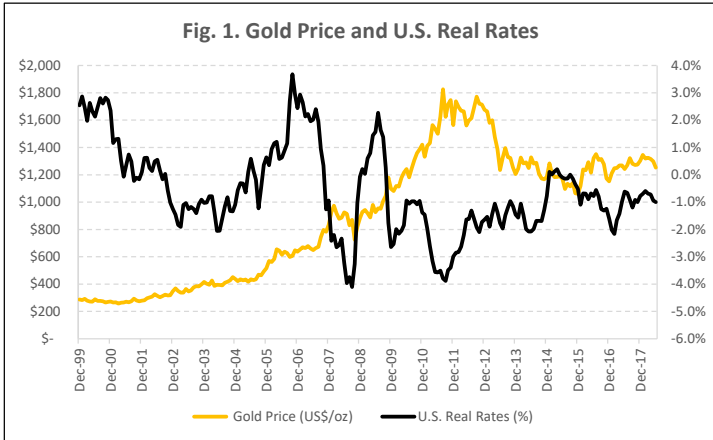


GOLD MONITOR

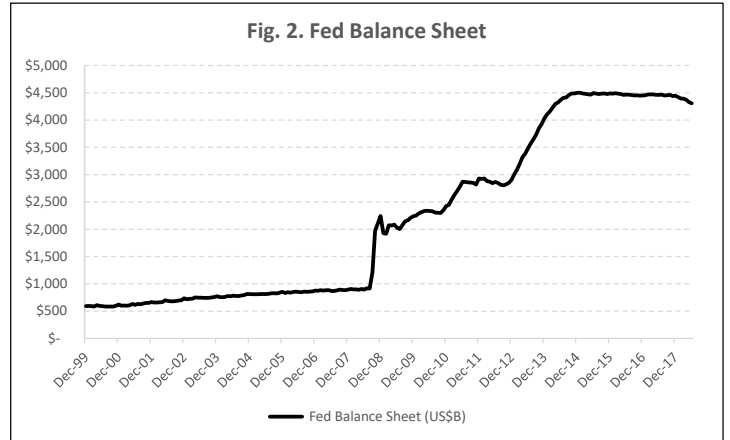
Chart Comments (Q2 2018)

1. Despite increasing nominal interest rates real interest rates remain negative on global basis (Fig. 1, 3), which is a bullish sign for gold. In particular, ECB real rates are near a two decade low.
2. The average annual interest rate on U.S. debt has started to increase (Fig. 19). It is important to consider that 42% of the debt needs to be refinanced in the next two years. Every 100 bps change in interest rate increases the budget deficit by US\$155 billion.
3. Gold resources in the ground are currently being valued inexpensively (Fig. 54).

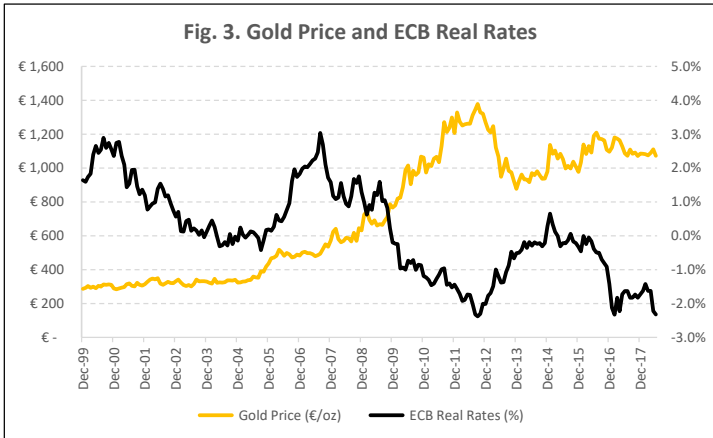
Section I. Macro



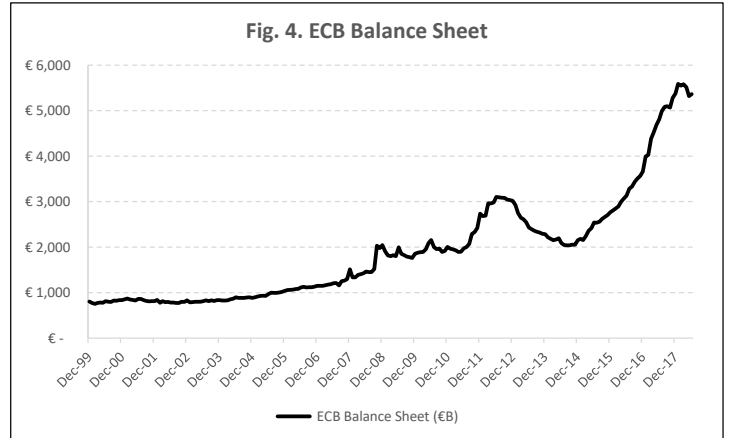
Source: Bloomberg.



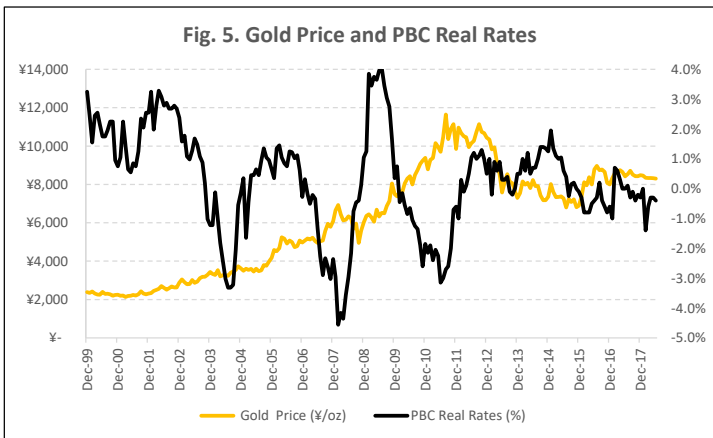
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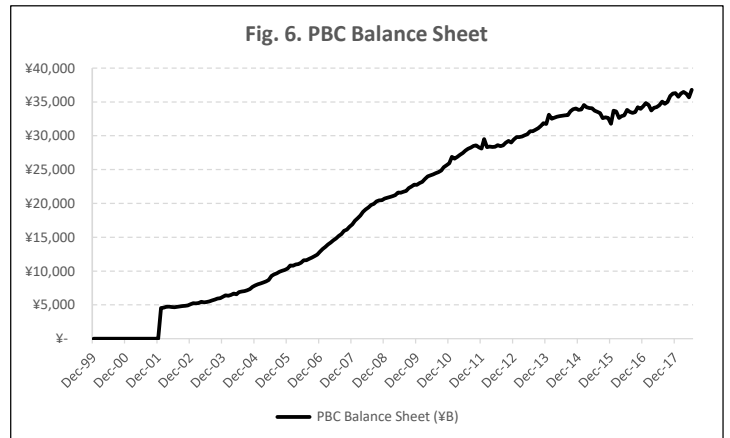
Source: Bloomberg.



Source: Bloomberg.

