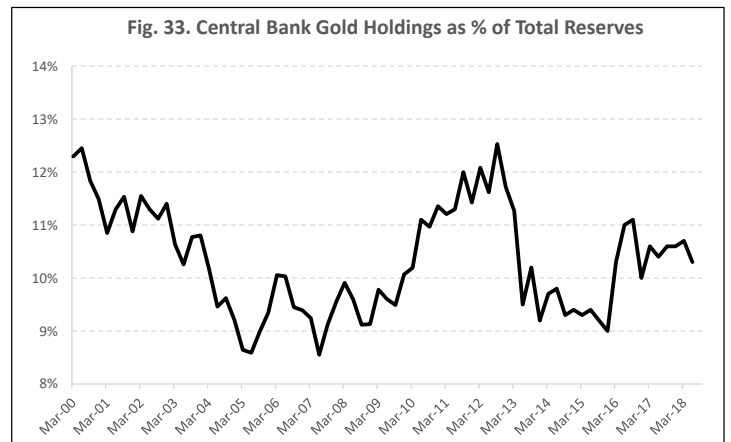
Source: World Gold Council.



Source: World Gold Council.

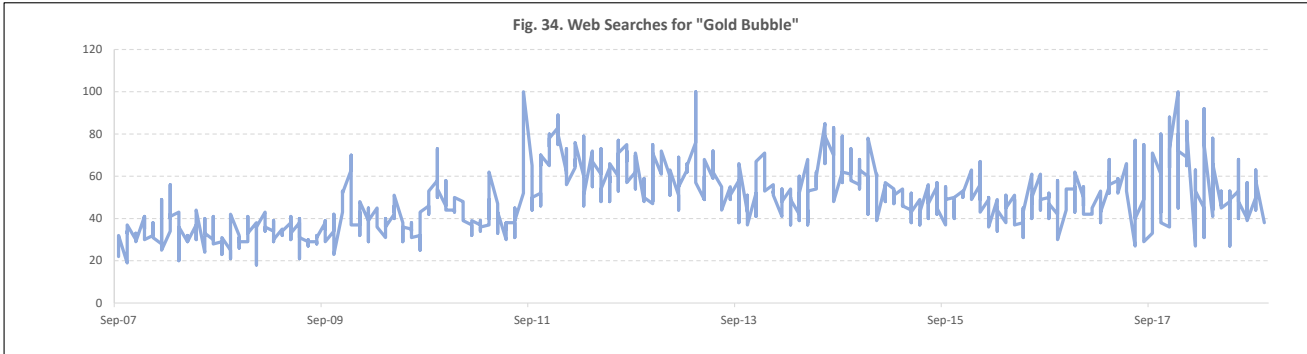


Source: World Gold Council.

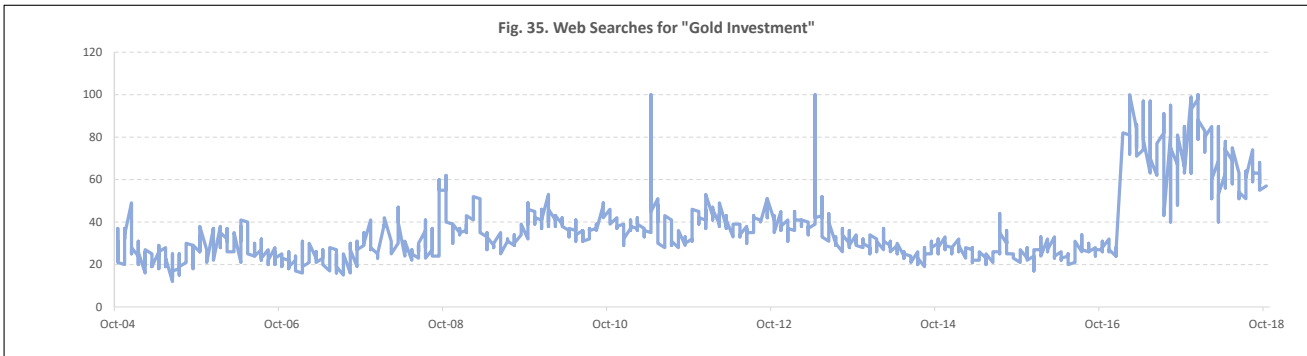


Source: World Gold Council.

