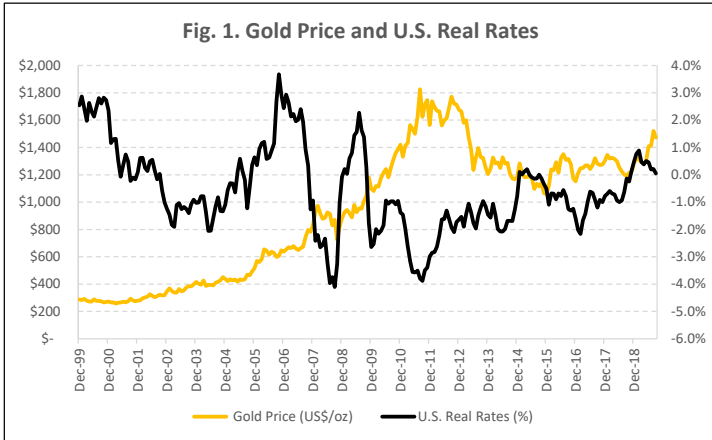




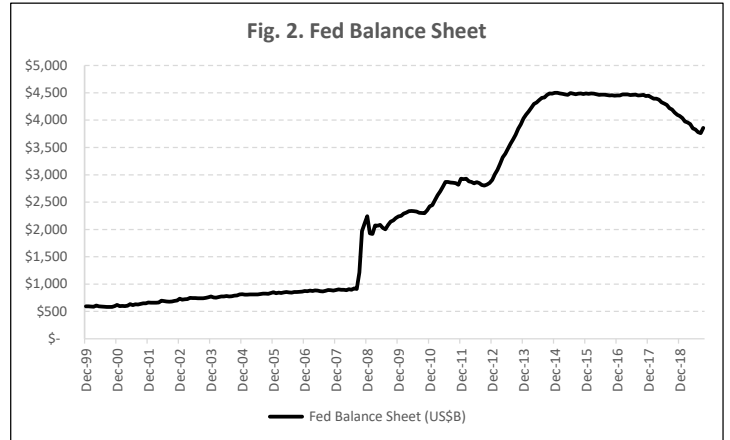
GOLD MONITOR

Q3 2019 Comments:

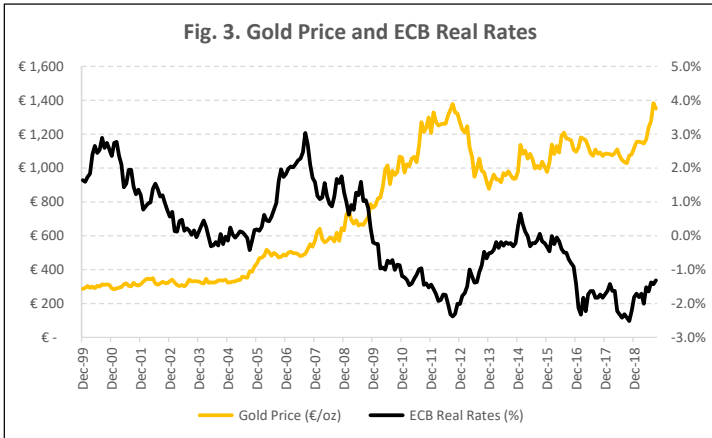
1. Gold has continued to break out from a 6-year base and has hit records in several major currencies (Fig. 1, 3, & 5).
2. China has been a significant net seller of long-term U.S. Securities (Fig. 23).
3. Gold held by ETFs is approaching 2012 record high (Fig. 32). Despite this, interest in gold mining equities is low, as illustrated by YTD redemptions in the GDX ETF (Fig. 33).
4. Central bank gold holdings as % of total reserves is the highest in 20 years (Fig. 38).
5. Comex gold futures open interest currently matches previous high (Fig. 41).

Section I. Macro


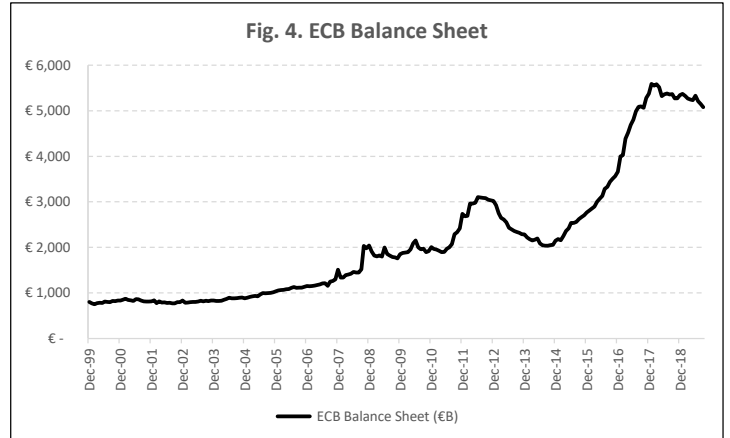
Source: Bloomberg.



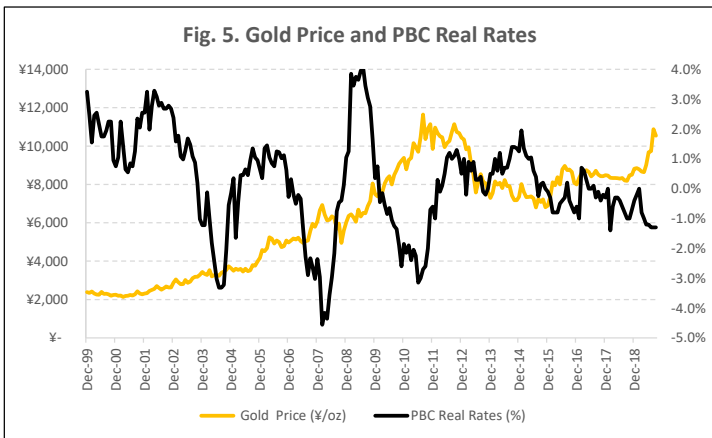
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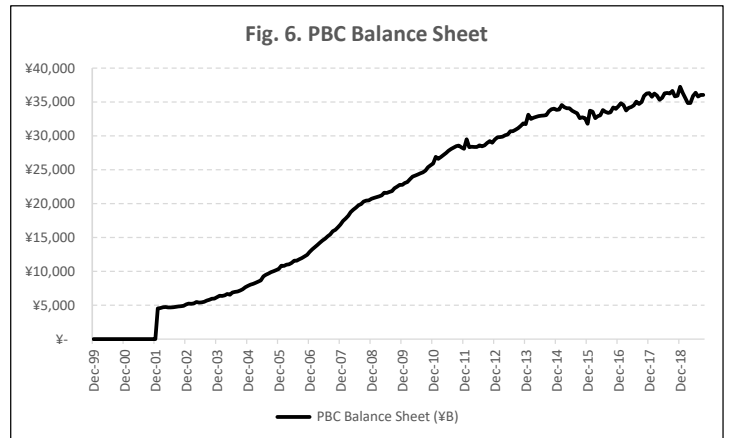
Source: Bloomberg.



Source: Bloomberg.

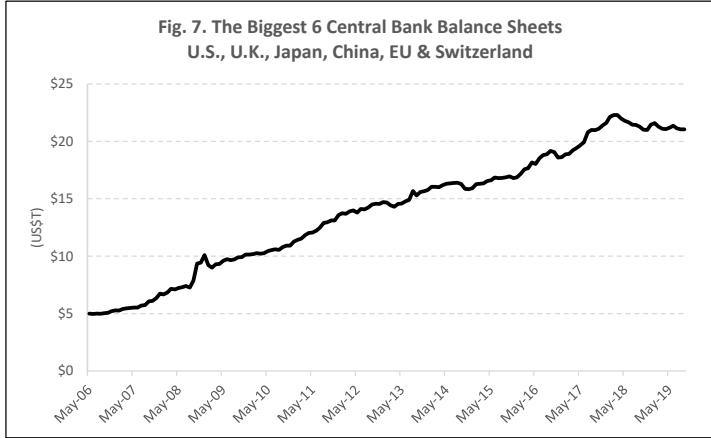


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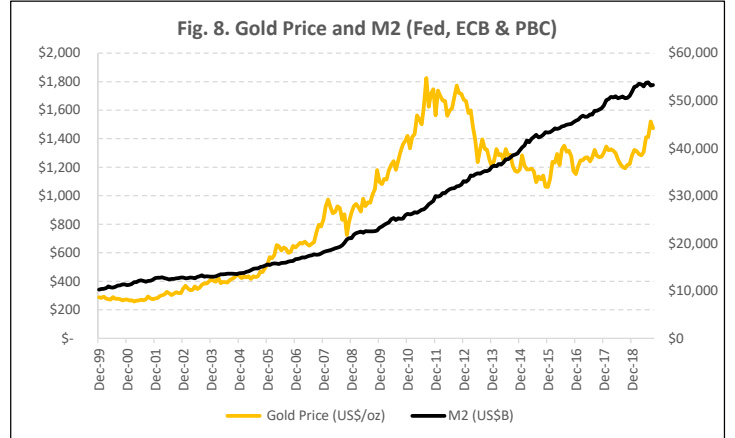


