

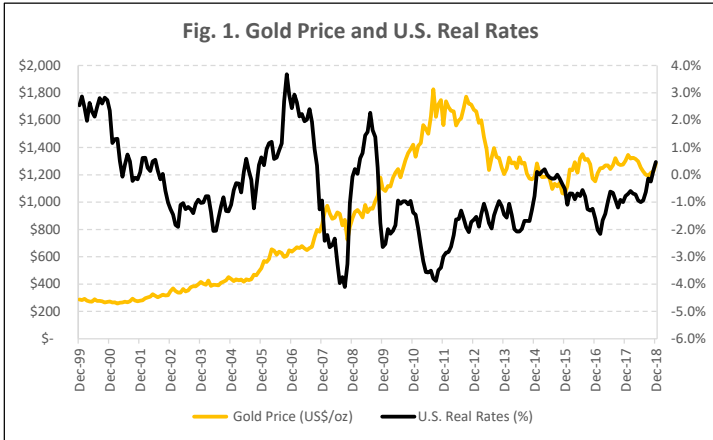


GOLD MONITOR

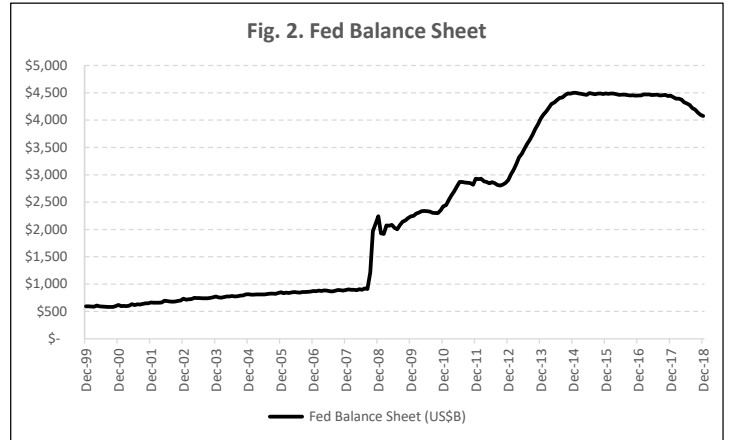
Q4 Comments:

1. U.S. interest expense as a percentage of U.S. government outlays has likely bottomed (Fig. 20). Interest rates on U.S. debt have been rising and the average maturity of U.S. Federal debt is currently 69 months. There have been, however, fewer buyers of U.S. Treasuries (Fig 22, 23).
2. While net purchases by foreign buyers of U.S. Treasuries has declined, central bank gold holdings continue to rise and are at the highest levels as a percentage of total central bank reserves in over five years (Fig. 32, 33).
3. Gold and silver equity weighting in the S&P/TSX Composite Index is low (Fig. 44).
4. The amount of equity raised by gold miners in 2018 was almost non-existent (Fig. 47). As a contrarian investor, this is surely a good sign for the future price of gold and gold mining equities.
5. There is a significant value gap between larger cap and small cap gold companies (Fig. 52).

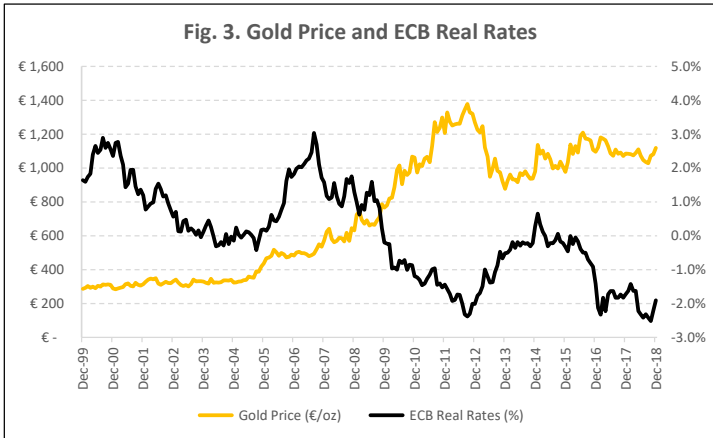
Section I. Macro



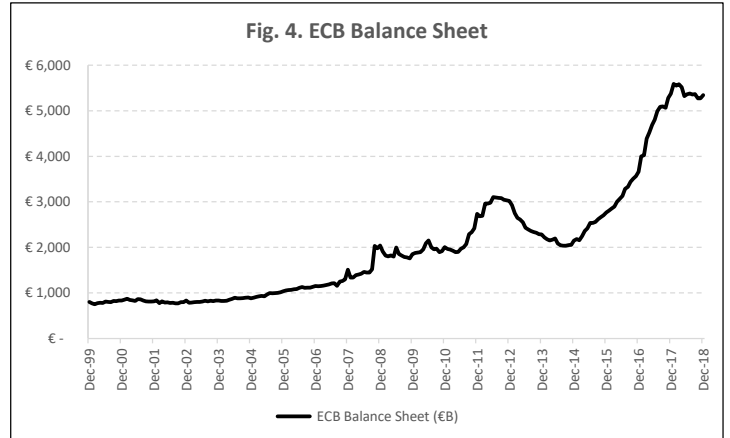
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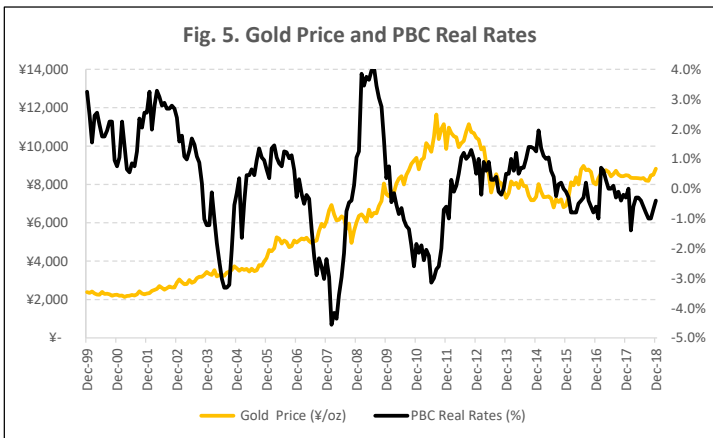
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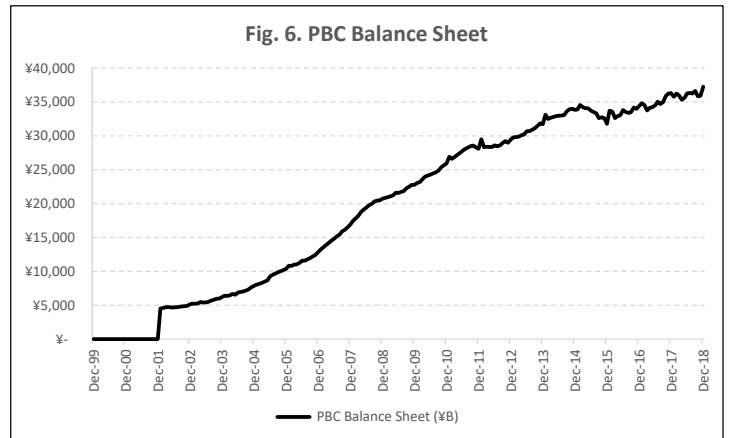
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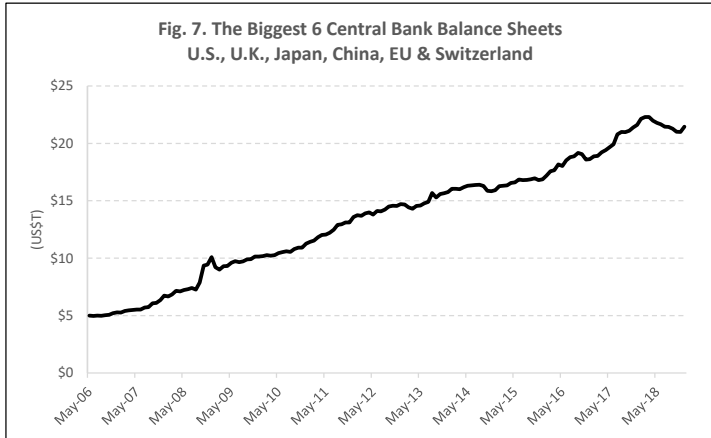
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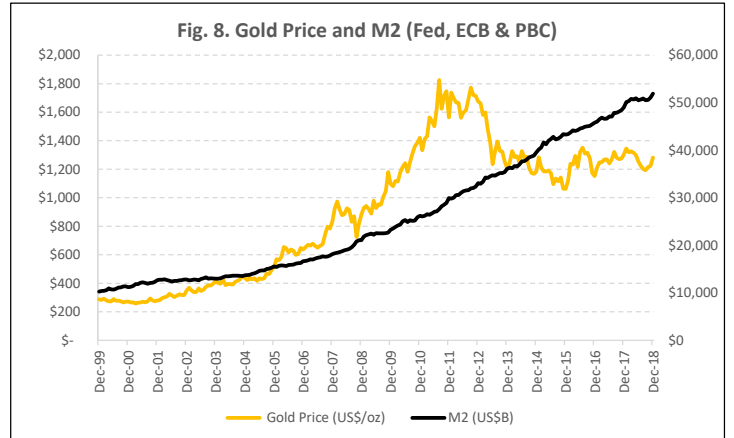
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Section I. Macro