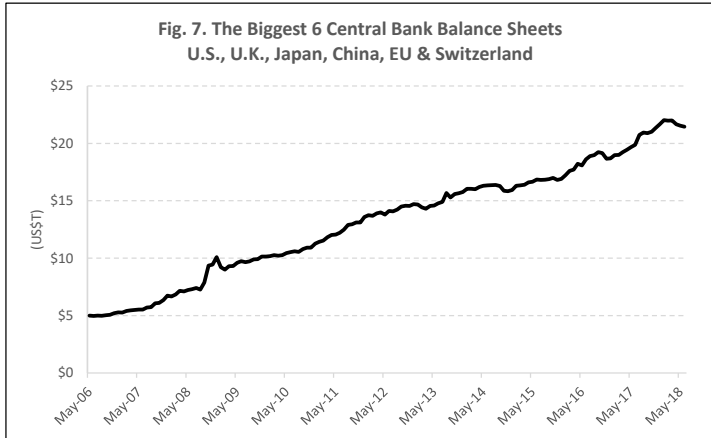


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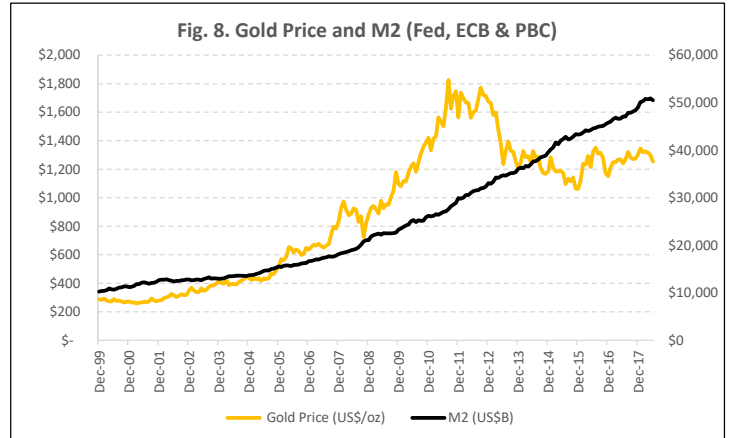


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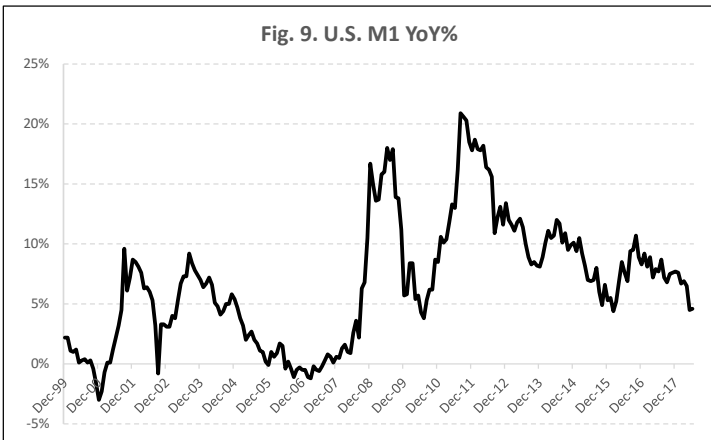
Section I. Macro



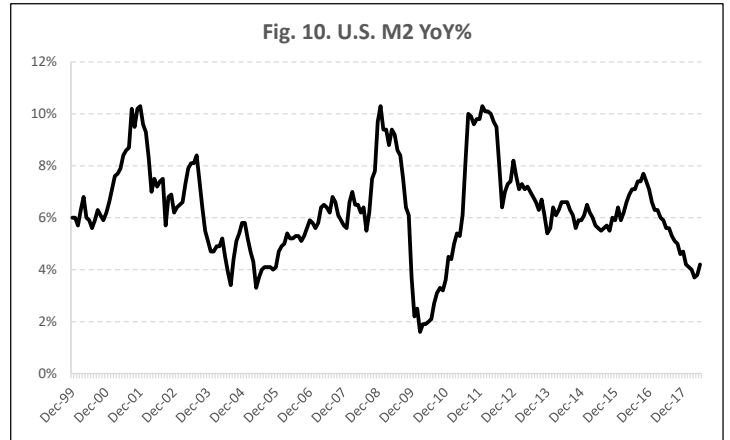
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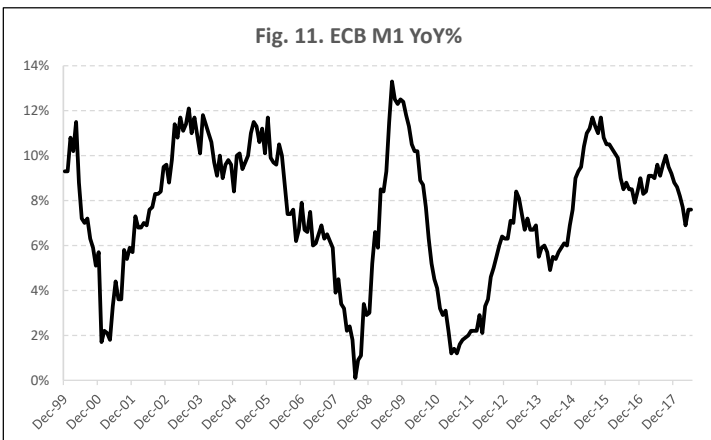
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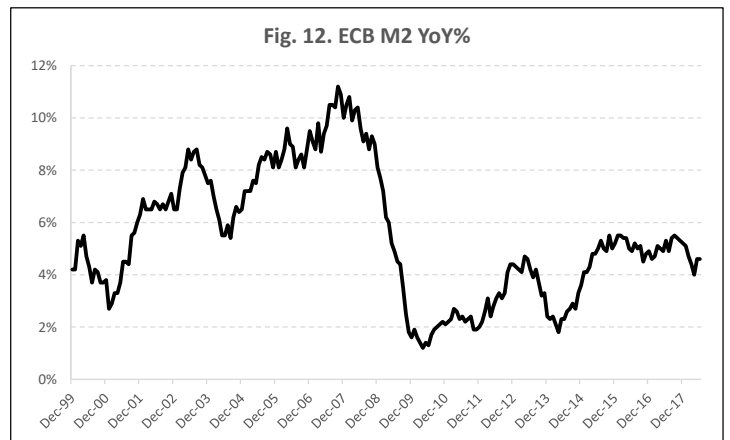
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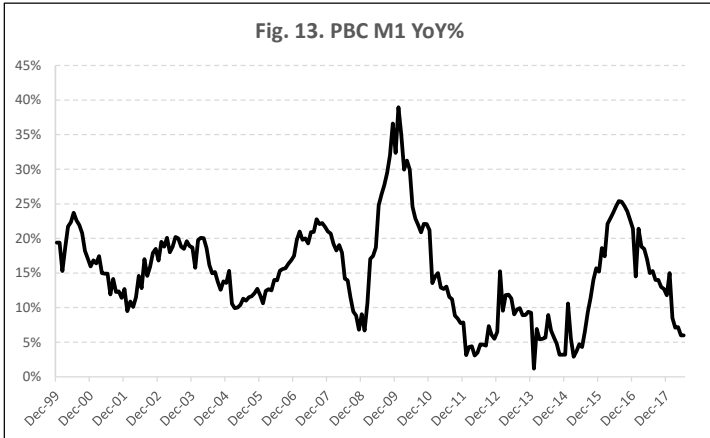
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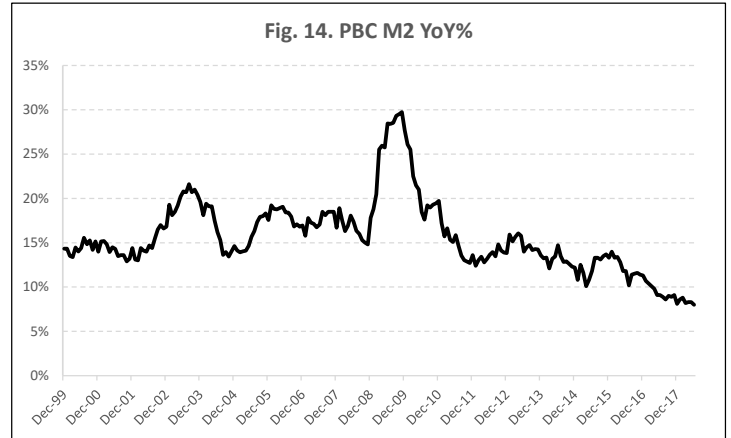
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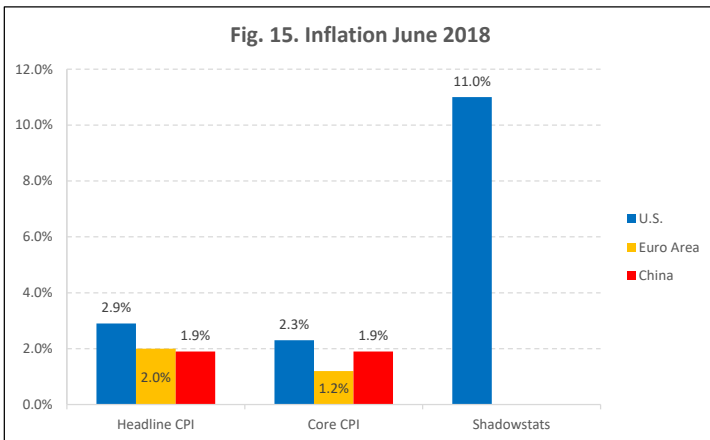
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Section I. Macro


