GLOBAL GOLD™
OUTLOOK

Claudio Grass
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The world is in motion - the United States Presidential campaign is drawing to a close, as the accelerating proxy-war in Syria has seen tensions increase, in parallel with war-mongering statements between the U.S. and Russia. Also, we have Italy's vote on the constitution on December 4th: Should it pass, the establishment will increase its grip on power and if not, it could bring down the entire government and also pave way for reviewing the future of the Euro. That and the presidential elections in France and Germany next year, in combination with the looming EU banking crisis – are all question marks that will determine the course of our near future. All these events are happening in the midst of a global tide of growing dissatisfaction among citizens who are taking a stand against their current political elite. These cracks in the system are not going away anytime soon - the ranks of the disillusioned will only swell in the future. The government is reinforcing its agenda of political correctness with a "divide and conquer" strategy, as we saw with the Brexit vote and as we are witnessing in the U.S. elections now. But whatever happens, I can only stress on the importance of our support for free speech. As the saying goes, "a wise man makes his own decisions, an ignorant man follows public opinion." The cracks reflect the people's mistrust towards their governments – they are raising questions, challenging the imposed control on their actions and their ideas. "Sapere aude" is the motto of our brave new world.

Please feel free to contact us if you have any questions.

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Love him or hate him: Trump is the revolution against the establishment

The U.S. Elections: the latest crack in the system

The 2016 U.S. presidential elections are unprecedented: I don't believe we have ever witnessed before a campaign year so toxic, so dangerously divisive and ad hominem. Both camps have vilified the opposition and their followers, creating a schism in society. There has been no rational dialogue on the issues that truly concern the American public. Instead, we have witnessed personal insults and petty attacks, rumors and gossip. At this point, as a result of this catastrophic campaign, the public will not vote in favor of the candidate they agree with the most or the one they like, but against the one they hate!

In this article, we do not focus on comparisons between Clinton and Trump; enough has been said and written about the candidates themselves. Here, we look at their supporters – the crowd behind the candidates, those that will in fact shape American policymaking in the coming four years.

Hillary Clinton: the establishment remains in control

The most important and formidable group within those backing Clinton belong to the upper echelon of society: Wall Street's market makers and shakers, big business, the top of the political pyramid and the servants and profiteers of the public sector. In one word: the establishment.

Clinton's support base includes therefore practically everyone who profits from government regulations and its corruption – they have everything to lose if Hillary doesn't win. It is the same group that advocates and leads the political correctness movement; they are those state-bred and fed intellectuals who poison the university campus and mass media circus with their belief that they can transform the U.S. into a "utopia". In reality, this "utopia" will be created through intense centralization, endless wars and plundering, only to create a totalitarian government where the political elite enforces its will and instructs the public on how to live a happy life, which only benefits the top strata of society that designed it in the first place. Years ago, Jewish American philosopher Hannah Arendt summarized the toxic impact of political correctness as follows: **"There is no thought process without freedom. To deprive man of his liberty is to deprive him of his own ideas, and if one is not allowed to think, only subjugation and slavery remain."** This can only be achieved through a strong foothold on the centralized state and its propaganda engine, the mass media, operating under the doctrine of Edward Bernays, the father of propaganda, or better known as public relations.

Then there's the other extreme of Clinton's supporters: the artificially created underprivileged minorities. These groups have come to depend on the state for support and protection, which has also made it easy for the state to indoctrinate them and reset their mindset to its advantage. Those are the people who have fallen in the trap of thinking that only the state can provide them with what they need for a good life, when in reality it only disempowered them. The globalist Clinton herself accuses Trump of "populism", thereby casting a negative shadow on "nationalism", but a look at her policies reveals she is the one promising free lunches for everyone: lenient immigration laws, higher minimum wage, or

universal healthcare. Clinton also preaches against income inequality and condemns Wall Street greed in her speeches, while her campaign cashes in from Wall Street's finest: JP Morgan, Morgan Stanley, Citigroup and Goldman Sachs.

Trumpet – the politically incorrect shock of the decades?

Whenever people are forced by the government to accept and pay for things they do not want, the outcome is discontent and opposition, typically suppressed and downplayed by the mainstream media in accordance with the state's agenda of political correctness. This further escalates the situation and often takes unpleasant turns, including the fostering of racist and bigoted subsections that we see within the Trump voting base. But that's not the majority, not by far! We might get this idea, because the mainstream media focuses exclusively on these supporters through footage and interviews limited only to those at the Trump rallies, because they are the "interesting" material; after all, they say outrageously horrible things and therefore are great for TV sensationalism.