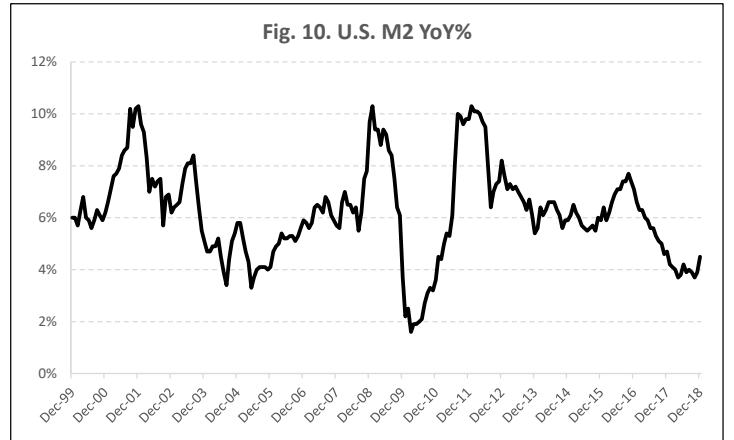
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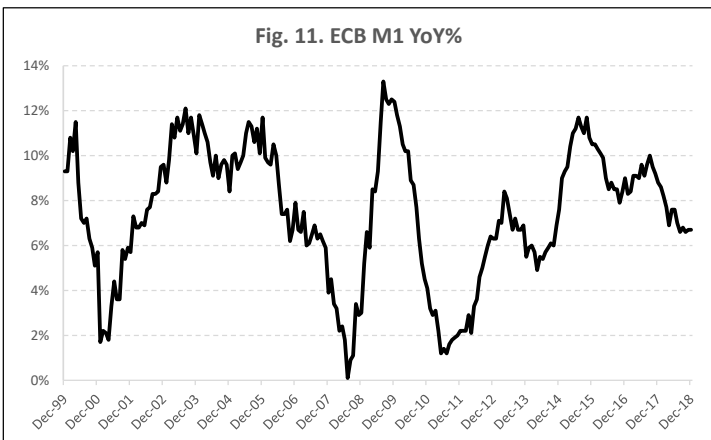
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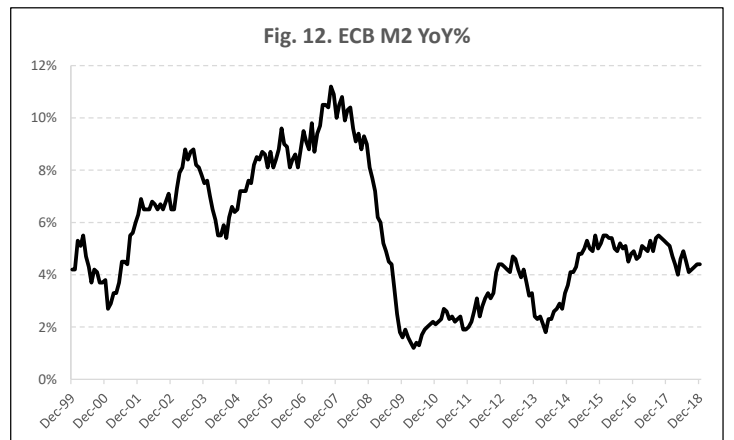
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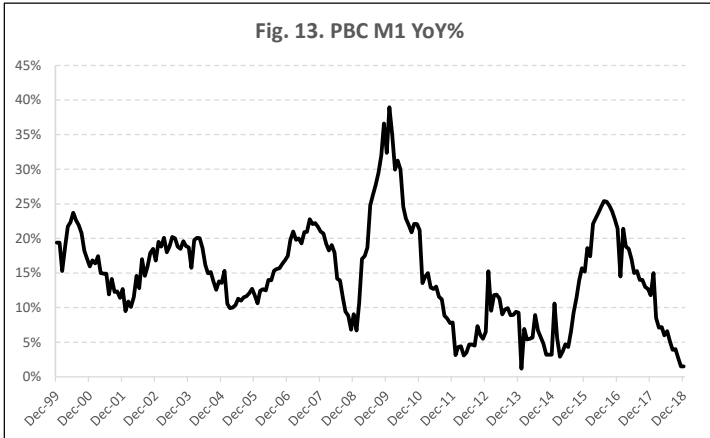
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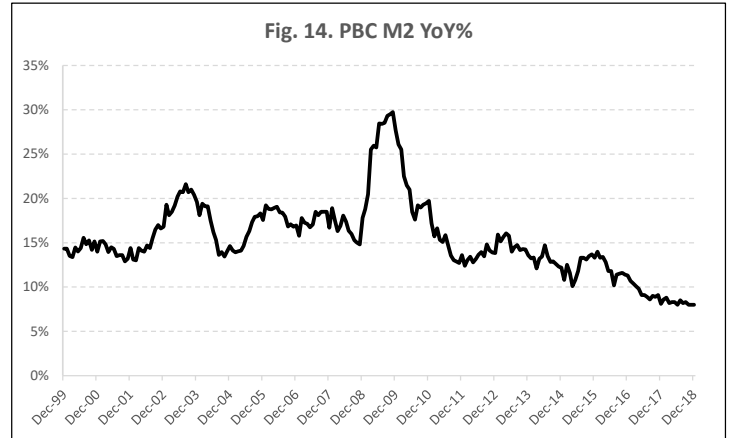
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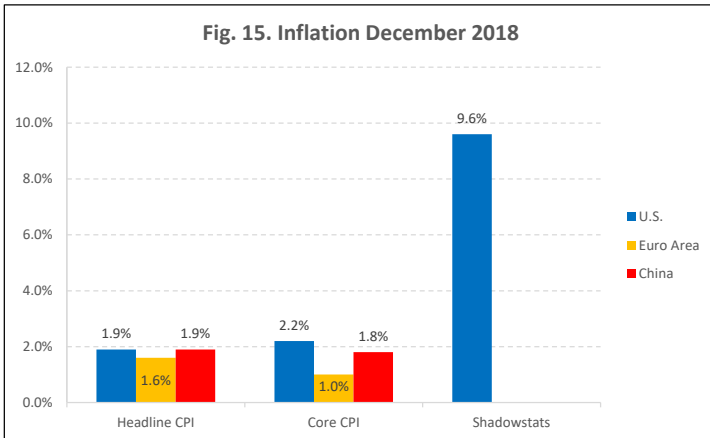
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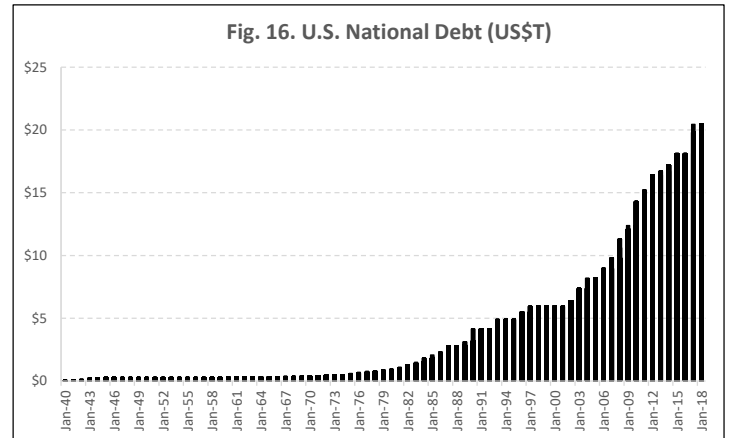
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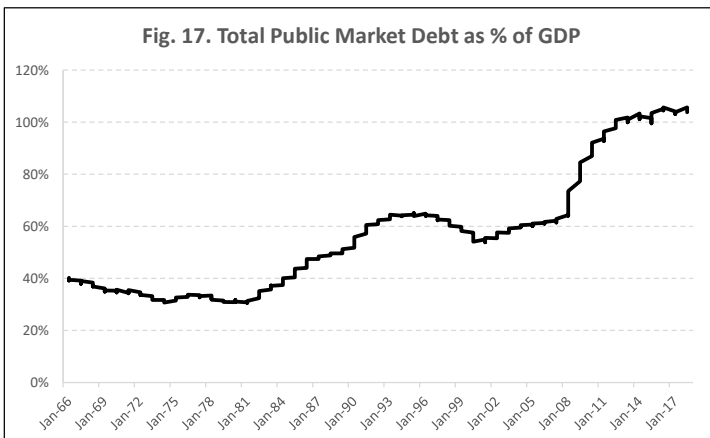
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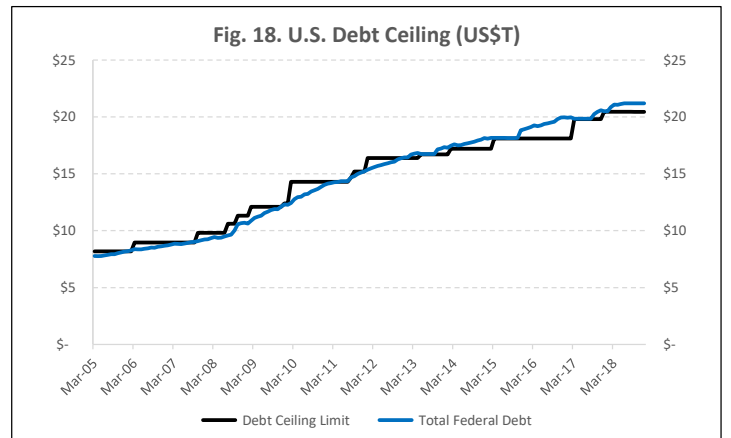
Source: Bloomberg, Shadow Government Statistics.