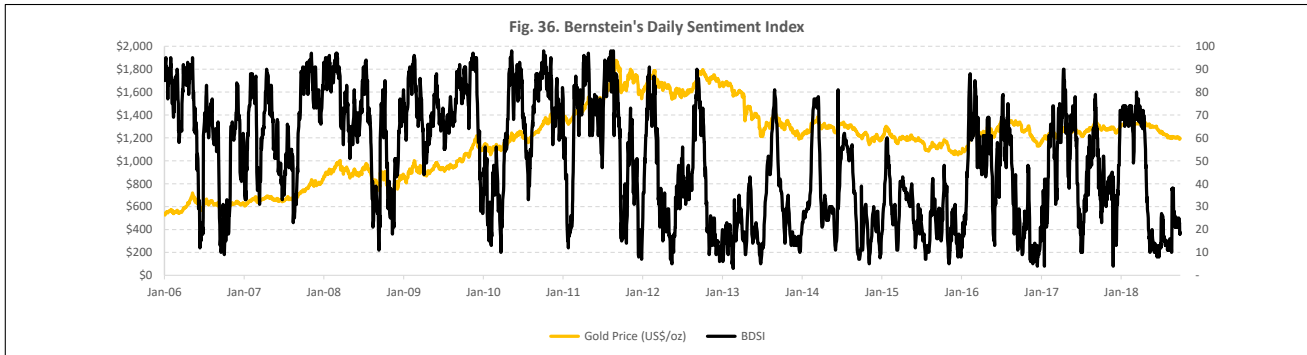
Section II. Gold



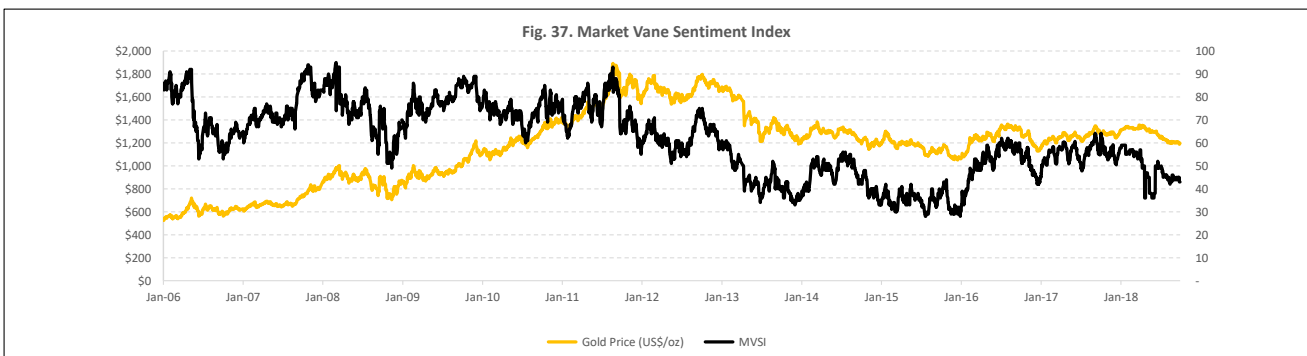
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Source: Google.

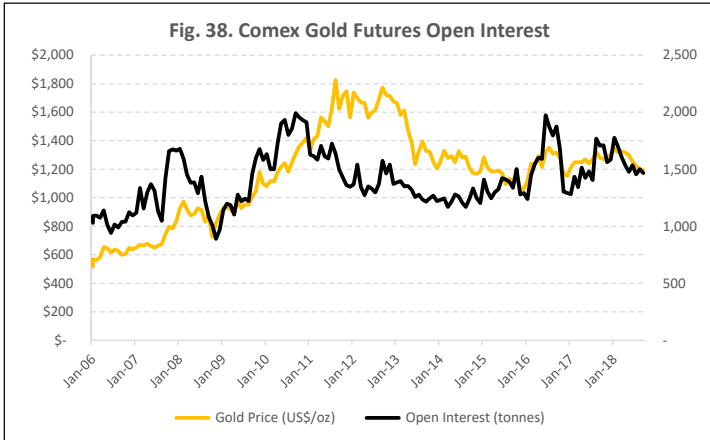


Source: Bloomberg, Bernstein's DSI.