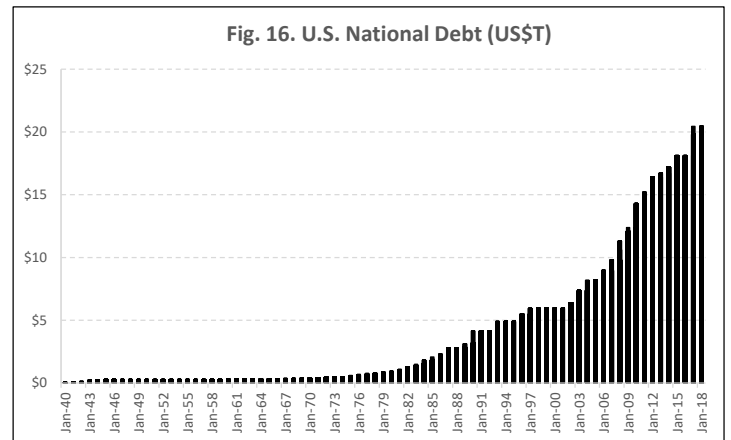
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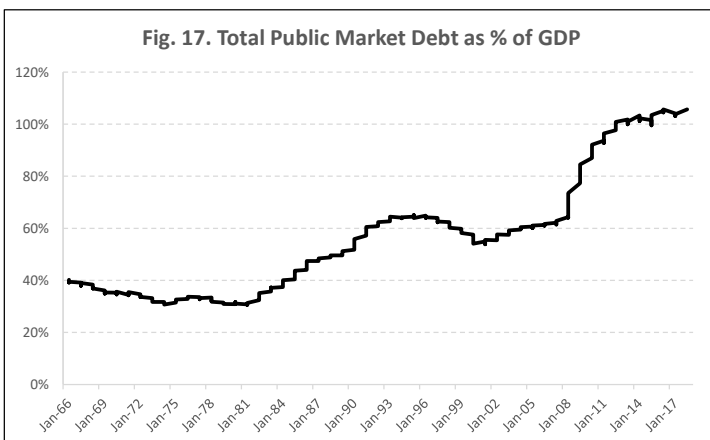
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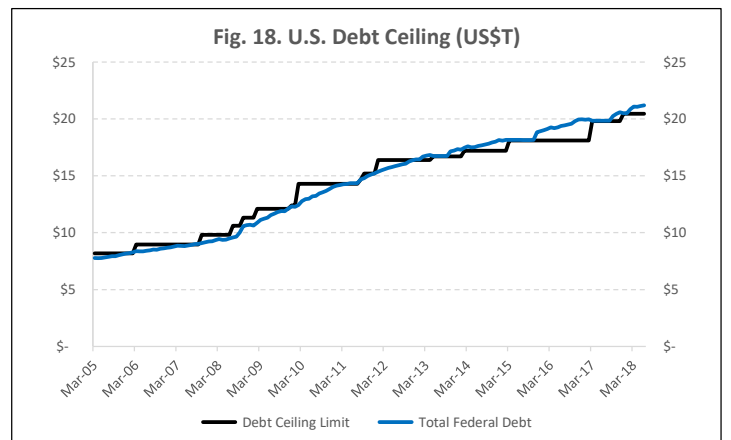
Source: Bloomberg, Shadow Government Statistics.



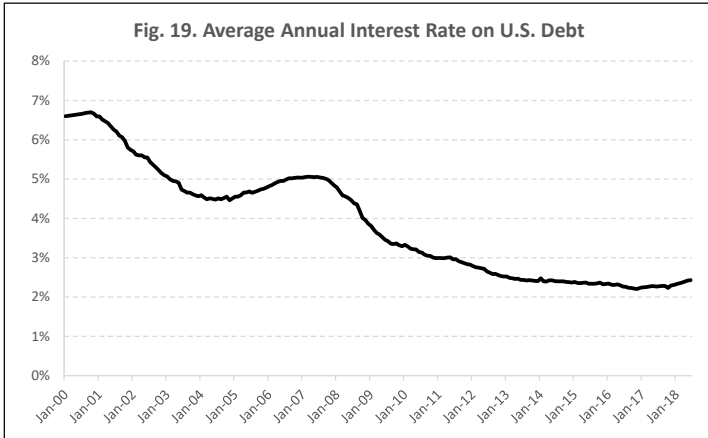
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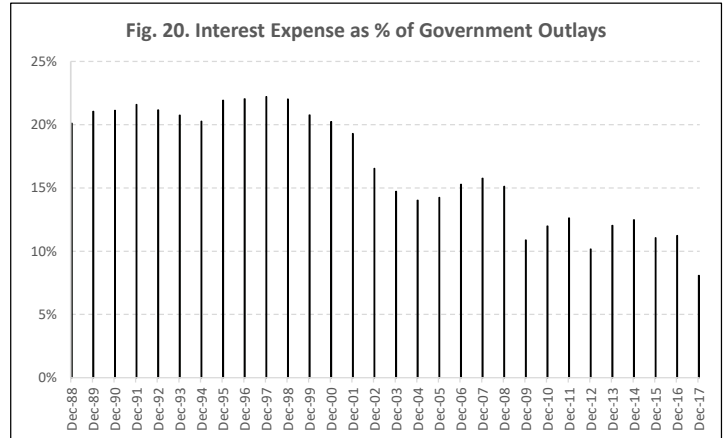
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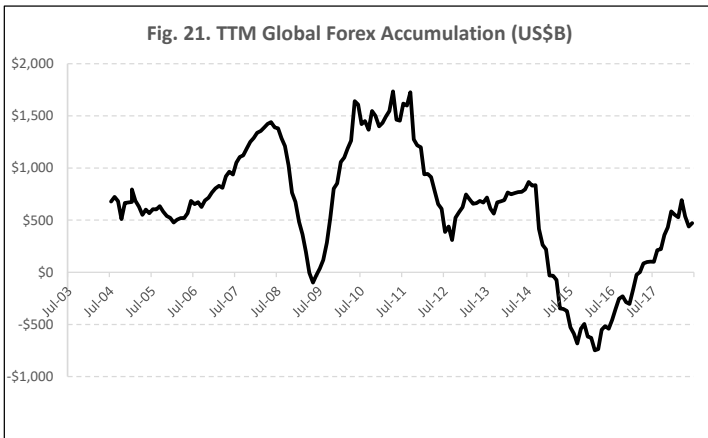
Source: Bloomberg.