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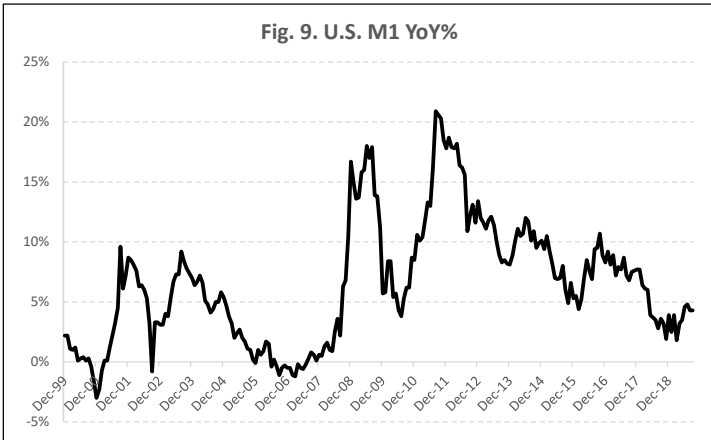
Section I. Macro



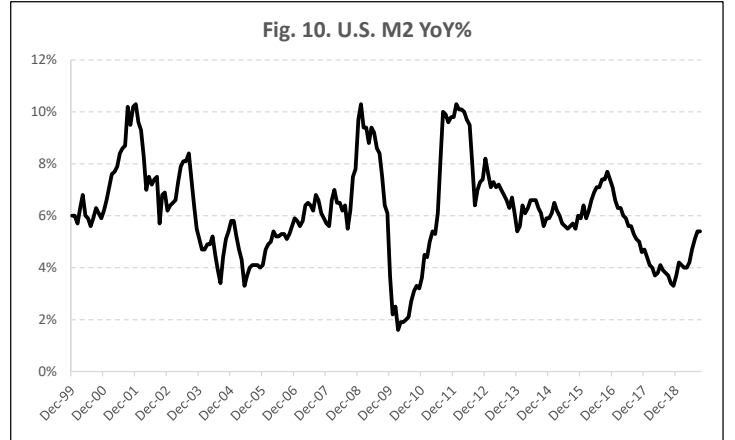
Source: Bloomberg.



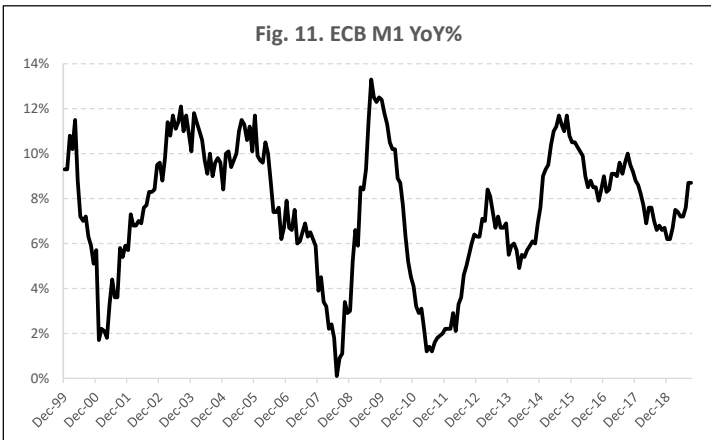
Source: Bloomberg.



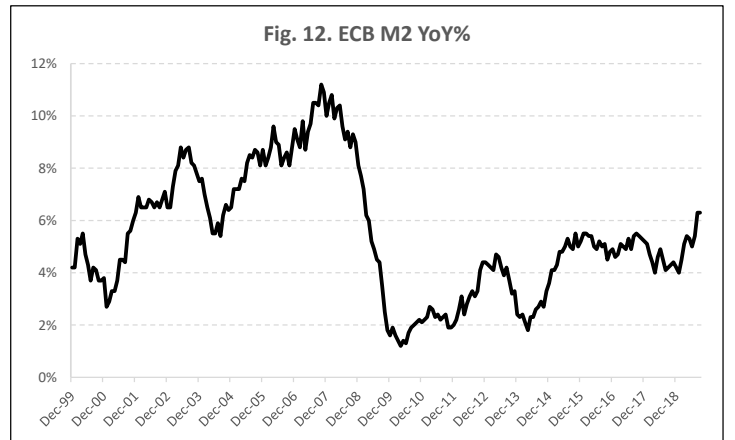
Source: Bloomberg.



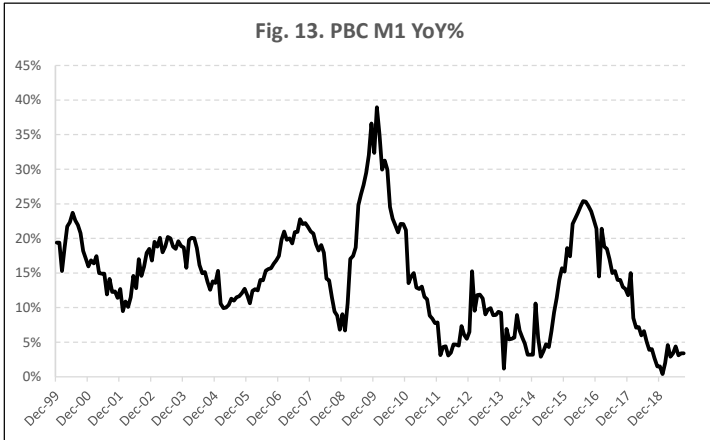
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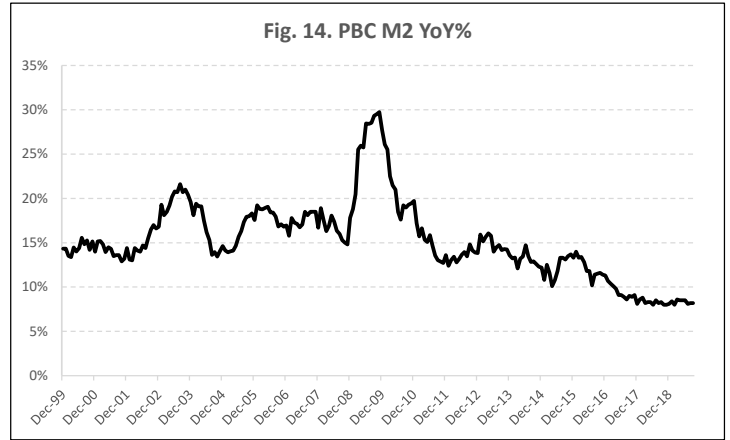
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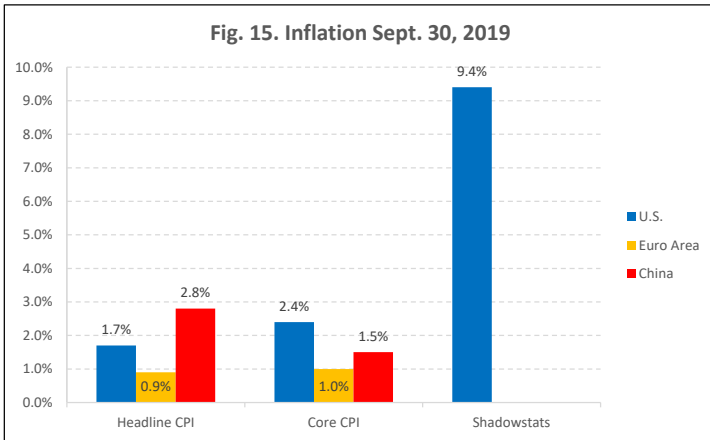
Source: Bloomberg.