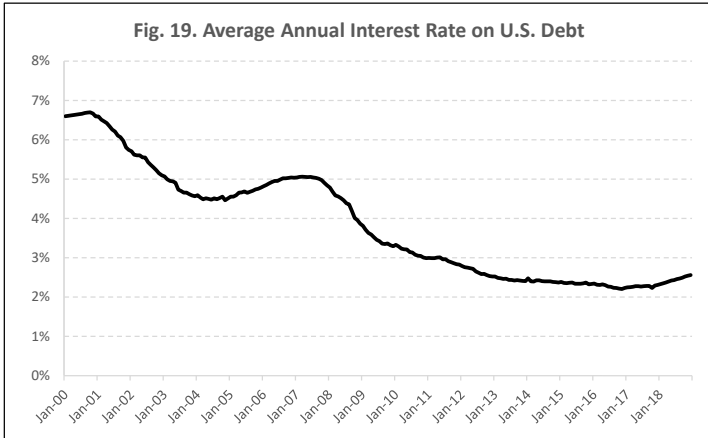
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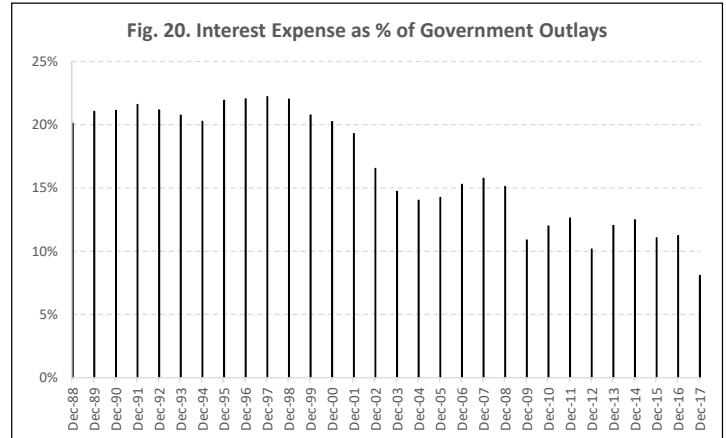
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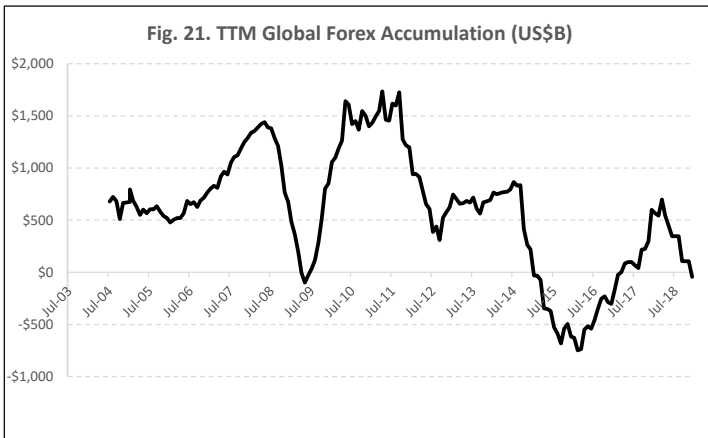
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Section I. Macro


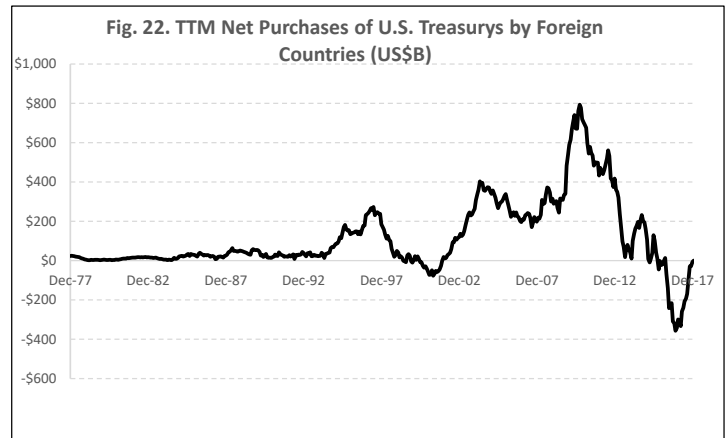
Source: U.S. Treasury, Meridian Macro.