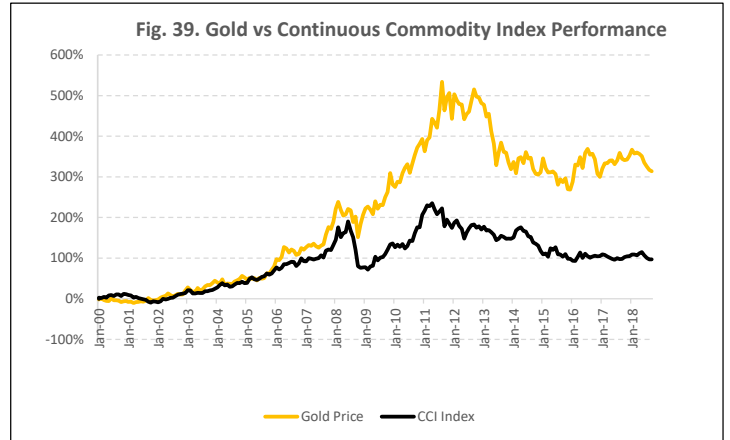


Source: Bloomberg, Market Vane.

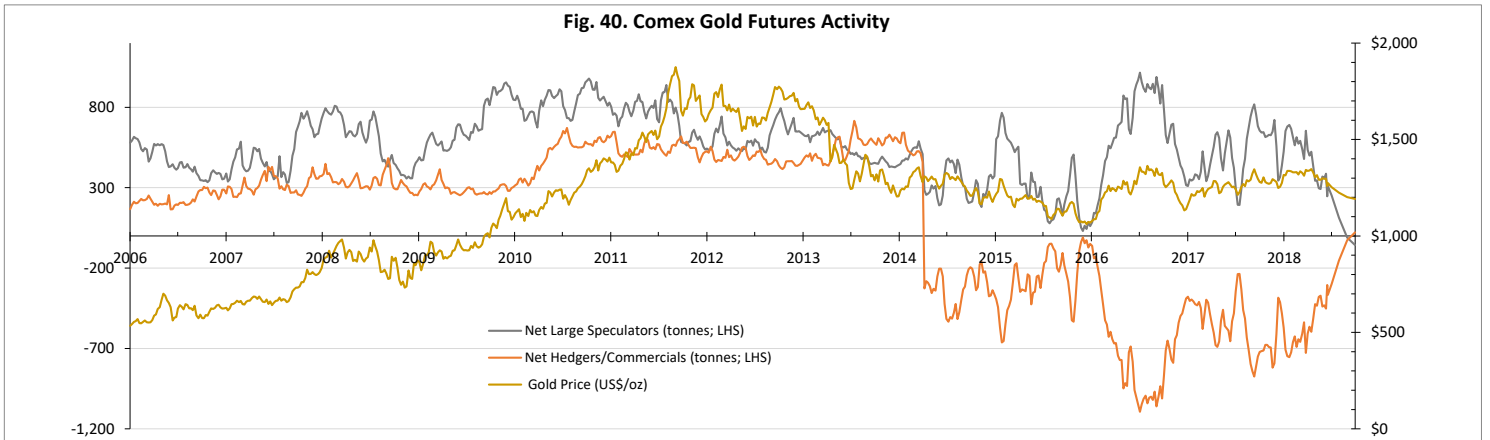
Section II. Gold



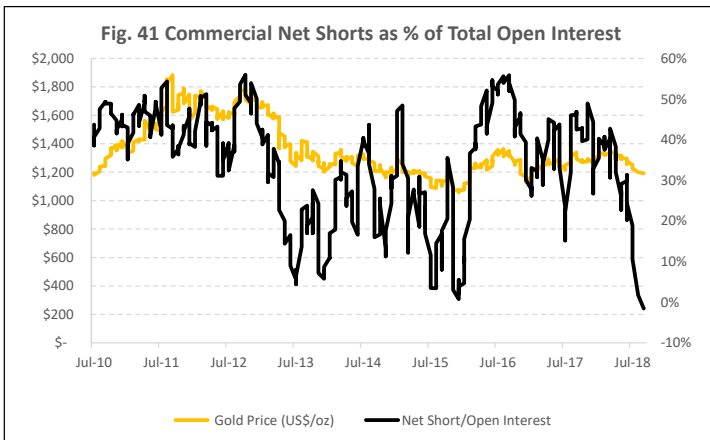
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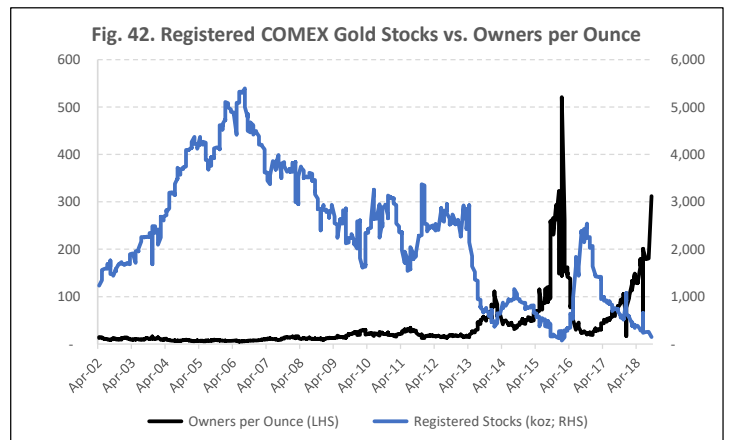