Section I. Macro


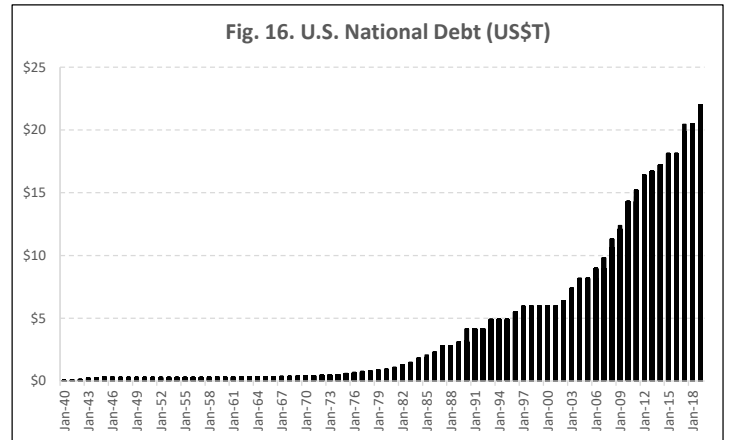
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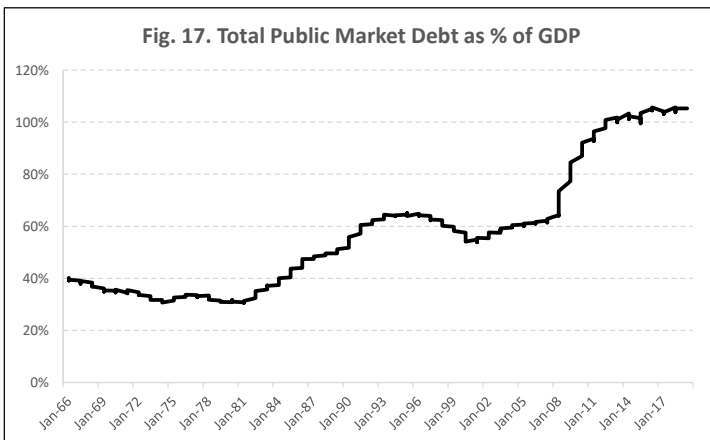
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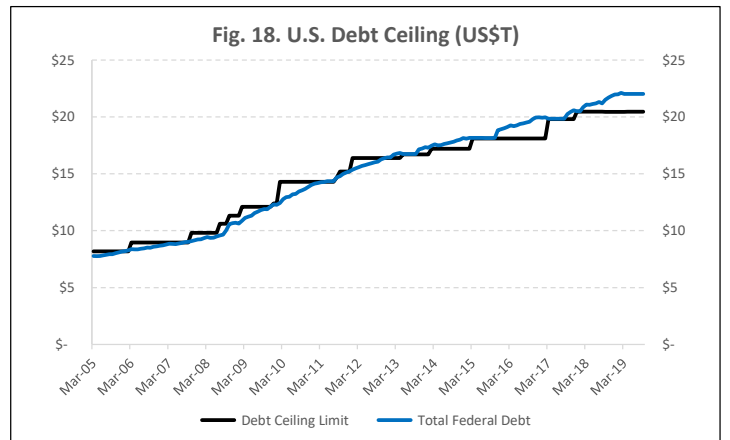
Source: Bloomberg, Shadow Government Statistics.



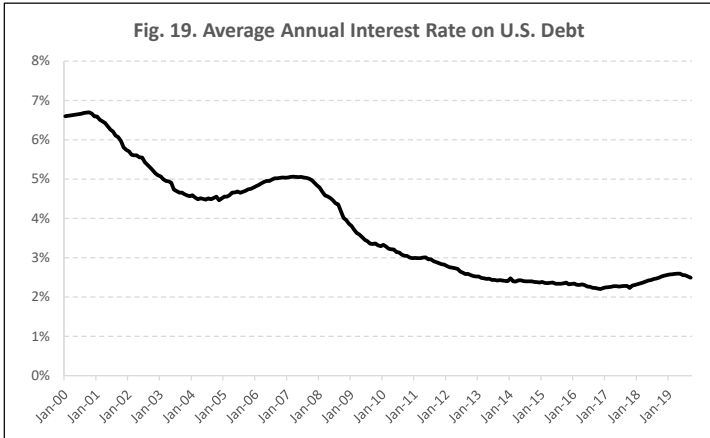
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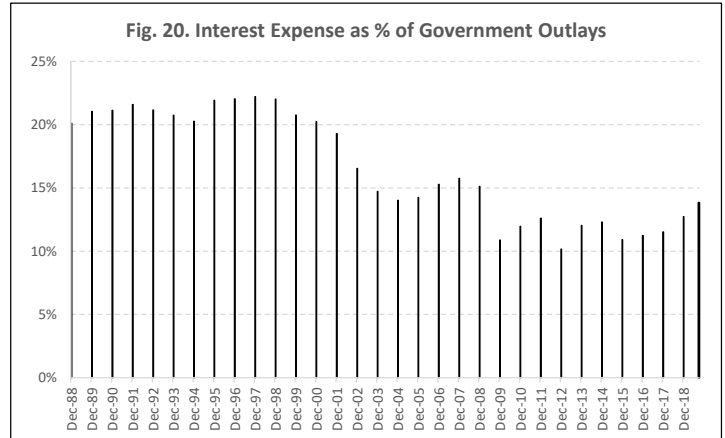
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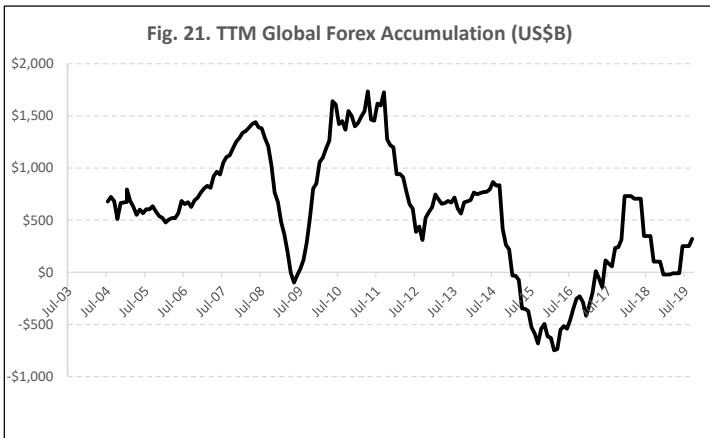
Source: Bloomberg.

Section I. Macro


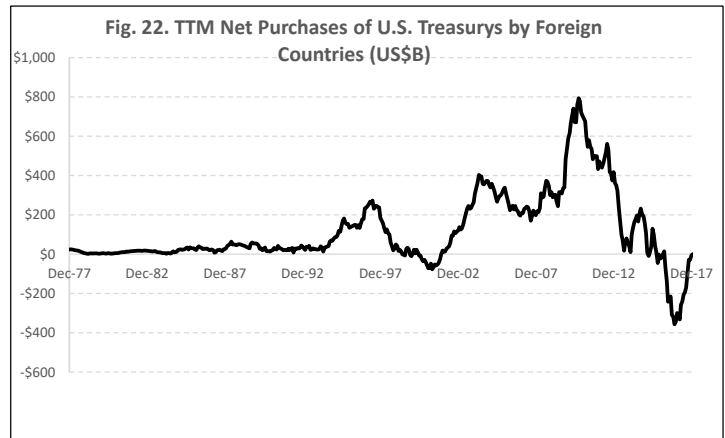
Source: U.S. Treasury, Meridian Macro.



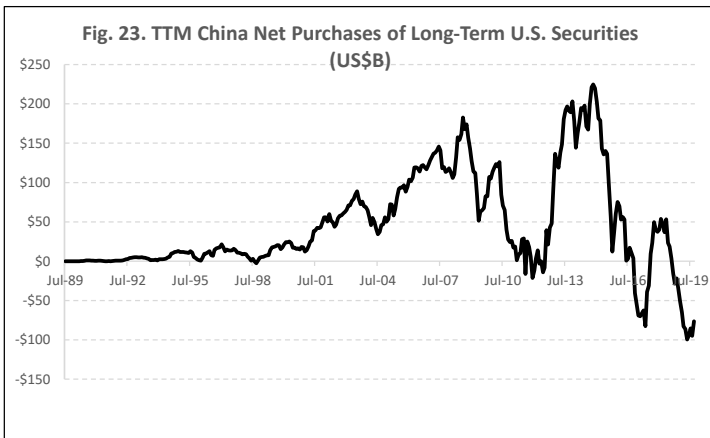
Source: Bloomberg, U.S. Treasury.



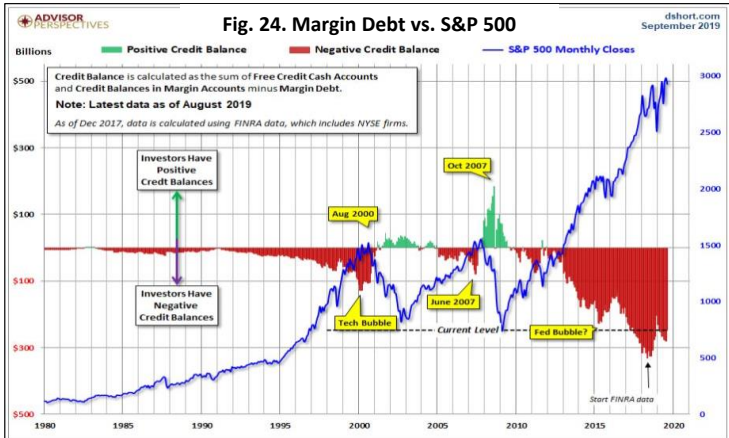
Source: Bloomberg.