Section I. Macro


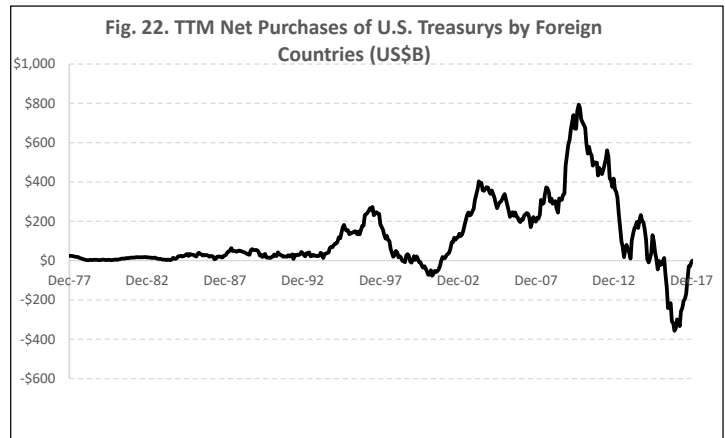
Source: U.S. Treasury, Meridian Macro.



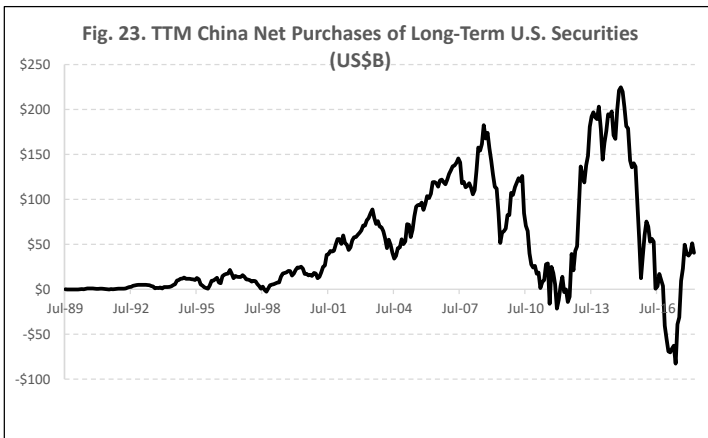
Source: Bloomberg, U.S. Treasury.



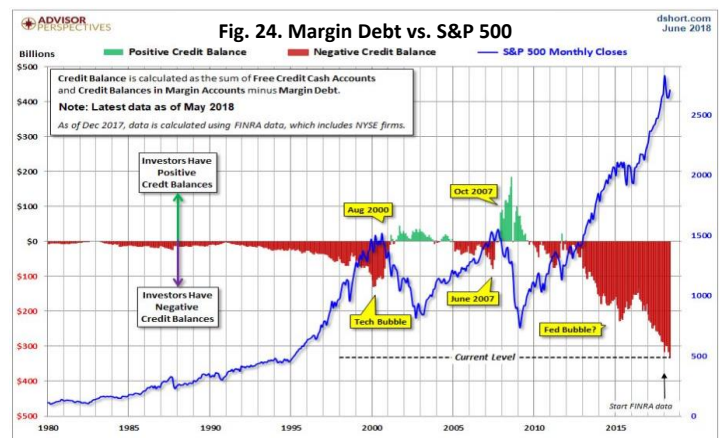
Source: Bloomberg.



Source: Bloomberg.



Source: Bloomberg, MacroMavens.



Source: Advisor Perspectives.

Section 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

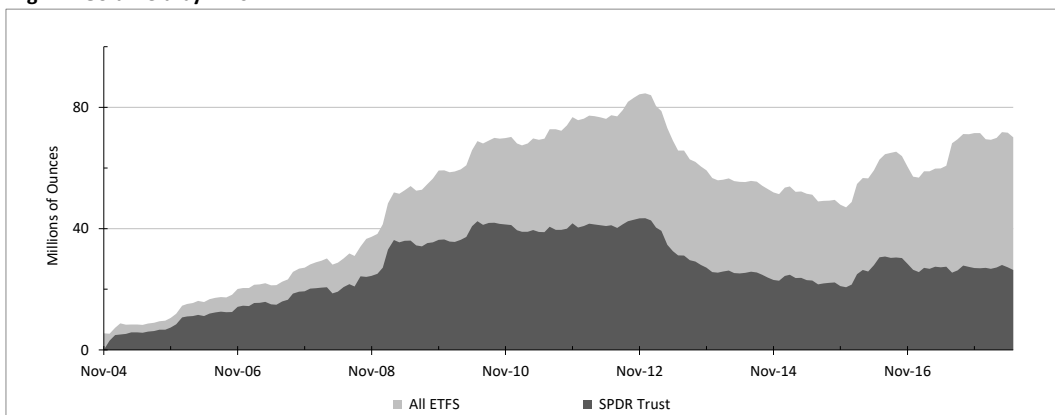
Source: World Gold Council.

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

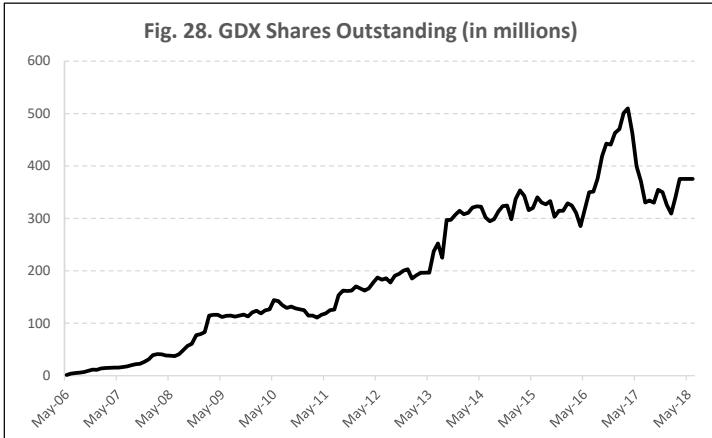


Source: U.S. Geological Survey, World Gold Council, Federal Reserve, Bloomberg.

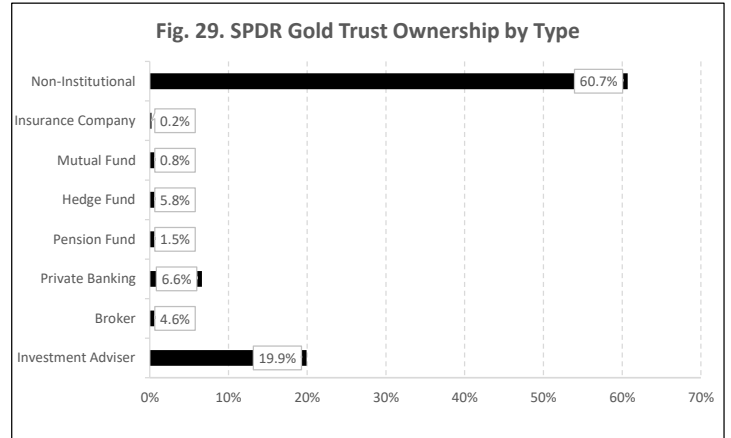
Fig. 27. Gold Held by ETFs



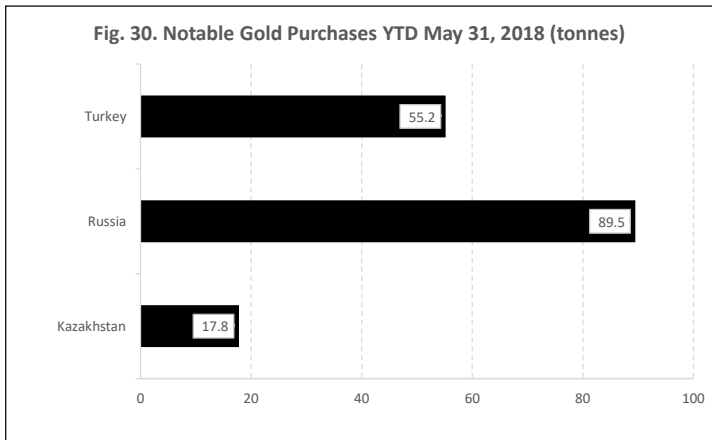
Source: Bloomberg.