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Source: CFTC.

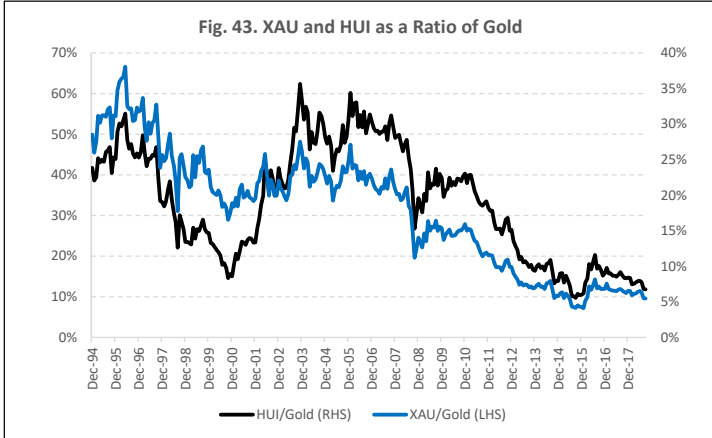


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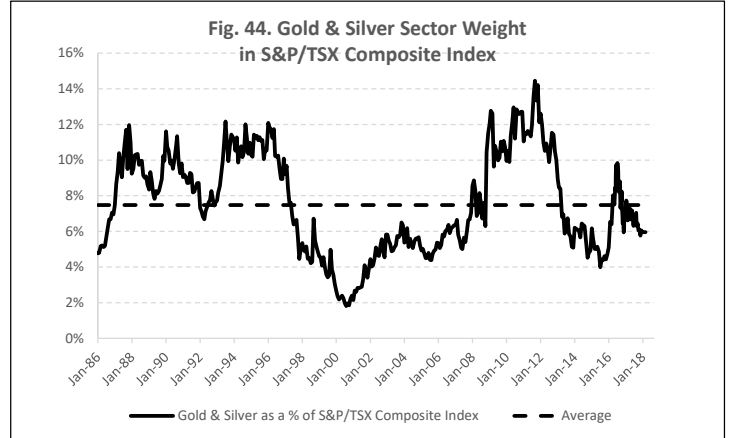