Source: Bloomberg.



Source: Bloomberg, MacroMavens.



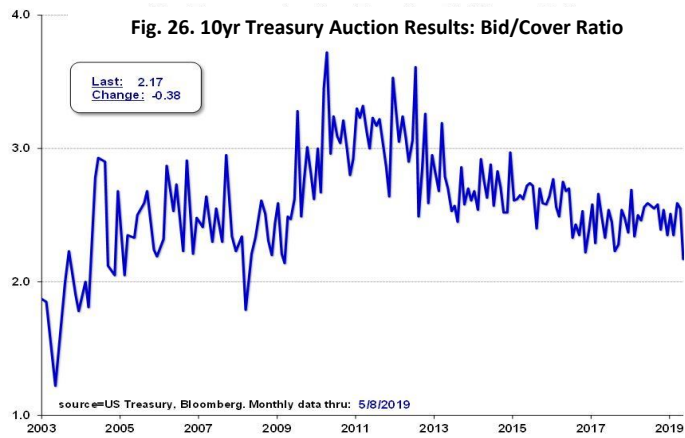
Source: Advisor Perspectives.

Section I. Macro

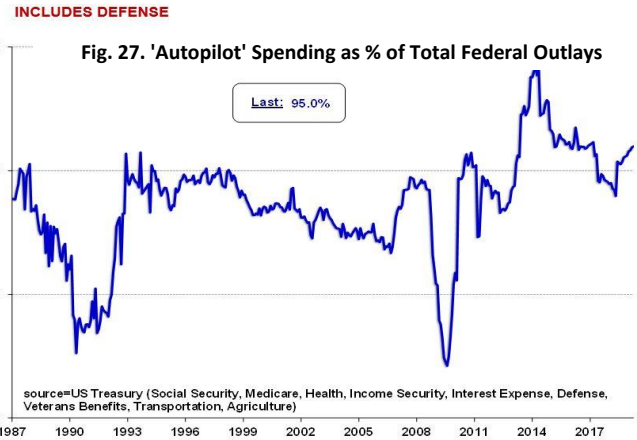
Fig. 25. US Treasury Security Holders

	<u>\$MILLION</u>	<u>% TOTAL</u>
FEDERAL RESERVE	2,222,547	12.46%
FEDERAL GOVT RETIREMENT FUNDS	2,039,273	11.43%
HOUSEHOLDS & NONPROFITS	1,901,094	10.66%
MUTUAL FUNDS	1,182,186	6.63%
MONEY MARKET FUNDS	873,490	4.90%
STATE & LOCAL GOVERNMENTS	688,450	3.86%
US DEPOSITORY INSTITUTIONS	569,787	3.19%
PRIVATE PENSIONS	371,252	2.08%
STATE & LOCAL DEFINED RETIREMENT FUNDS	282,859	1.59%
SECURITY BROKERS & DEALERS	251,431	1.41%
LIFE INSURANCE CO'S	229,249	1.28%
PROPERTY/CASUALTY INSURANCE CO'S	136,489	0.76%
EXCHANGE TRADED FUNDS	178,658	1.00%
FOREIGN BANKING OFFICES IN US	125,581	0.70%
GSE'S	113,861	0.64%
NONFINANCIAL NONCORPORATE BUSINESS	80,348	0.45%
NONFINANCIAL CORPORATE BUSINESS	37,073	0.21%
HOLDING COMPANIES	35,068	0.20%
CREDIT UNIONS	29,882	0.17%
ABS ISSUERS	18,851	0.11%
BANKS IN US-AFFILIATED AREAS	10,426	0.06%
CLOSED-END FUNDS	3,691	0.02%
*INSTRUMENT DISCREPANCIES	238,780	1.34%
*REST OF THE WORLD	6,221,760	34.87%
TOTAL	17,842,086	100%

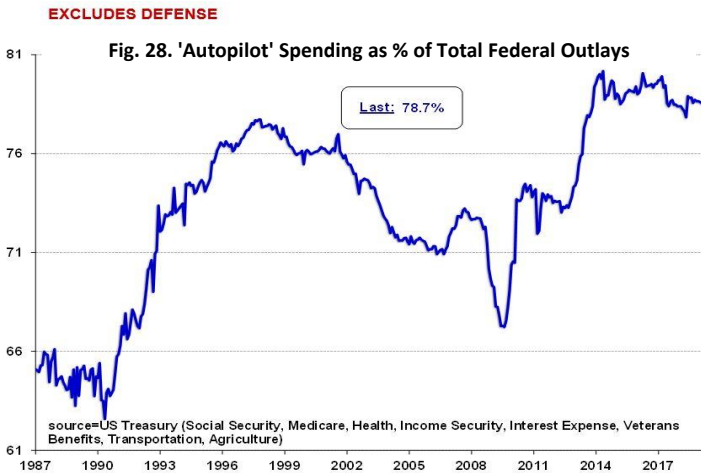
*source= Federal Reserve Quarterly z.1 Flow of Funds Report



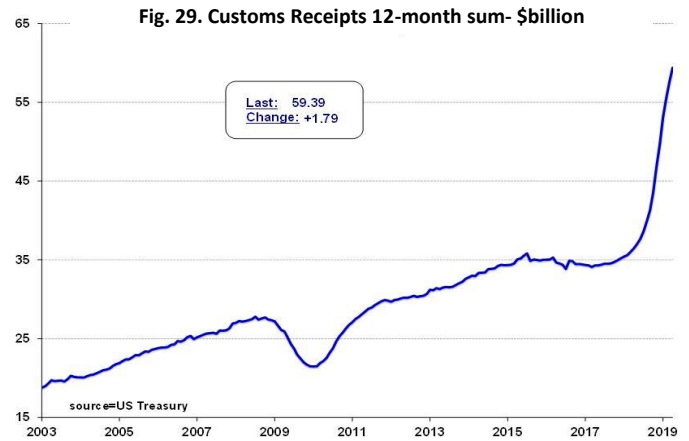
Source: Meridian Macro Research LLC.



Source: Meridian Macro Research LLC.



Source: Meridian Macro Research LLC.



Source: Meridian Macro Research LLC.

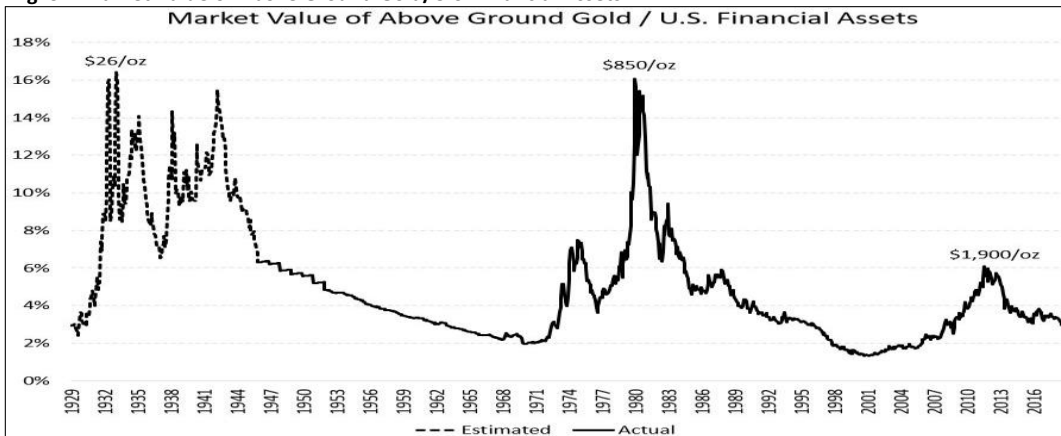
Section II. Gold

Fig. 30. Gold Supply and Demand (tonnes)