Section II. Gold


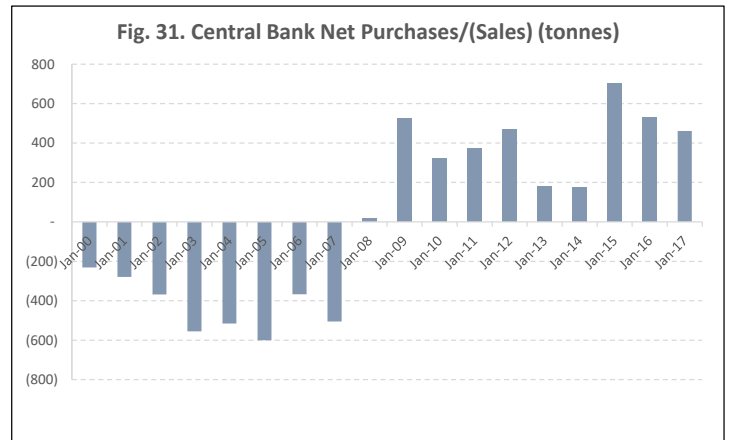
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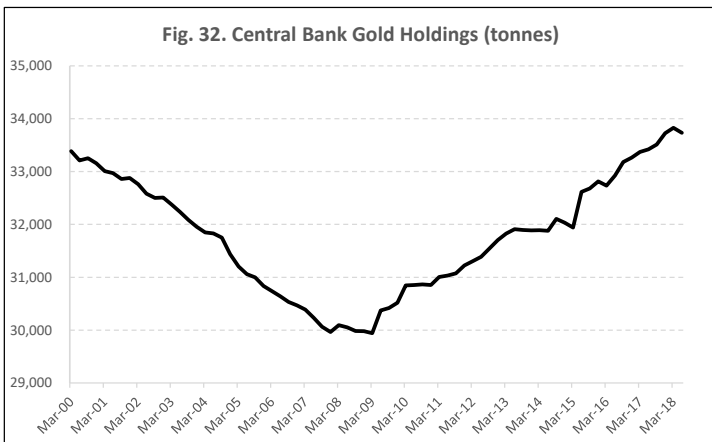
Source: FactSet.



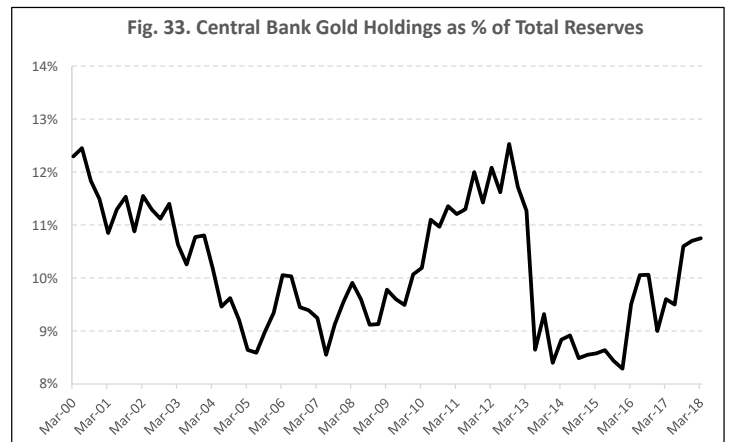
Source: World Gold Council.



Source: World Gold Council.

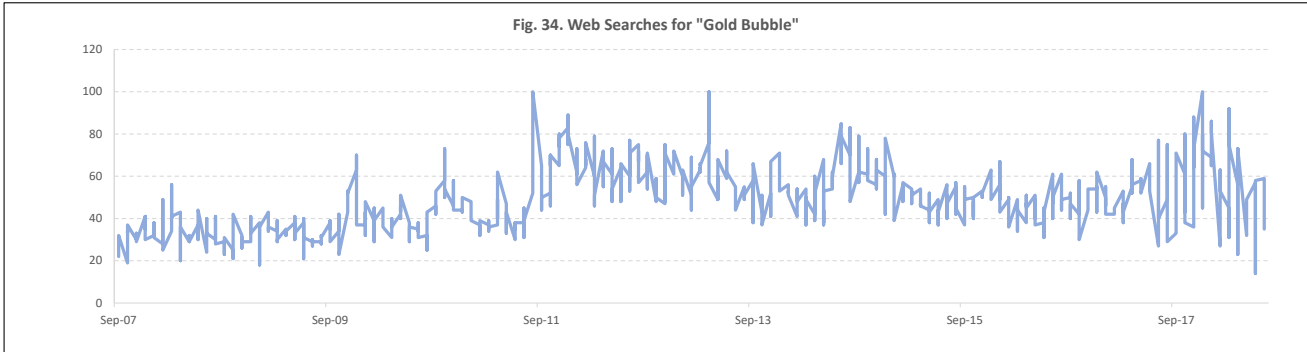


Source: World Gold Council.

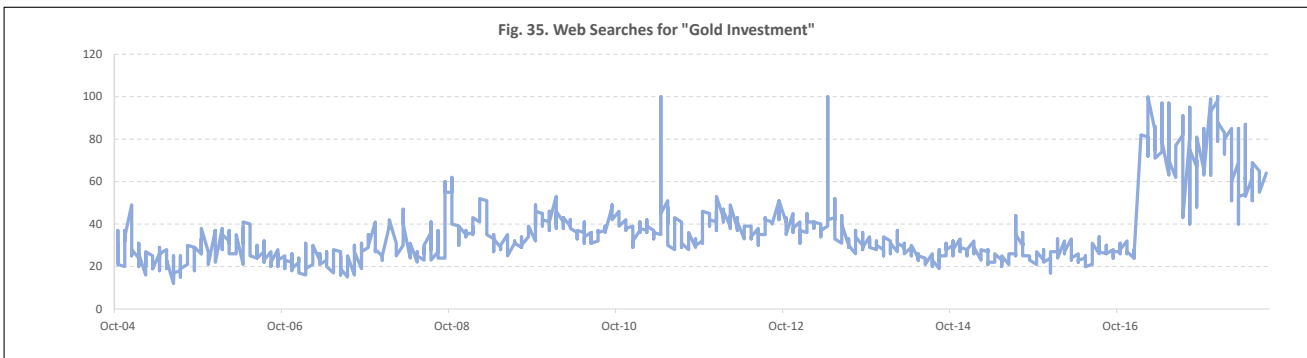


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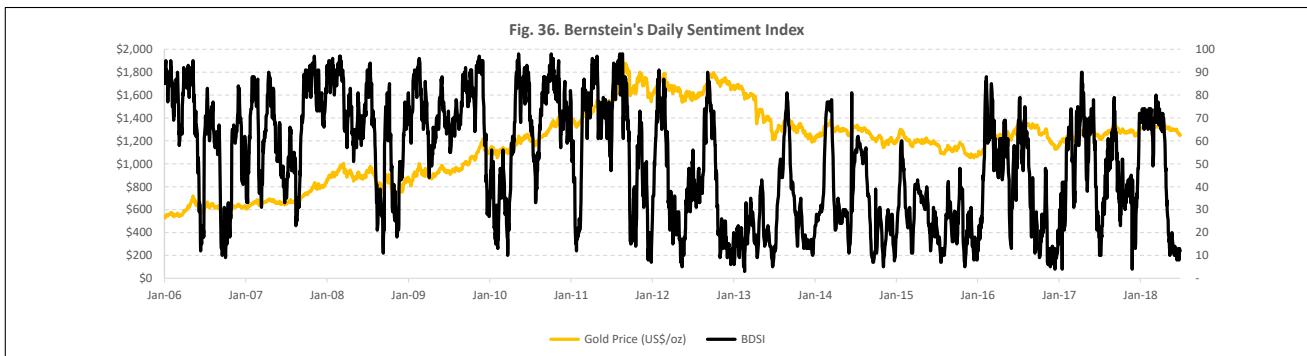
Section II. Gold