Source: Bloomberg, U.S. Treasury.



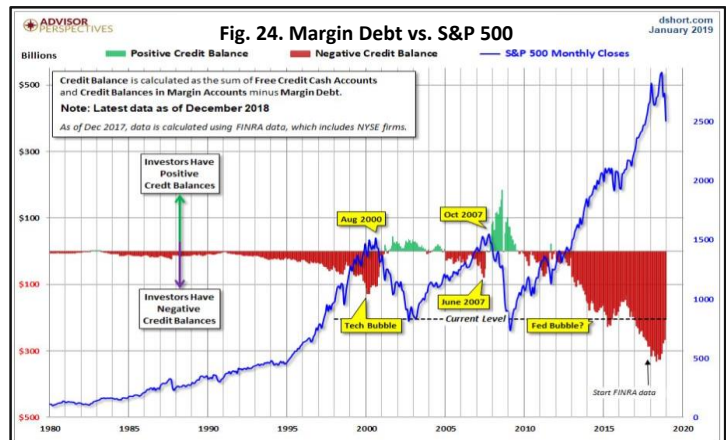
Source: Bloomberg.



Source: Bloomberg.



Source: Bloomberg, MacroMavens.



Source: Advisor Perspectives.

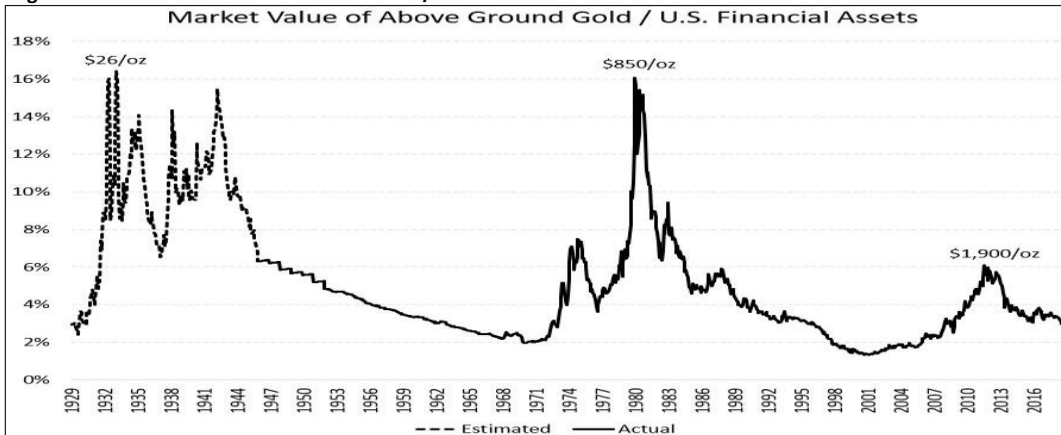
Section II. Gold

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

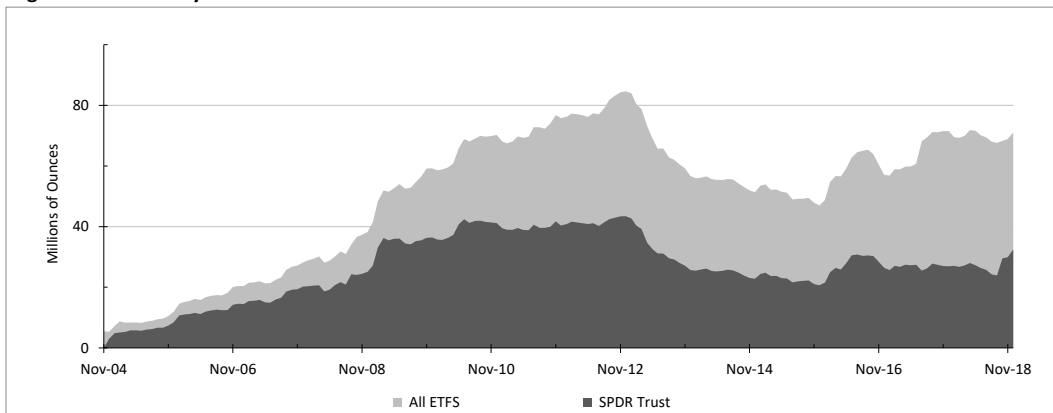
Source: World Gold Council.

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

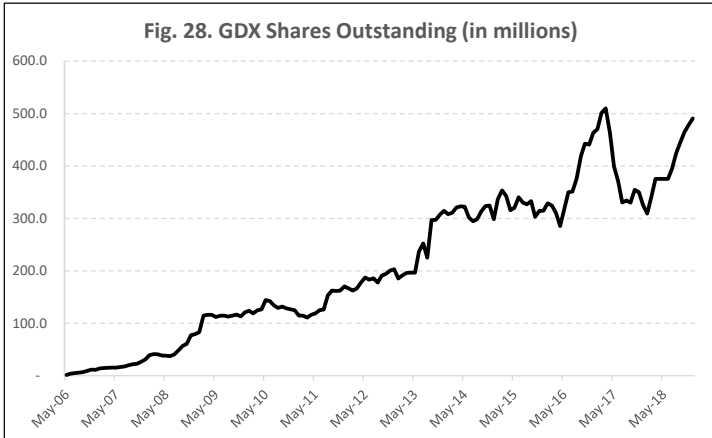


Source: U.S. Geological Survey, World Gold Council, Federal Reserve, Bloomberg.

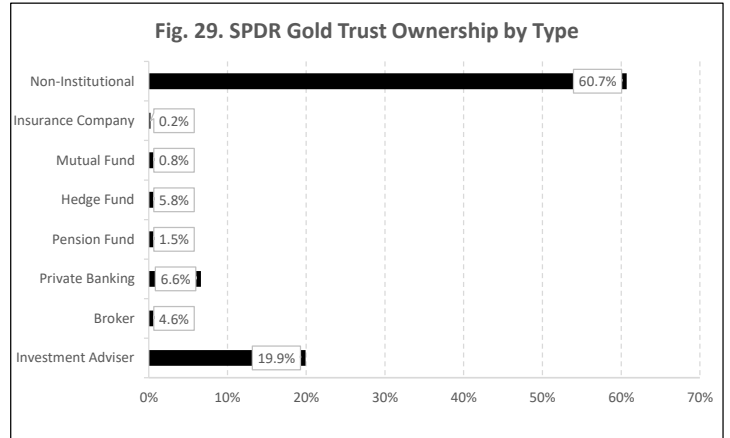
Fig. 27. Gold Held by ETFs



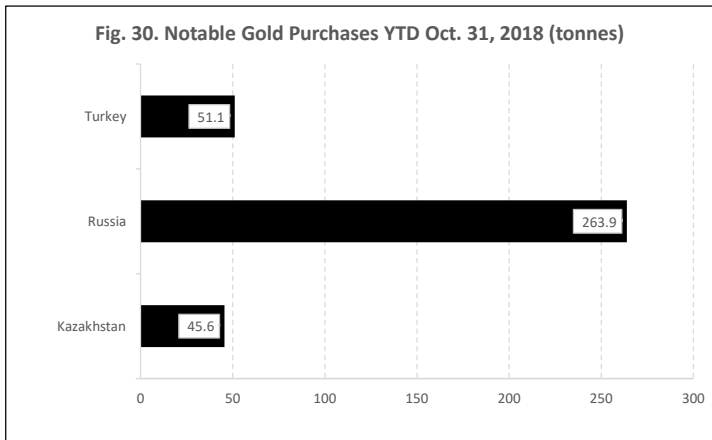
Source: Bloomberg.