	2011	2012	2013	2014	2015	2016	2017	2018
Supply								
Mine production	2,846	2,911	3,073	3,150	3,223	3,263	3,269	3,347
Net producer hedging	23	(45)	(28)	105	13	33	(30)	(29)
Recycled gold	1,668	1,691	1,263	1,189	1,120	1,295	1,160	1,172
Total supply	4,536	4,558	4,308	4,444	4,356	4,591	4,398	4,490
Demand								
Jewellery	2,090	2,133	2,722	2,526	2,455	1,995	2,122	2,270
Technology	429	381	356	349	332	323	333	334
Sub-total above fabrication	2,519	2,514	3,078	2,875	2,787	2,318	2,455	2,604
Total bar & coin demand	1,500	1,308	1,723	1,052	1,075	1,049	1,029	1,090
ETFs & similar products	232	306	(912)	(184)	(125)	547	203	69
Central bank & other inst.	481	569	624	584	577	390	371	652
Gold demand (Fabr. Basis)	4,732	4,697	4,513	4,326	4,314	4,304	4,058	4,415
Surplus/Deficit	(196)	(139)	(206)	117	42	287	340	75
Total demand	4,536	4,558	4,308	4,444	4,356	4,591	4,398	4,490
LBMA Gold Price (US\$/oz)	1,572	1,669	1,411	1,266	1,160	1,251	1,257	1,268

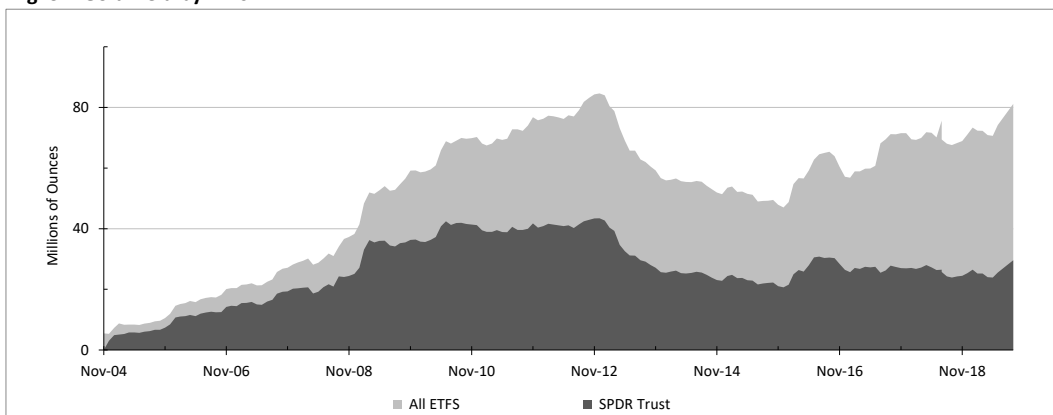
Source: World Gold Council.

Fig. 31. Market Value of Above Ground Gold/U.S. Financial Assets

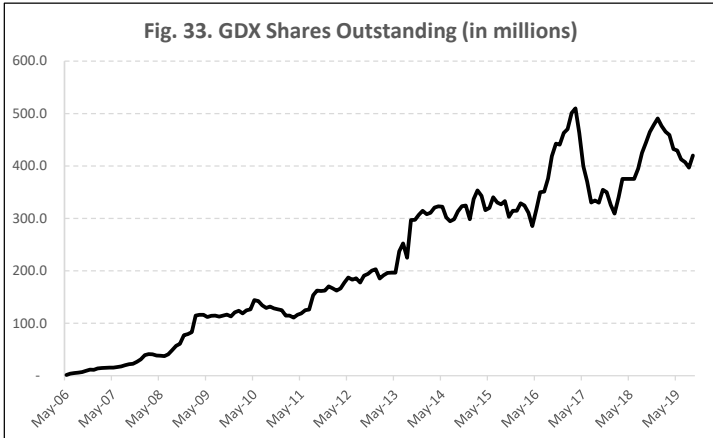


Source: U.S. Geological Survey, World Gold Council, Federal Reserve, Bloomberg.

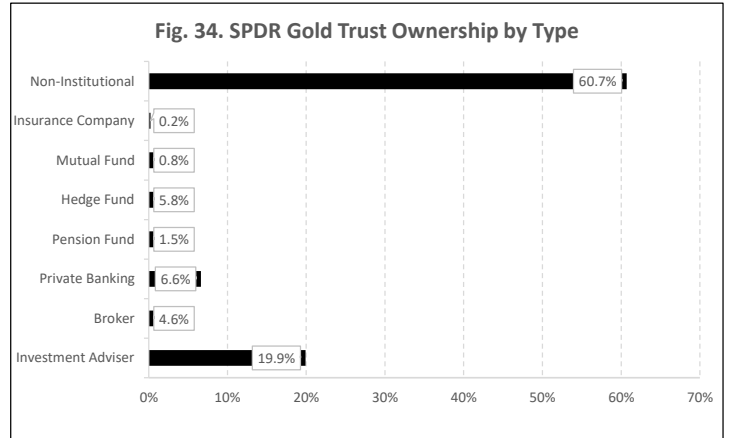
Fig. 32. Gold Held by ETFs



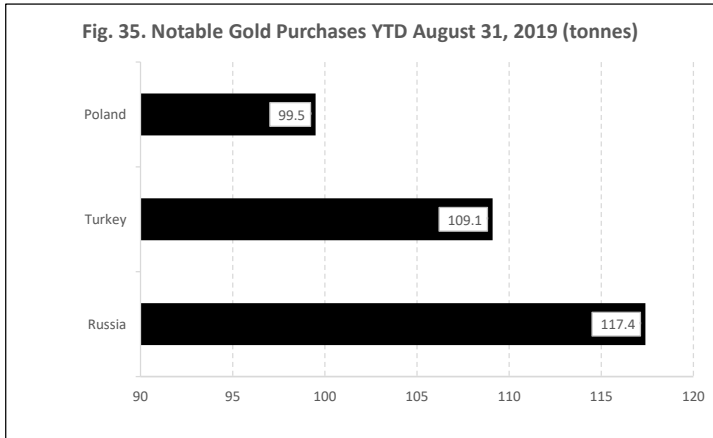
Source: Bloomberg.

Section II. Gold


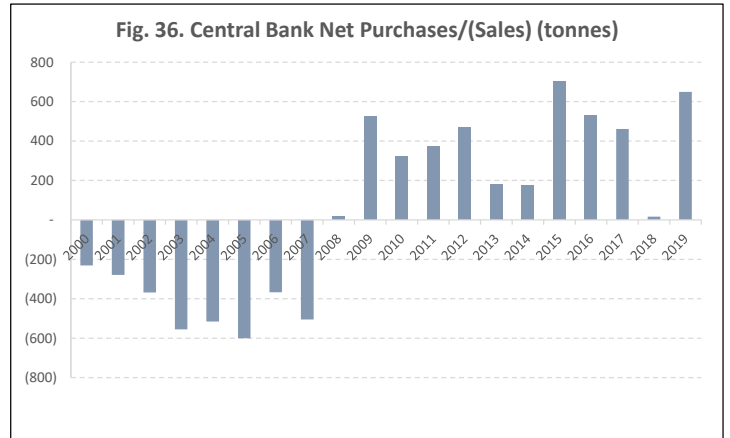
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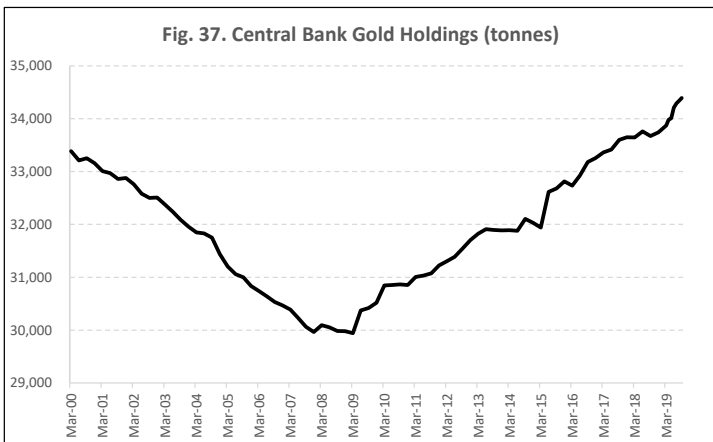
Source: FactSet.



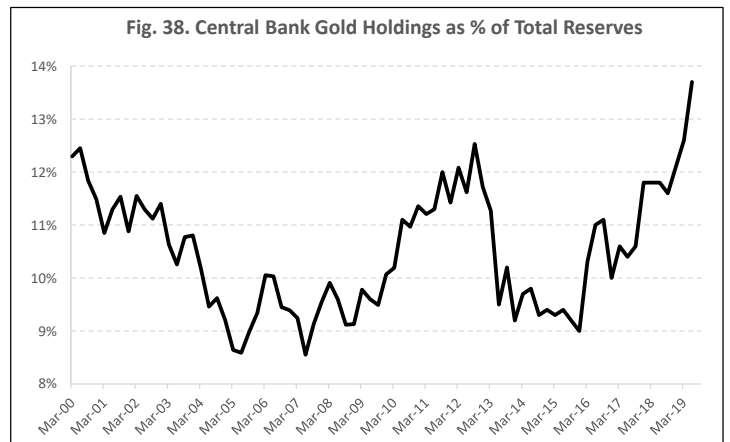
Source: World Gold Council.