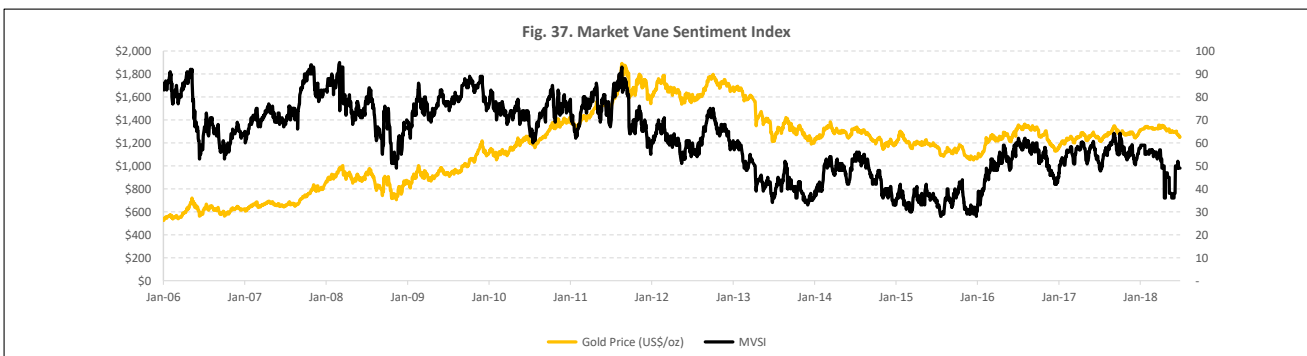
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Source: Google.

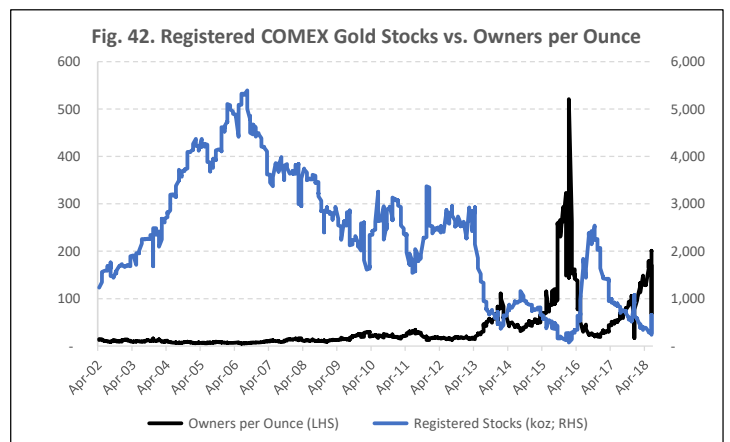
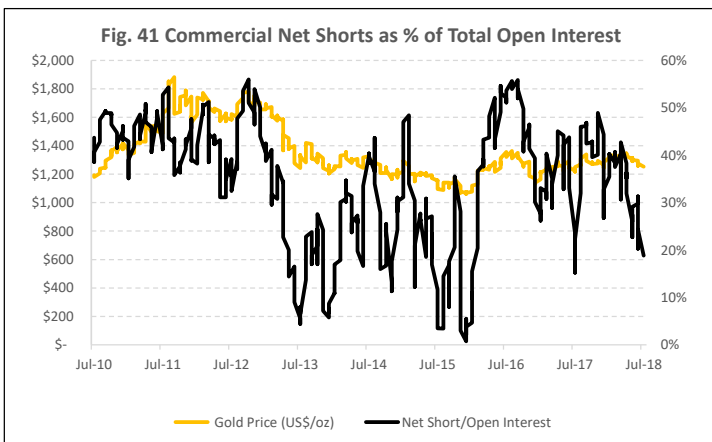
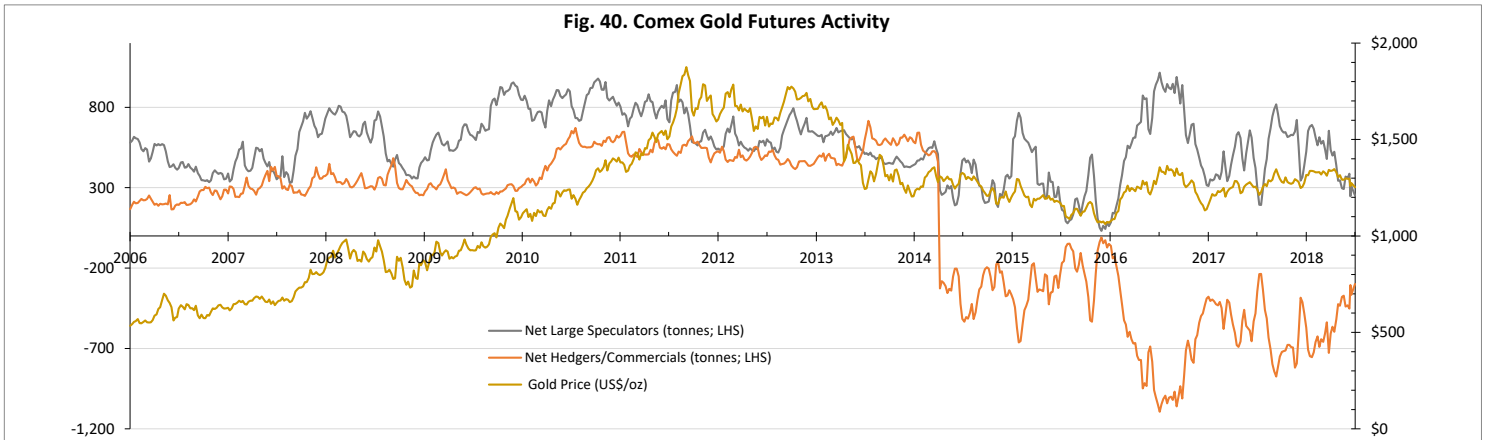
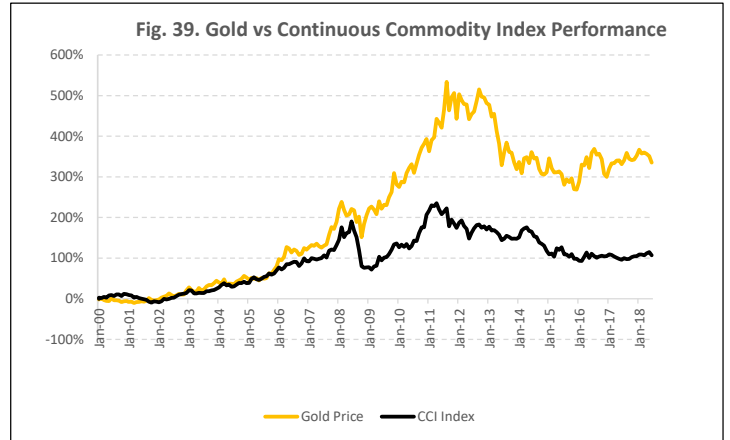
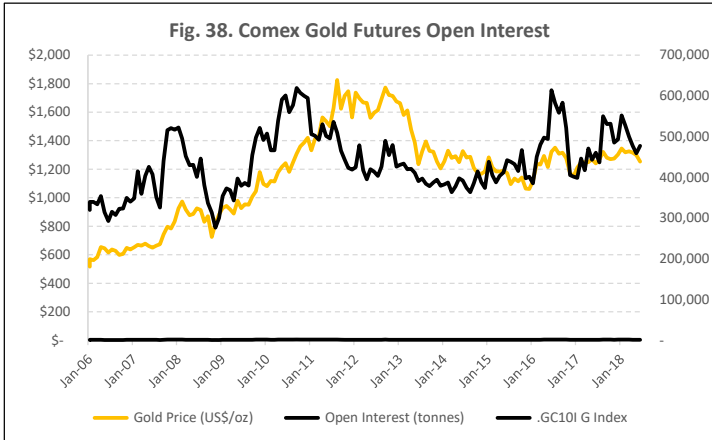


Source: Bloomberg, Bernstein's DSI.