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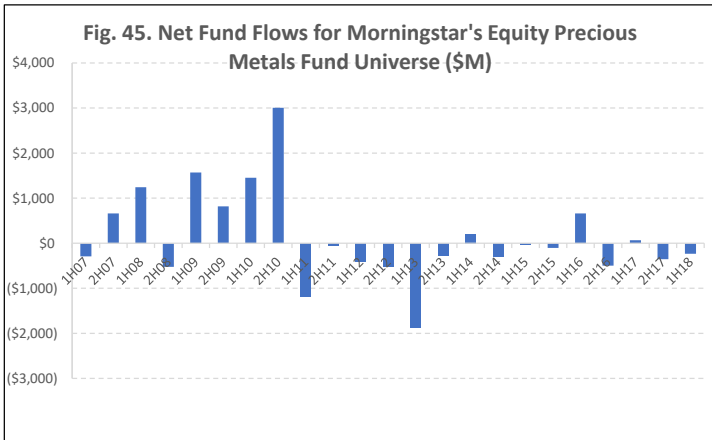
Section III. Gold Mining Equities



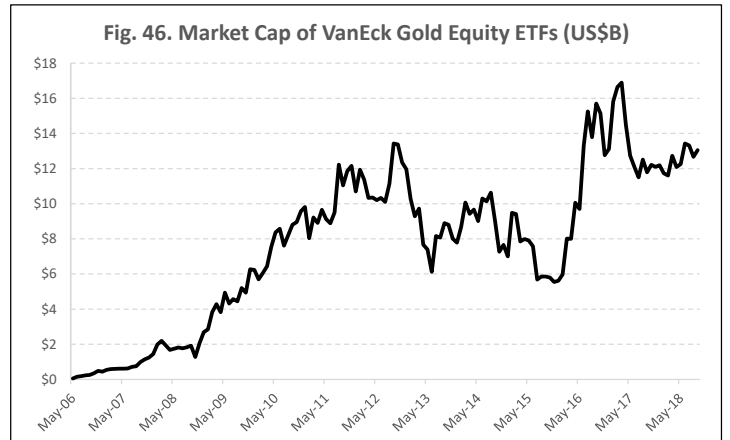
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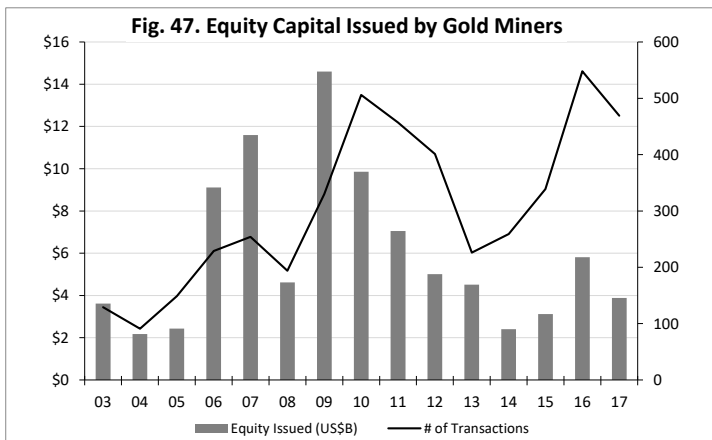
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Source: Morningstar.