Section II. Gold


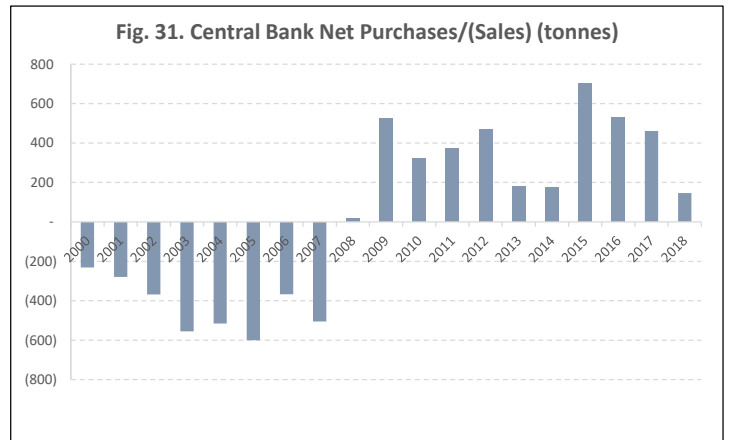
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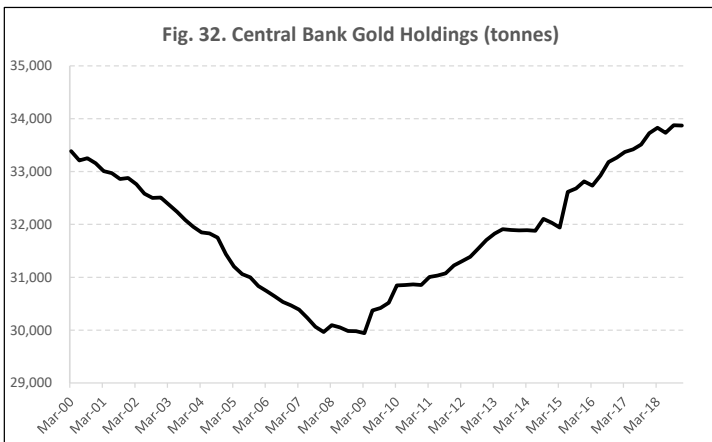
Source: FactSet.



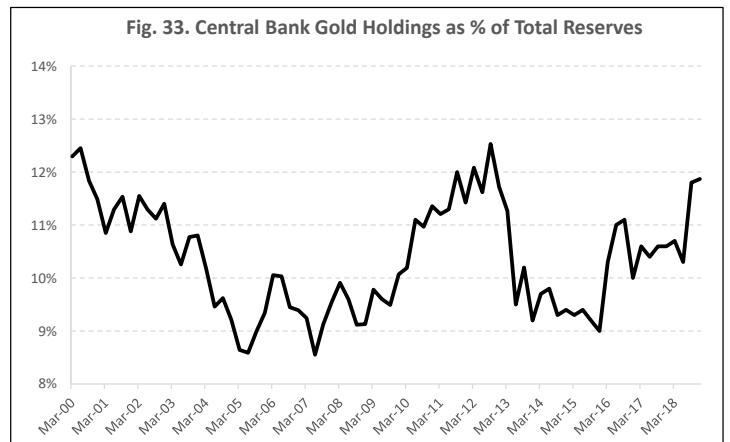
Source: World Gold Council.



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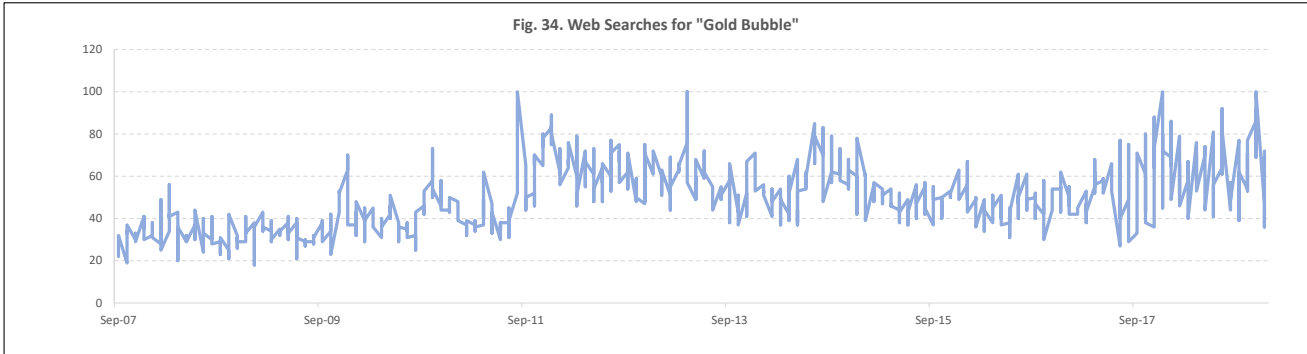


Source: World Gold Council.

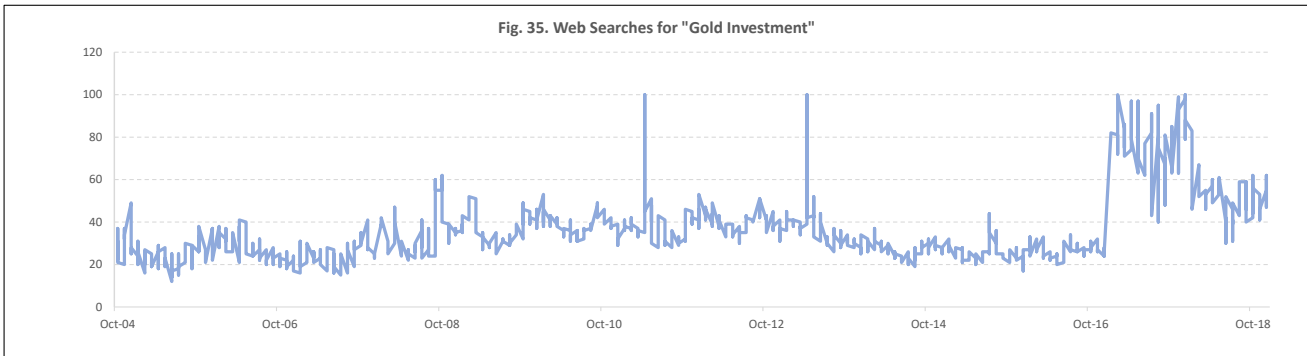


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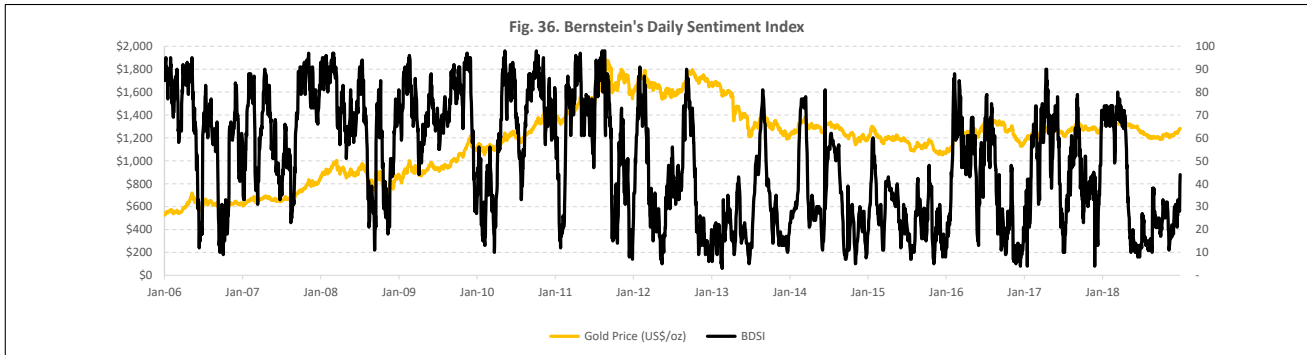
Section II. Gold