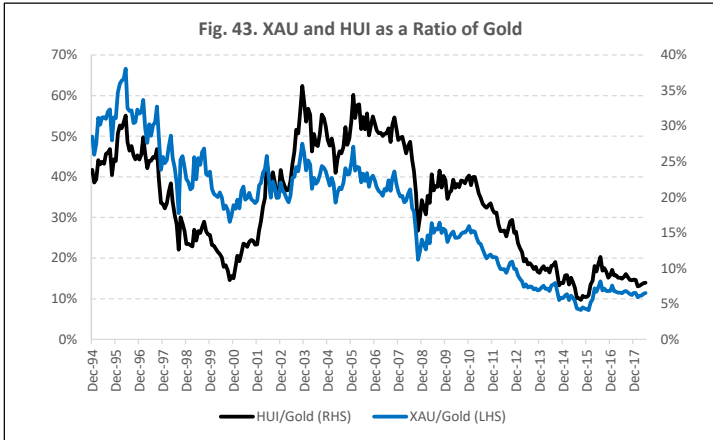


Source: Bloomberg, Market Vane.

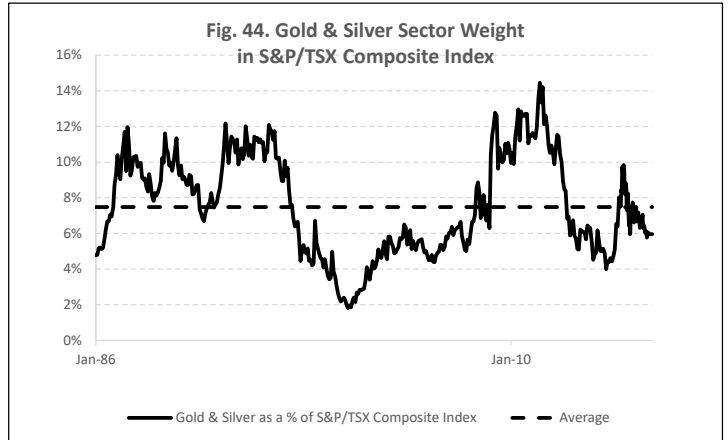
Section II. Gold



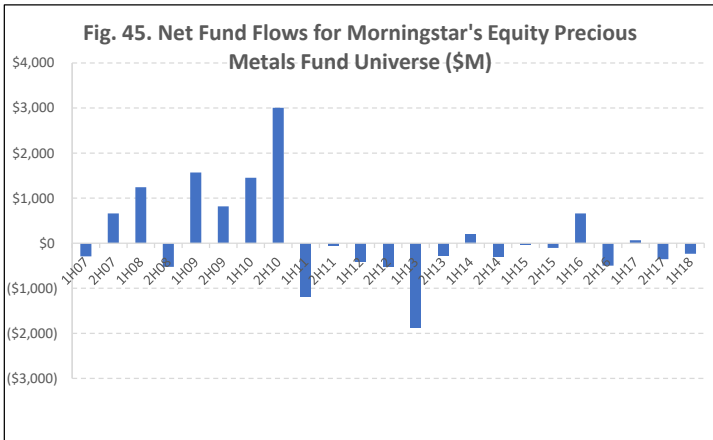
Section III. Gold Mining Equities



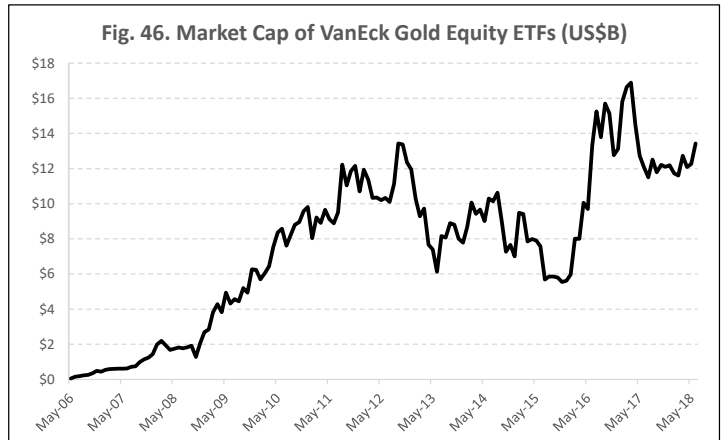
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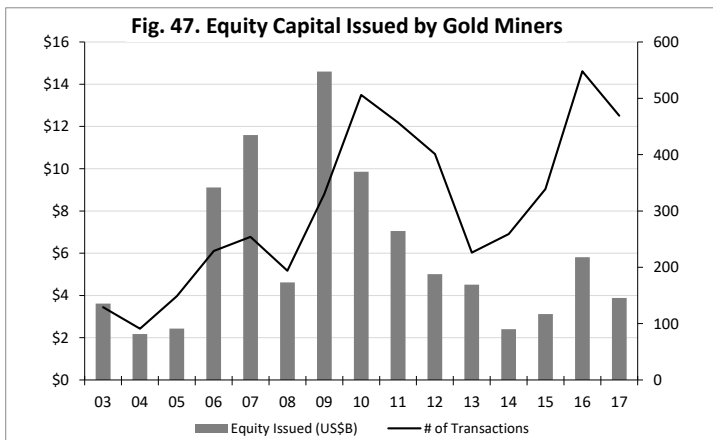
Source: Bloomberg.



Source: Morningstar.