What does Donald Trump stand for? From my perspective, for anything and everything! He stands for everyone that is sick and tired of the current system and the political elite who have grown out of touch with the ordinary American citizen. You will find them among the working class, small business owners, and that segment of society that used to be the middle class before the crisis, and they all have great grievances against the policies of the establishment. Those people understand that the phrase "the Union and the Constitution forever" has been under attack and downgraded to nothing more than an empty phrase by the power elite and the deep state. We see first hand how the Patriot Act directly violates not only the first amendment's advocacy of free speech, but also the fourth and fifth amendments, thereby tearing apart the very foundation of a country once based on respect for civil liberties. There is no doubt that the second amendment will also be crushed under Clinton, "regulating to extinction" the natural right to self-defense and personal sovereignty. We should never forget that we are born with inherent rights, that can't be taken away from us, or as Judge Napolitano put it:

> **"The natural law teaches that our freedoms are pre-political and come from our humanity and not from the government. As our humanity is ultimately divine in origin, the government, even by majority vote, cannot morally take natural rights away from us. A natural right is an area of individual human behavior – like thought, speech, worship, travel, self-defense, privacy, ownership and use of property, consensual personal intimacy – immune from government interference and for the exercise of which we don't need the government's permission."**

Even though polls suggest that Trump is trailing nationally, they underestimate exactly how big the Trump wave is, and it is significant: between 74% and 83% of Republicans said they will support him (according to polls conducted between Oct 9th -11th). But there is also the silent majority that has been actively present in his rallies. This silent majority are not necessarily Trump fans, but they do not want to see the country falling into the abyss of state centralization and political correctness. They want to discontinue the economic system that has taken them from bad to worse – they are the American version of the European anti-establishment movement. They are well aware of Trump's coarse character and crude remarks, but feel they can overlook that, for the sake of his main strategic advantage: Trump's promise that he does not want America to be controlled by the establishment anymore.

Hillary Clinton and Donald Trump face to face in the last of three presidential debates under the banner of "The Union And The Constitution Forever"

Source: *The New York Times*

A Tale of Two Hatreds

> *Politics is like sausage being made. It is unsavory, and it always has been that way, but we usually end up where we need to be. But if everybody's watching...then people get a little nervous, to say the least. So, you need both a public and a private position.*

- Hillary Clinton, National Multi-Housing Council, April 2013

One key reason behind the peoples' hostility towards Clinton is that she personally embodies the hypocrisy and the hubris of the U.S. federal government itself: a government that maims and kills millions with its war on terror, it arms and supports murderous regimes and ideological fanatics and it is known to deploy chemical, biological and nuclear weapons. And yet, it somehow pretends to hold the moral high ground, and lectures others on human rights.

Just as America is an "exceptional" country, for which normal standards don't apply, Clinton is its "exceptional" candidate. She accuses her opponent of populism, when her own platform is entirely based on crowd-pleasing promises. She calls his policies fascistic while her own would put the final nail on the coffin of free speech. She claims to stand up for the little guy, while she funds her campaign with Wall Street money. She positions herself as the defender of minorities' and women's rights, while her Foundation accepts donations from the most oppressive regimes on the planet.

At the same time, the American electorate also feels hostility for Trump; that hate is not equivalent though, as few would argue he is trying to hide who he is. The reason why so

many dislike him is very different, and it has to do with the identity he projects. He is the ultimate "anti-intellectual". Of course the term "intellectual" is quite broad these days, and many of them dislike Trump solely because of what it would say about who they are (in the eyes of their like-minded peers). But these people share a common denominator: they are educated beyond their intelligence and critically depend on repeating what other "intellectual" people say, as they feel (consciously or not) their ignorance would be exposed if they dared to express an original idea.

The day after: The legacy of a bitter campaign year

Unfortunately, whoever wins, the nation will pay the price of this "divide and conquer" rhetoric. Americans today are too polarized and the tensions that are brewing in the background will not just go away the day after the election: racial and social divisions, as well as the split caused by the choice between a planned vs. a free market economy, a big or smaller government.