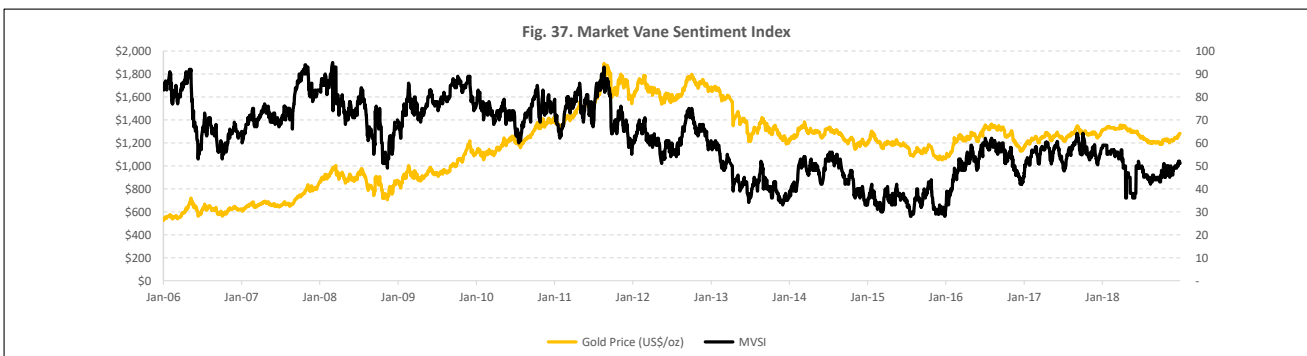
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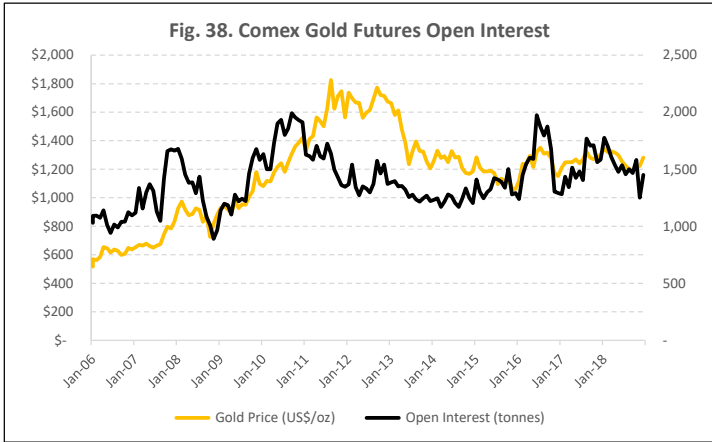


Source: Bloomberg, Bernstein's DSI.

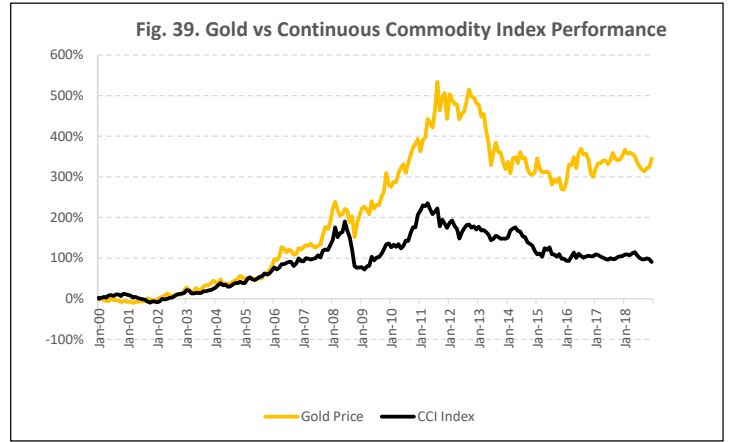


Source: Bloomberg, Market Vane.

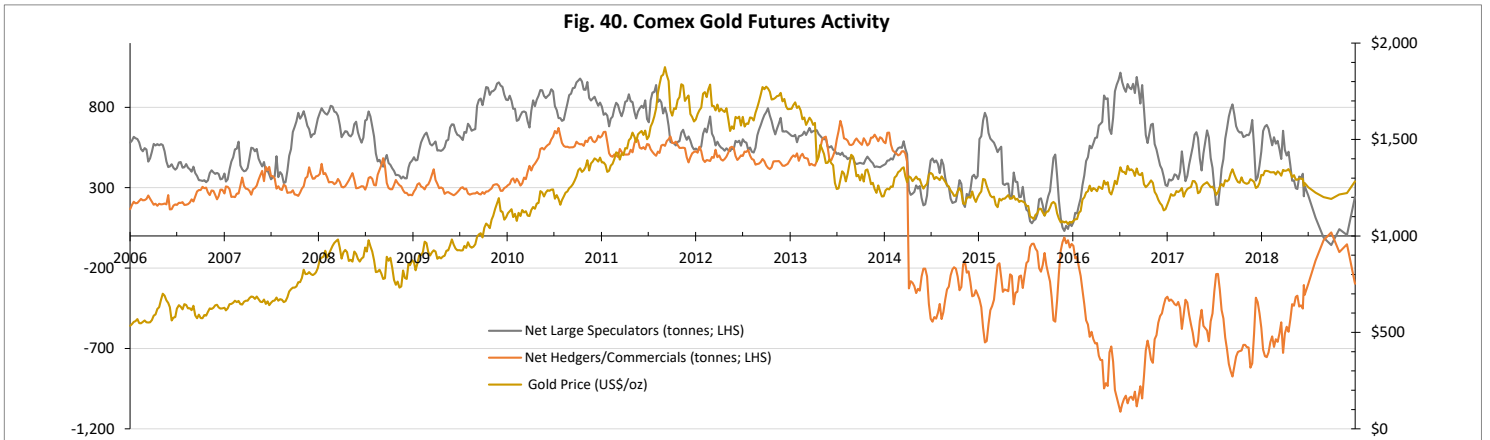
Section II. Gold



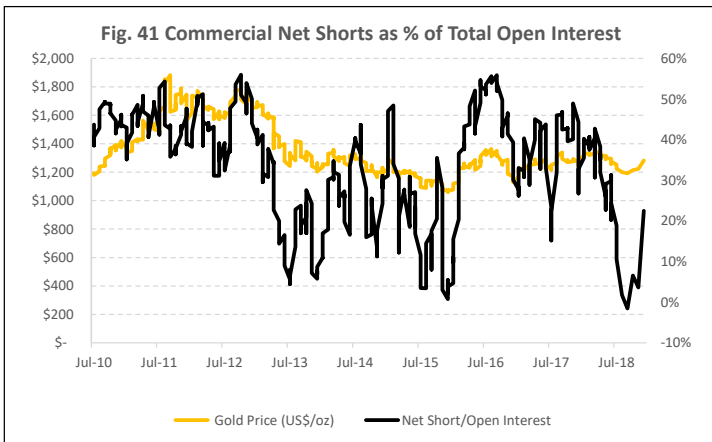
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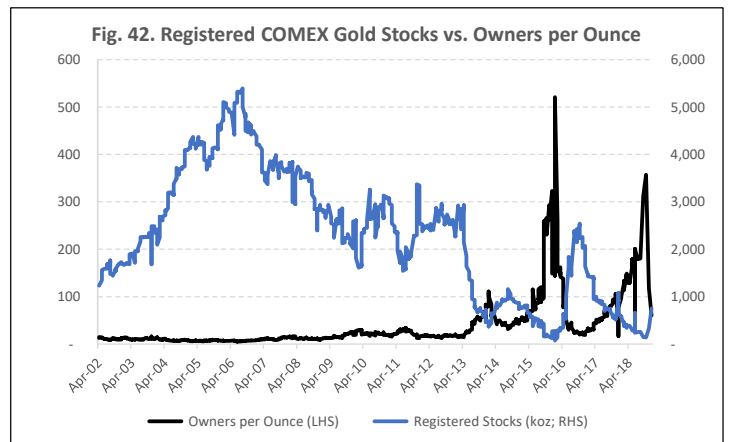
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Source: CFTC.