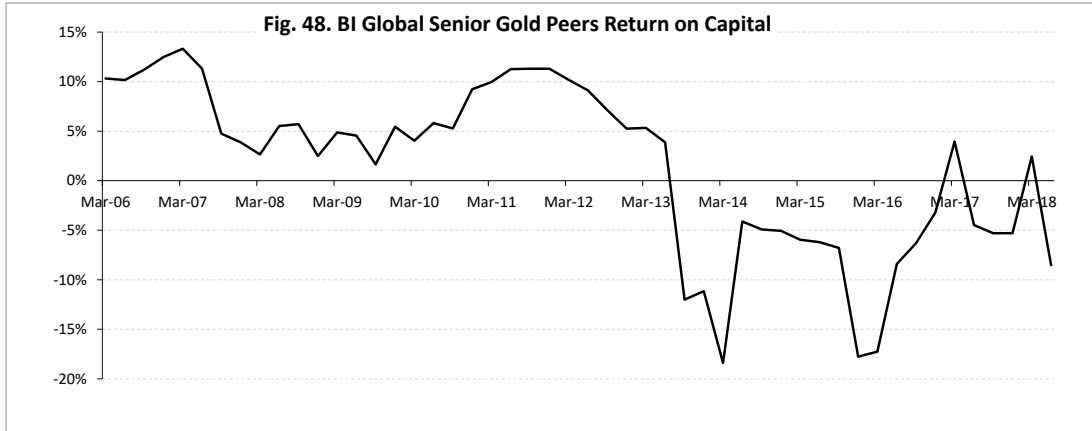


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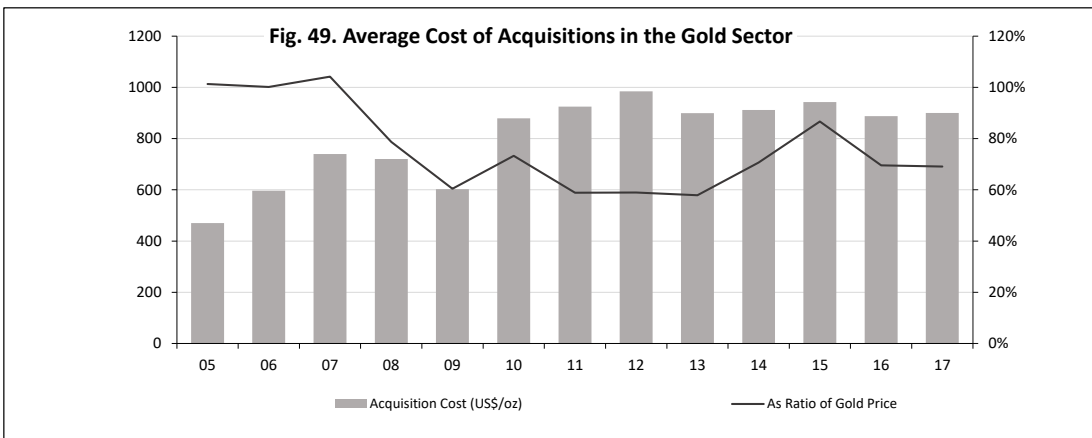


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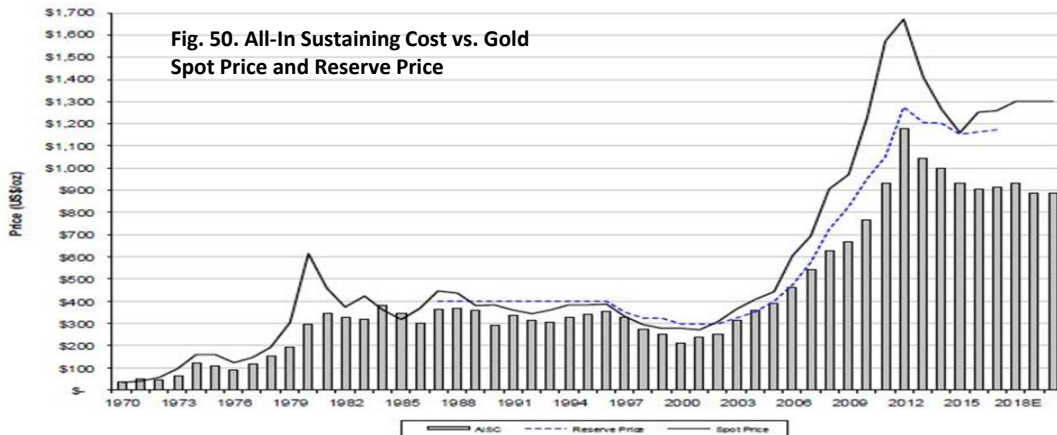
Section III. Gold Mining Equities



Source: Bloomberg.



Source: RBC Capital Markets, Bloomberg.



Source: Scotiabank.

Section III. Gold Mining Equities

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

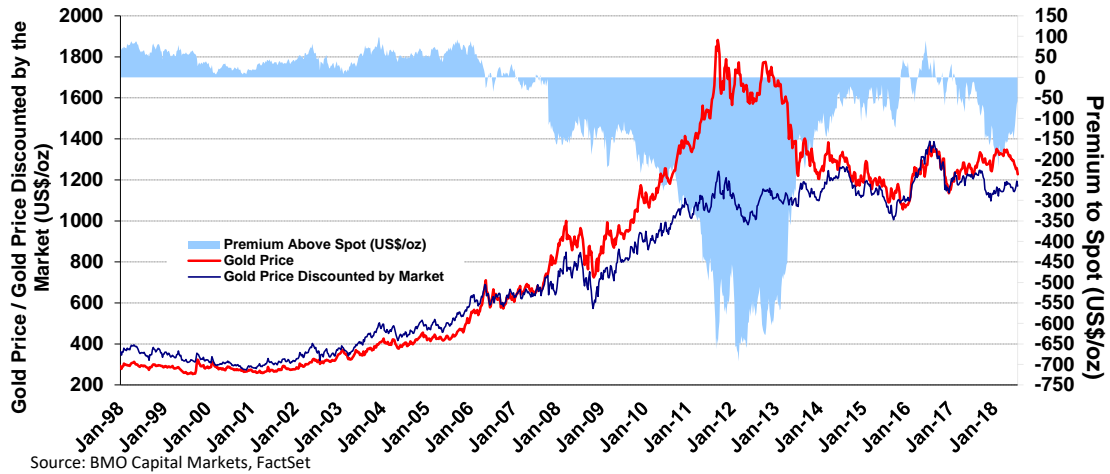


Fig. 52. NAV Premiums - Senior & Intermediate Producers (N.A.)

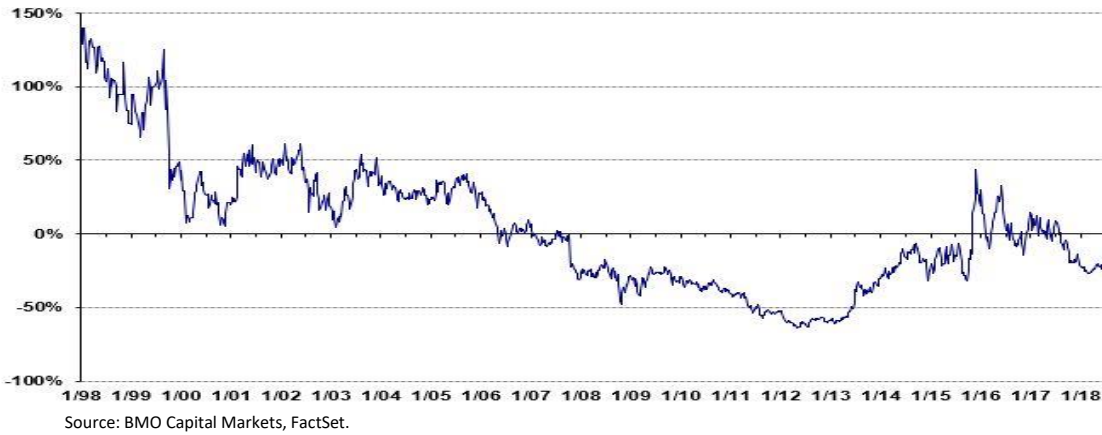


Fig. 53. P/CF - Universe of Coverage Average

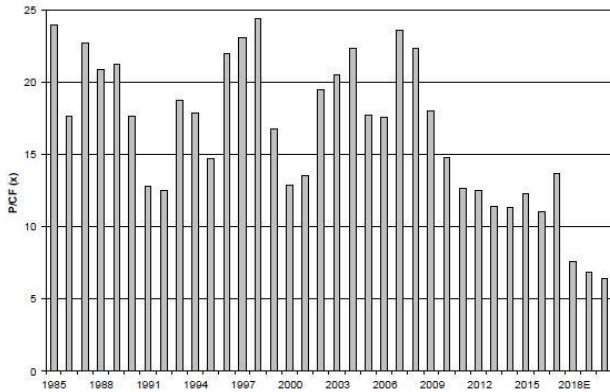


Fig. 54. Adj. Market Cap per Oz of Resource / Gold Price