Source: World Gold Council.

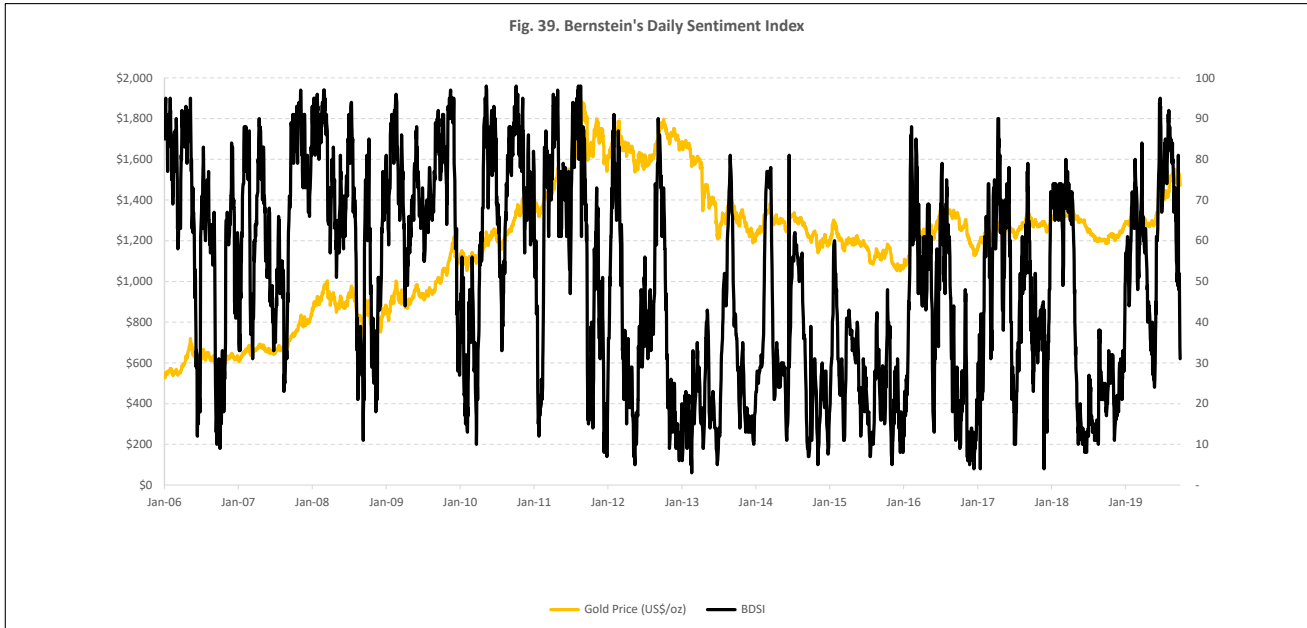


Source: World Gold Council.

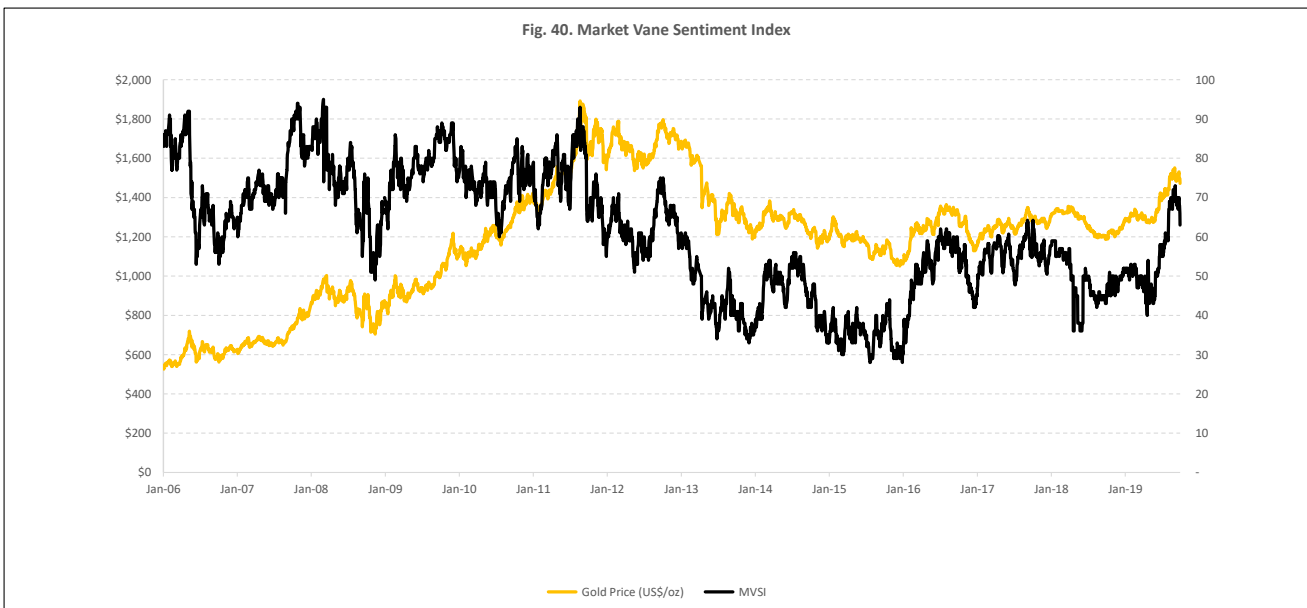


Source: World Gold Council.

Section II. Gold

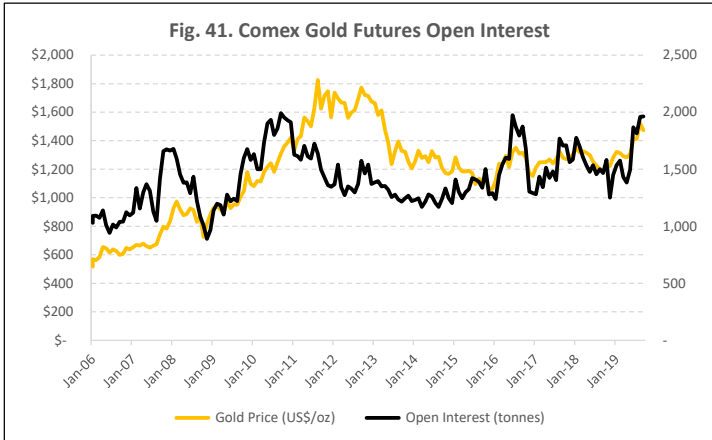


Source: Bloomberg, Bernstein's DSI.

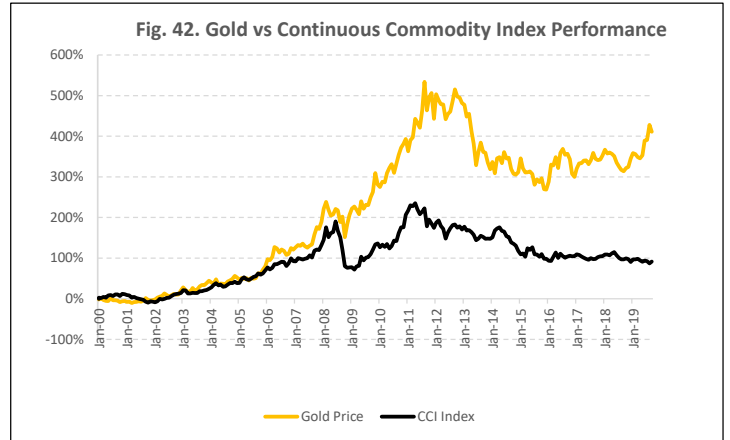


Source: Bloomberg, Market Vane.