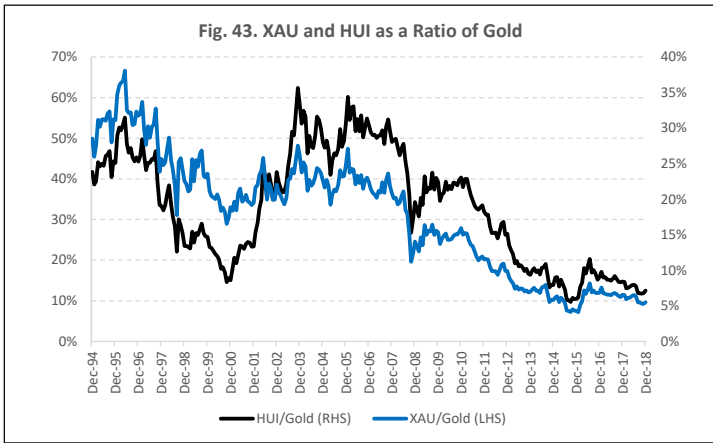


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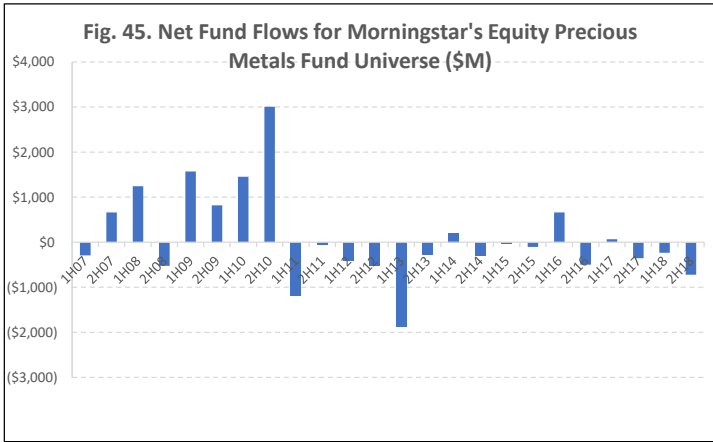
Section III. Gold Mining Equities



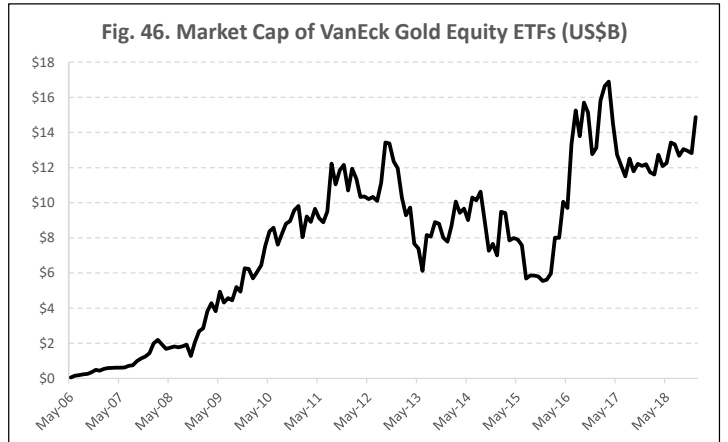
Source: FactSet.



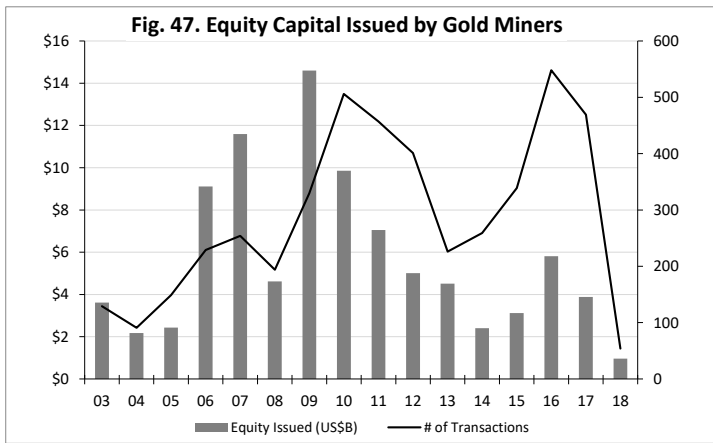
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Source: Morningstar.

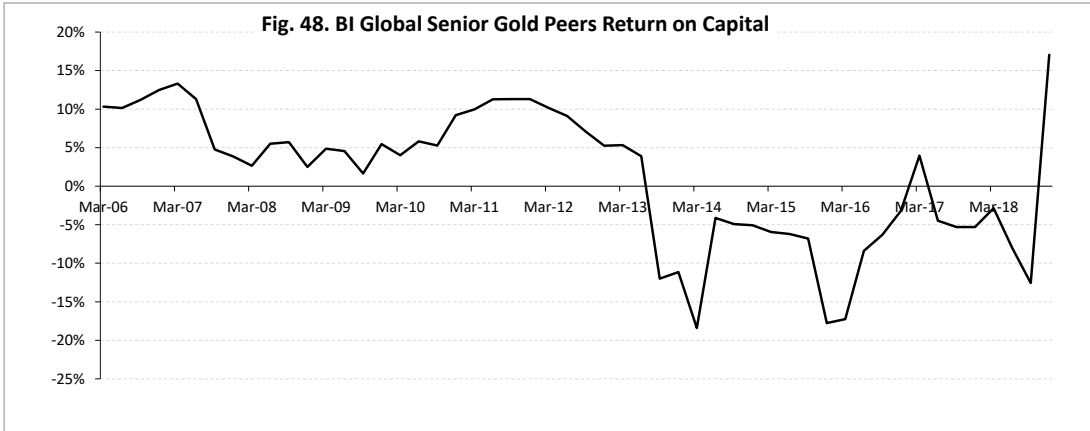


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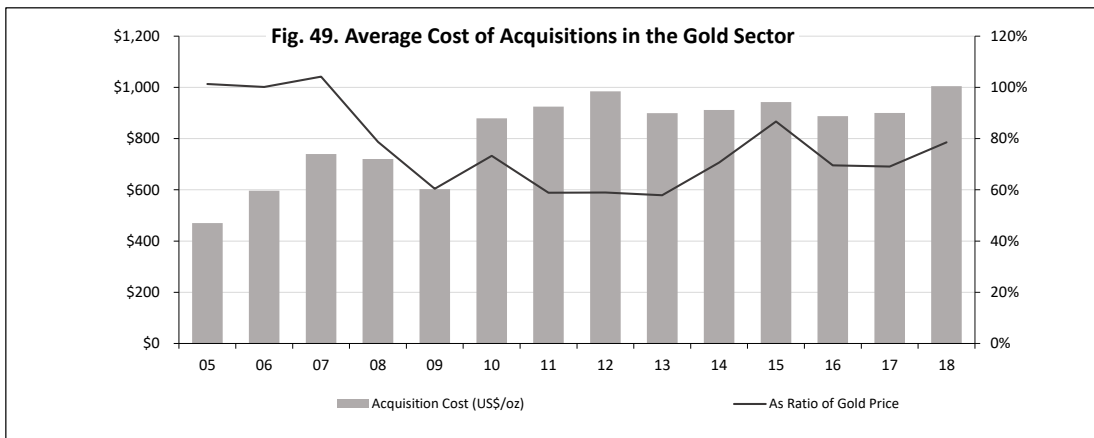


Source: Bloomberg.