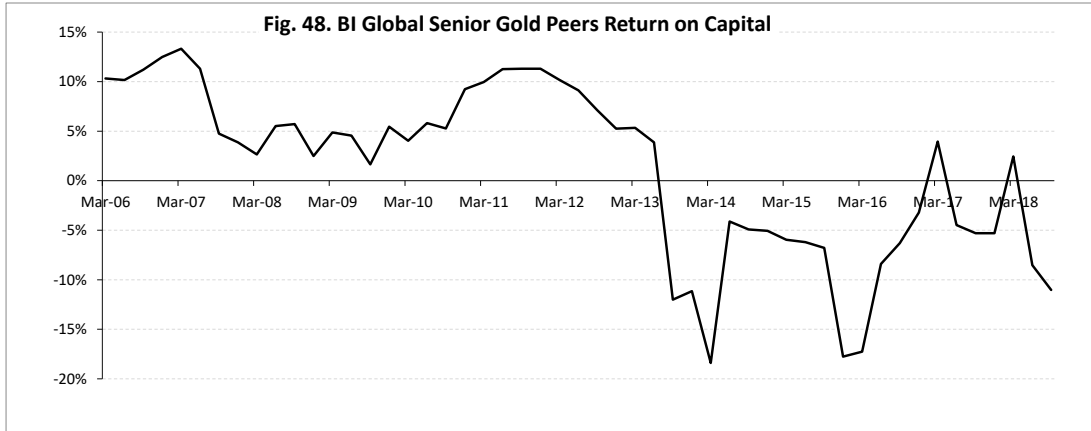


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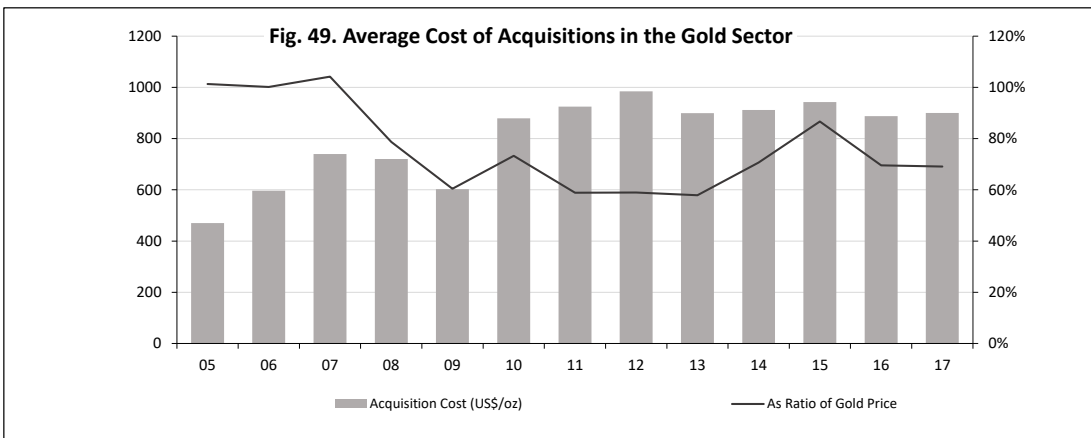


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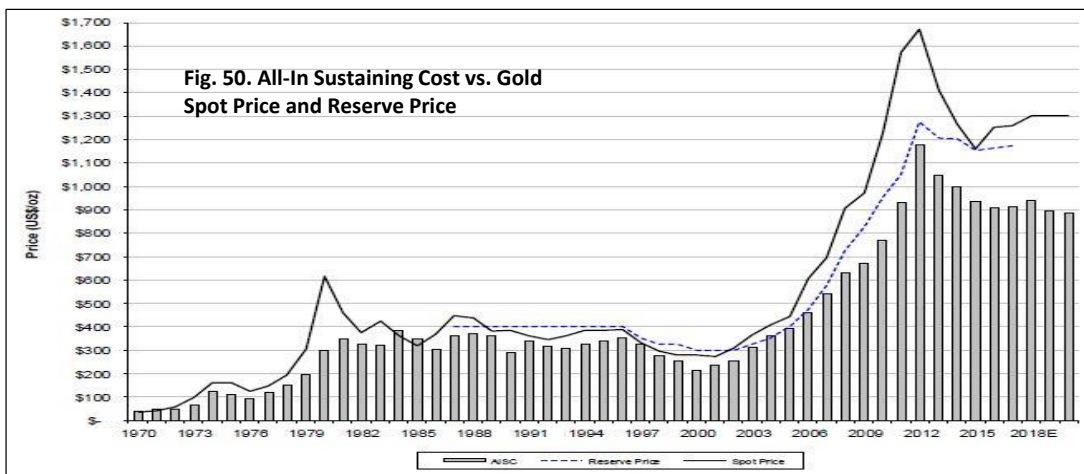
Section III. Gold Mining Equities



Source: Bloomberg.



Source: RBC Capital Markets, Bloomberg.



Source: Scotiabank.