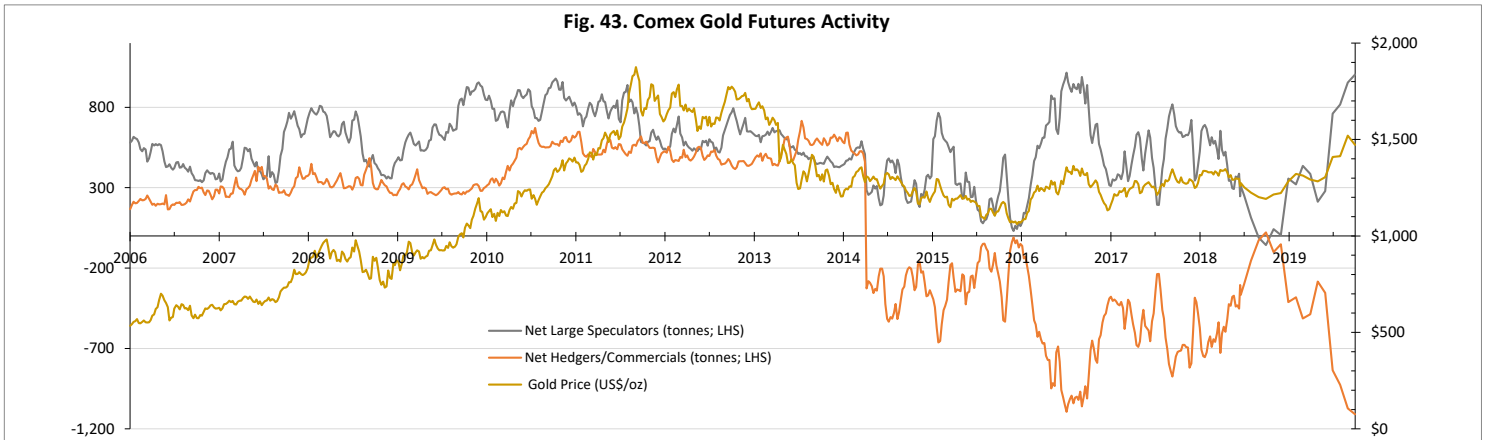
Section II. Gold



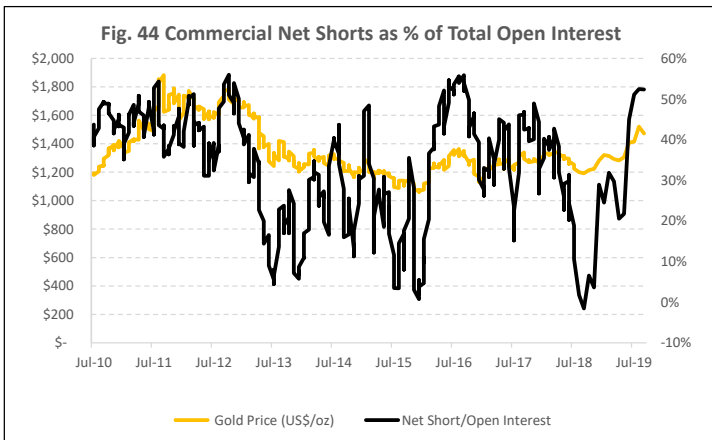
Source: Bloomberg.



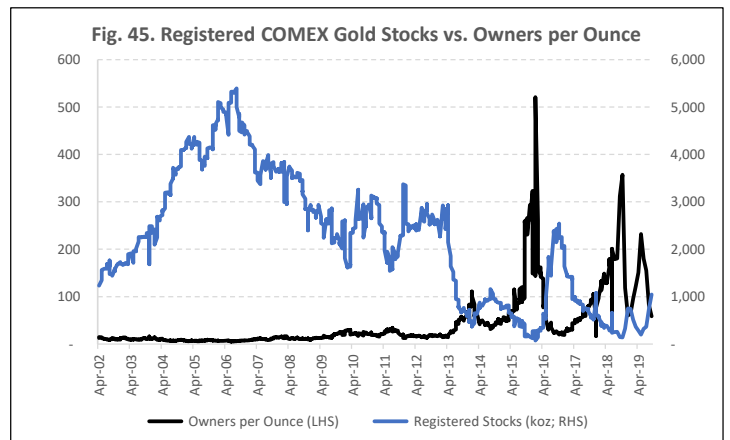
Source: Bloomberg.



Source: CFTC.

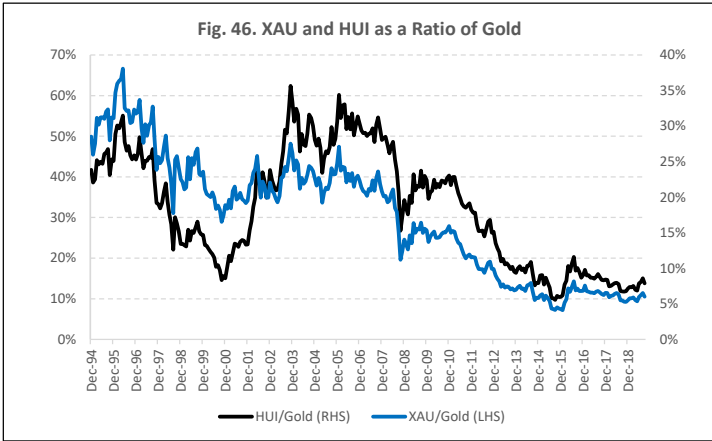


Source: Bloomberg.



Source: Bloomberg.

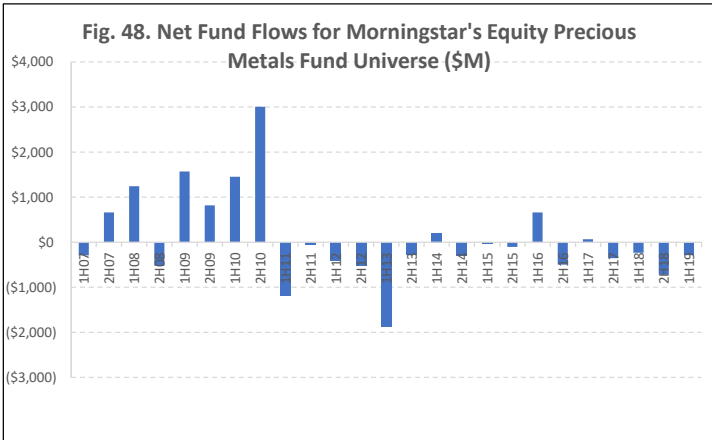
Section III. Gold Mining Equities



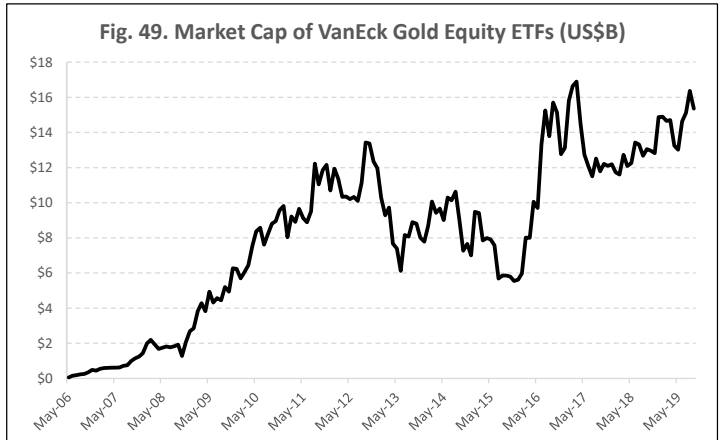
Source: FactSet.



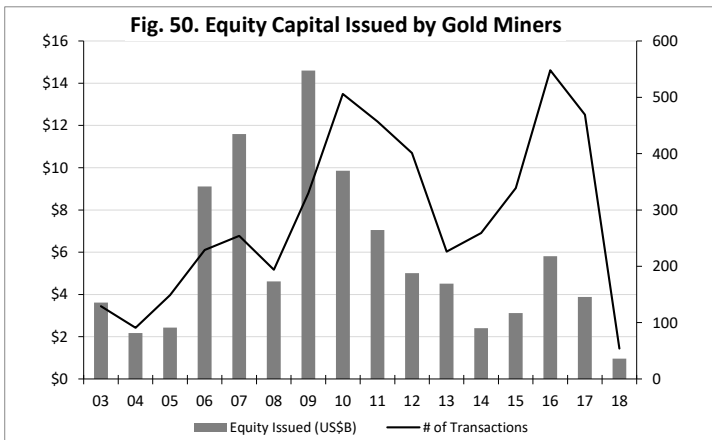
Source: Bloomberg, CIBC.



Source: Morningstar.