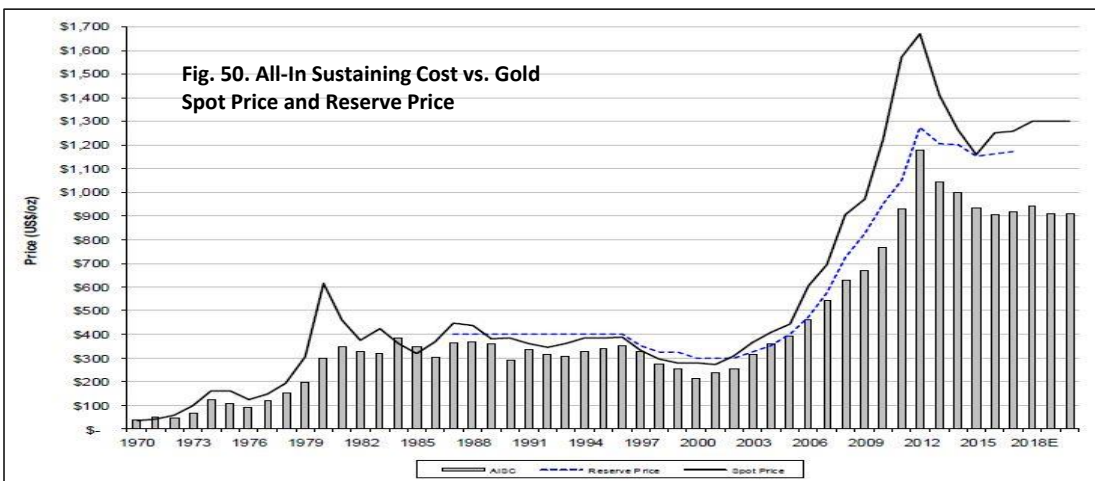
Section III. Gold Mining Equities



Source: Bloomberg.



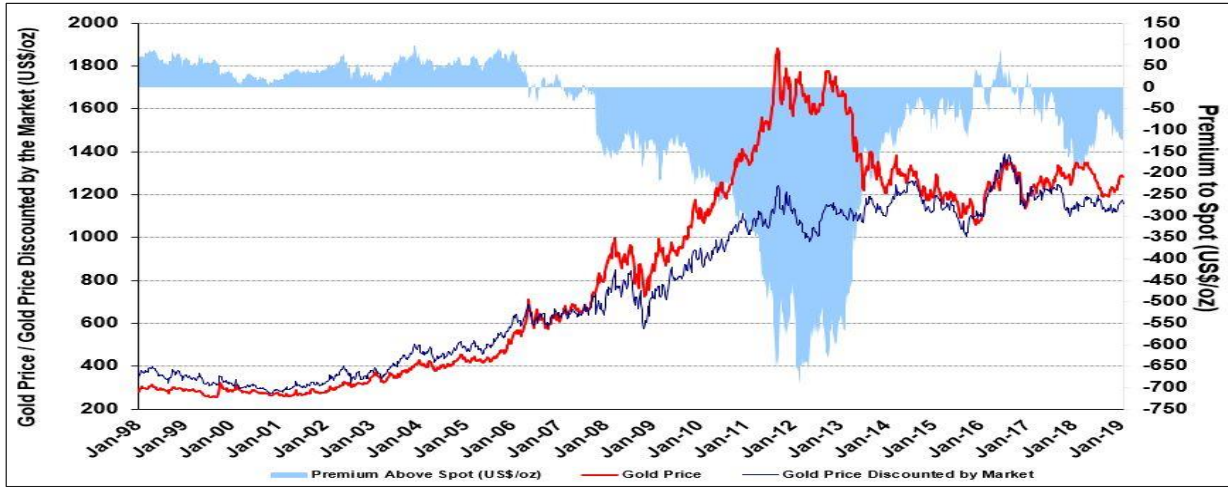
Source: RBC Capital Markets, Bloomberg.



Source: Scotiabank.

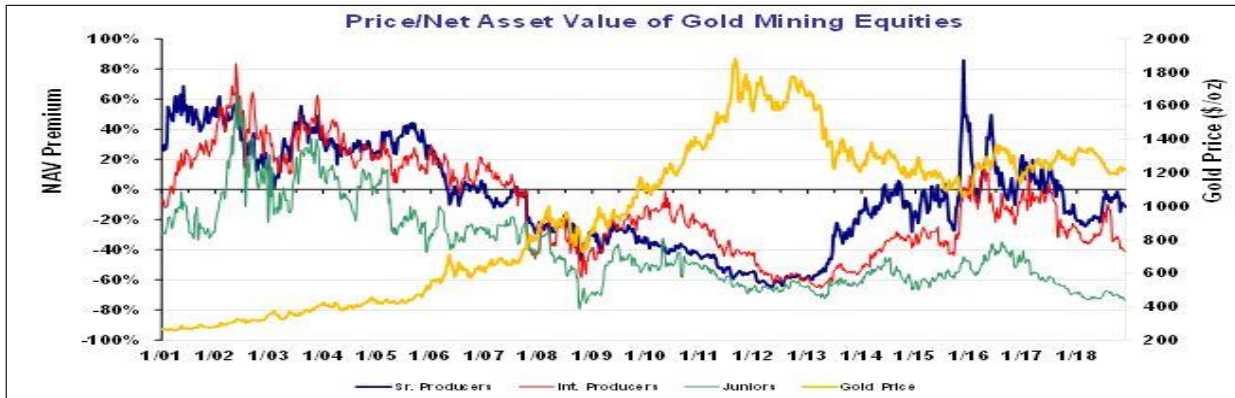
Section III. Gold Mining Equities

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



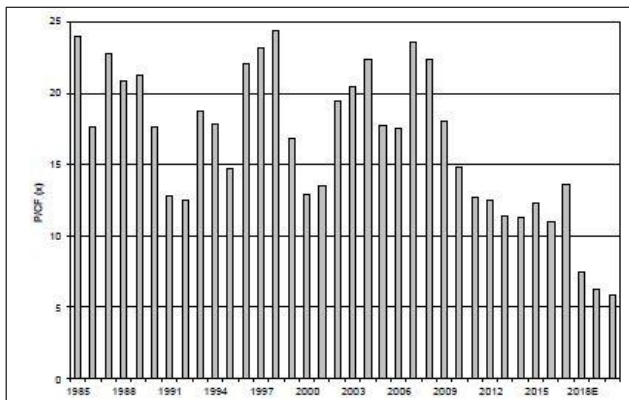
Source: BMO Capital Markets, FactSet.

Fig. 52. Price/NAV of Gold Mining Equities



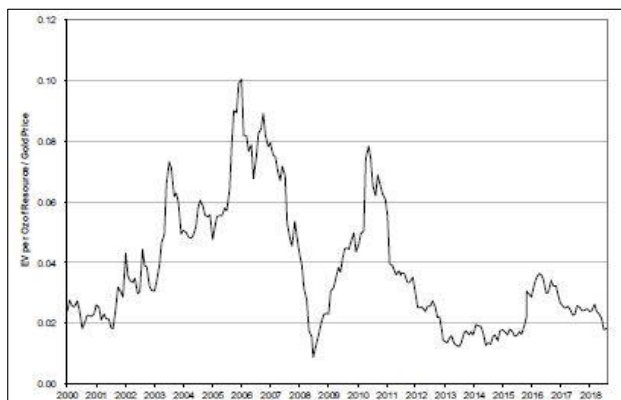
Source: BMO Capital Markets, FactSet.

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



Source: Scotiabank.

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



Source: Scotiabank.