Section III. Gold Mining Equities

Fig. 51. Gold Price Discounted by Market (\$/Oz)

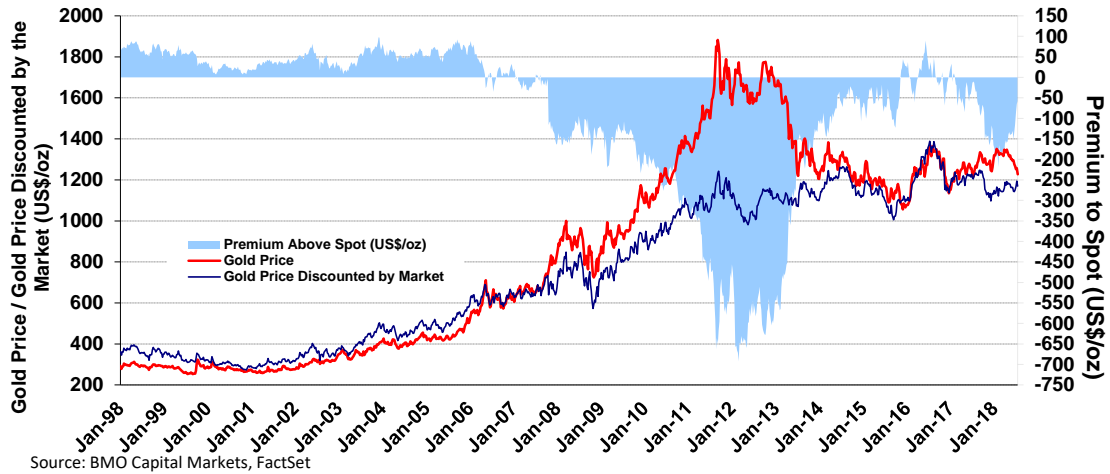


Fig. 52. NAV Premiums - Senior & Intermediate Producers (N.A.)

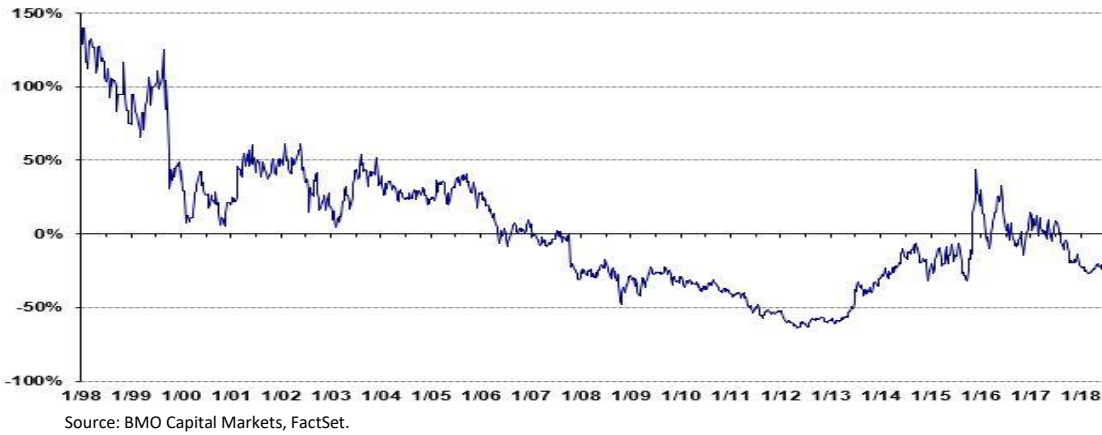


Fig. 53. P/CF - Universe of Coverage Average

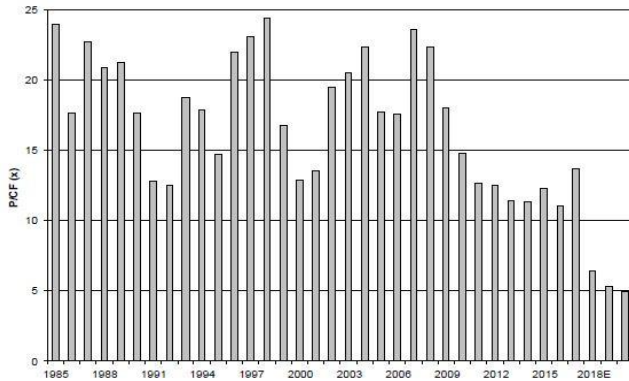


Fig. 54. Adj. Market Cap per Oz of Resource / Gold Price