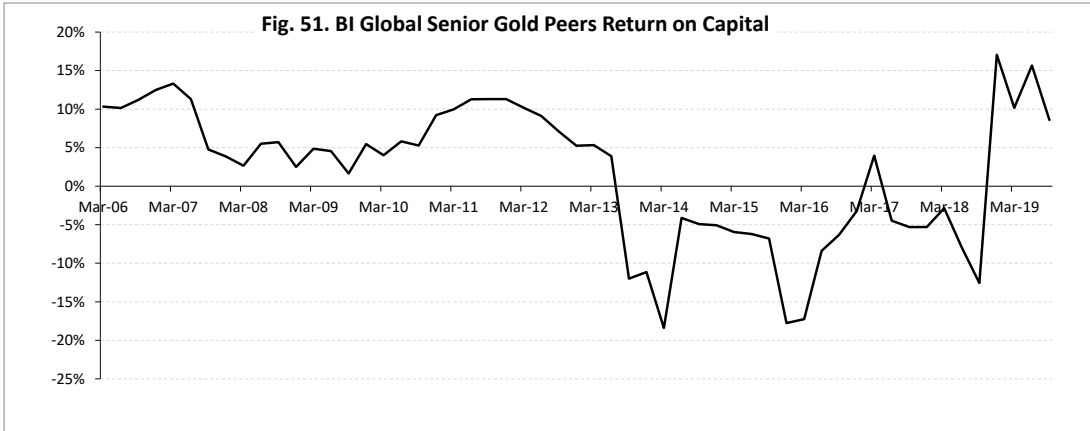


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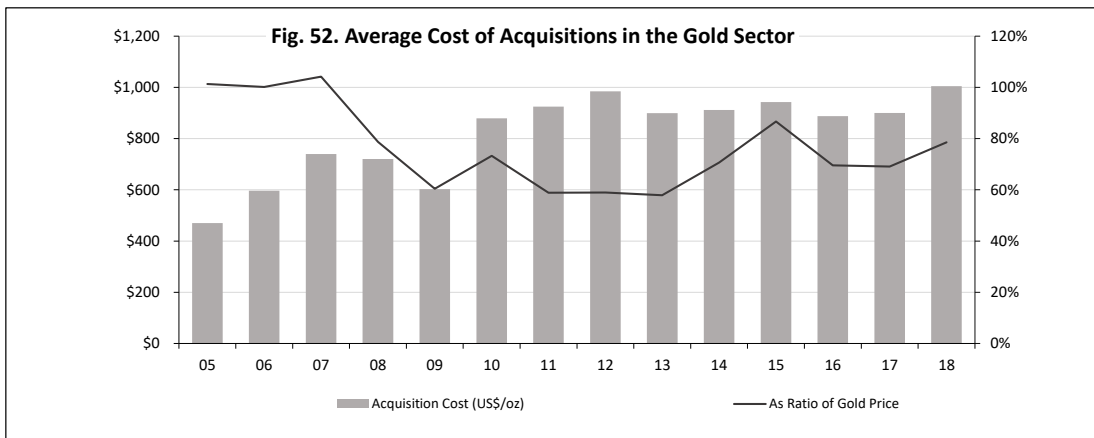


Source: Bloomberg.

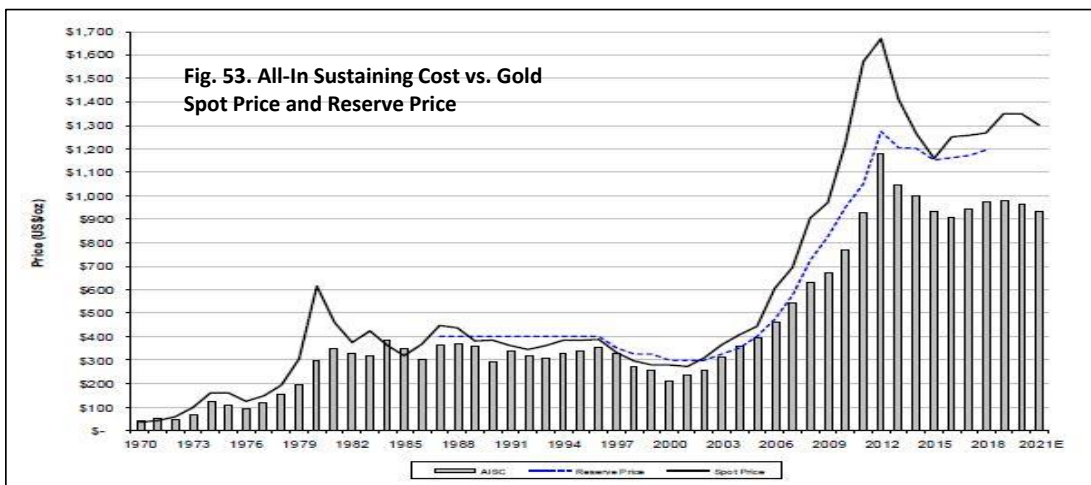
Section III. Gold Mining Equities



Source: Bloomberg.



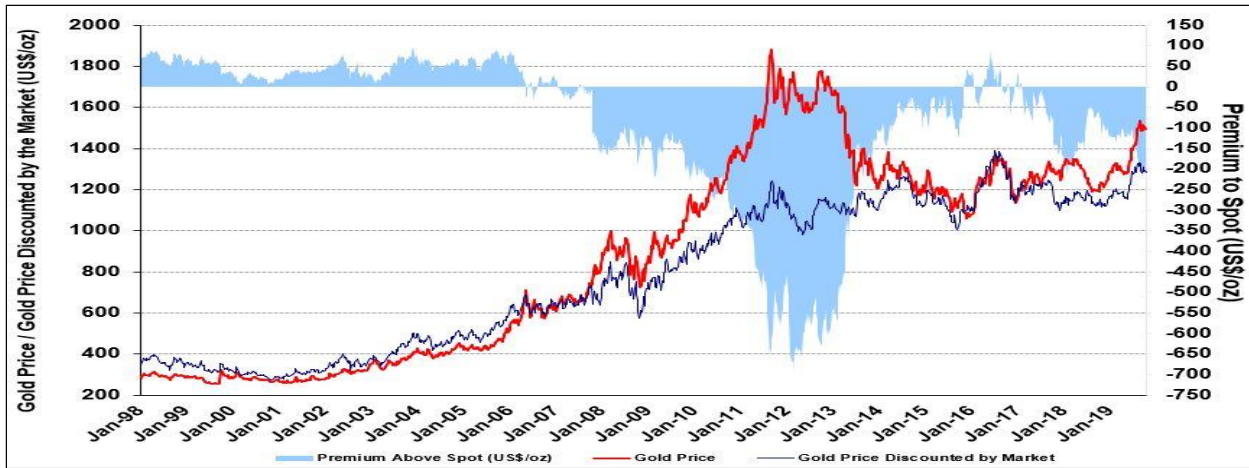
Source: RBC Capital Markets, Bloomberg.



Source: Scotiabank.

Section III. Gold Mining Equities

Fig. 54. Gold Price Discounted by Market (\$/Oz)



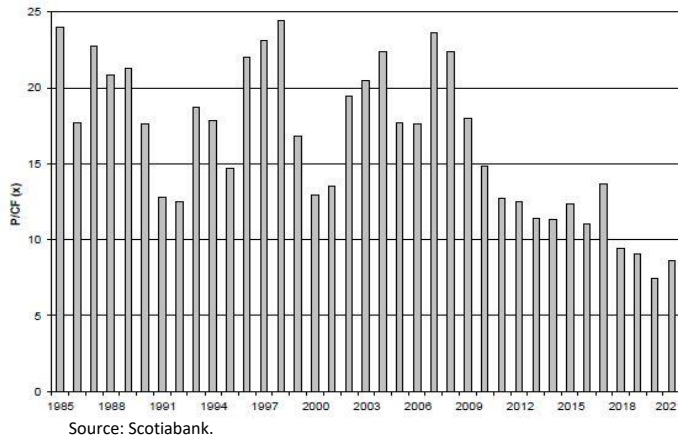
Source: BMO Capital Markets, FactSet.

NAV Premiums @ 0% Discount Rate
Senior, Intermediate and Junior Producers (North American)



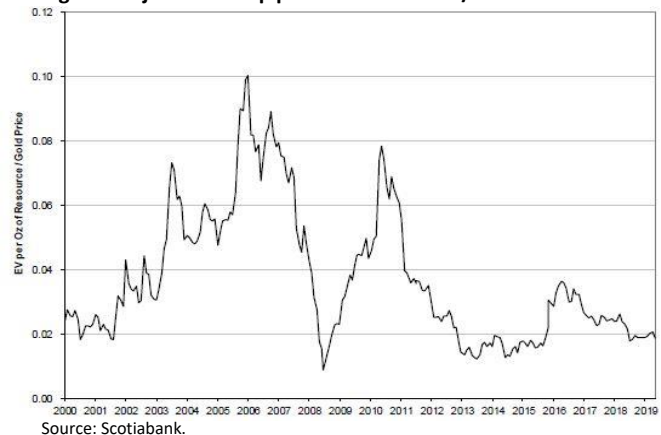
Source: BMO Capital Markets, FactSet.

Fig. 56. P/CF - Universe of Coverage Average



Source: Scotiabank.

Fig. 57. Adj. Market Cap per Oz of Resource / Gold Price



Source: Scotiabank.