Under Trump, we can only hope that America will be given time to heal and to overcome these divisions. Free speech is key: A society can only heal if they return to a culture of debate with the outcome being to agree to disagree.

From what we know from modern American history, we shouldn't be surprised that the markets prefer Hillary over Trump. The fact that she will not change anything means that Wall Street, the bankers and the military industrial complex would continue to thrive under President Clinton. The establishment will live on. Right now this establishment is accelerating a war against Russia and Clinton is undeniably on board with this aggressive narrative. And then we have Trump, who is certainly far from perfect. His objectification of women, his comments about Muslims and minorities, his crass demeanor: All these have made it very hard for him to find support for his genuine policy points. Even if the actual net effect of his policies would indeed benefit women, he won't get them on his side by calling them pigs - there is a difference between free speech and just being plain rude, uncivil and vulgar. We may disagree with his infamous "Wall" with Mexico and demands for "a new budget to rebuild our depleted military" (which makes him no different from Clinton). **But** he is an outsider, a businessman, and most importantly, **a crack in system**! He challenges the status quo, and that's why the status quo attacks him, by trying to ridicule him and his voters too, by projecting them as extremists, or ignorant and racist.

The "Silent Majority"- will they be Trump's champions who swing this election?

Source: *www.AL.com*

The question is, why don't we just let Trump be Trump? He said it himself: "It is so nice that the shackles have been taken off me and I can now fight for America the way I want to!". Consider the boldness in this statement – to stand confidently for his principles and ideas (even if you disagree) against his own party's leaders, many of which have withdrawn their support especially in the past few weeks. This is clear projection of power and independence; it says that no one can dictate their demands to him. It says that he will speak his mind unafraid.

I say, we should trust the followers... It is clear that a majority of Trump voters are striving to defend the essence of the constitution and what it originally used to be – the basis for a free society based on the right to be independent from government intervention in our private lives. And this is for me, as a believer in civil rights and sovereignty, enough to give him or, better said, his voters, the benefit of the doubt.

Ronald Stöferle writes for Global Gold

Three world views that drive the market and their take on gold

Ronald-Peter Stöferle is a managing partner and investment manager of Incrementum AG, based in the Principality of Liechtenstein. Together with Mark Valek, he manages a global macro fund, which is based on the principles of the Austrian School of Economics.

Ronald has had a long and successful career in commodity markets, particularly gold and oil. His benchmark reports titled 'In GOLD we TRUST' drew international coverage on CNBC, Bloomberg, the Wall Street Journal and the Financial Times. Ronald is also a lecturing member of the Institute of Value-based Economics and lecturer at the Academy of the Vienna Stock Exchange.

As a valued friend, as well as as an intellectual and spiritual comrade-in-arms , we take great pride in sharing with you Ronald's contributions in our Outlook. At Global Gold, we are glad to give our readers access to insights and expertise on gold and the gold market, and share views of an independent mindset on the economy and the markets.

Gold was on a roll this summer, as it picked up from a bottom of about USD1'200 to a peak of USD1'340 in just over a month. But then, the gold market showed signs of instability and volatility. What drives market players and what explains their approach to gold? From our encounters with dozens of clients and professional market participants, be it asset managers, fund managers, or private bankers, etc., we know all too well that market players have very different views and philosophies about the economy, based on which they develop their investment strategies. We have been able to discern three different worldviews with respect to the assessment of the overall economic situation, which we believe will help explain the different approaches to gold.

1. The believers in the system

This category represents the current mainstream economic worldview. This group of market participants firmly believes in the current system and to be exact, they believe that the Keynesian economic policy, which has been implemented in the wake of the global financial crisis, was in principle correct and necessary. They explain that the global economic slowdown we are experiencing is in fact a "recovery in process", which has experienced a "setback" as it developed at a slower pace than expected due to unforeseeable regional economic difficulties, such as the Eurozone debt crisis, slowing growth in China, etc. In essence, the "patient" that is our global economy, is on the way to a full recovery. They also consider the supervisory authorities have learned much-needed lessons from the crisis, and have lowered systemic risk by implementing better regulations. In other words, they did what needed to be done.

However, representatives of this camp, which includes financial analysts and market pundits, have become increasingly critical of the expansive course of the monetary policy in place. They find it has set the economy on this weak growth phase and ascertain that we need to break free from this situation of "secular stagnation" or the "new normal". How? By

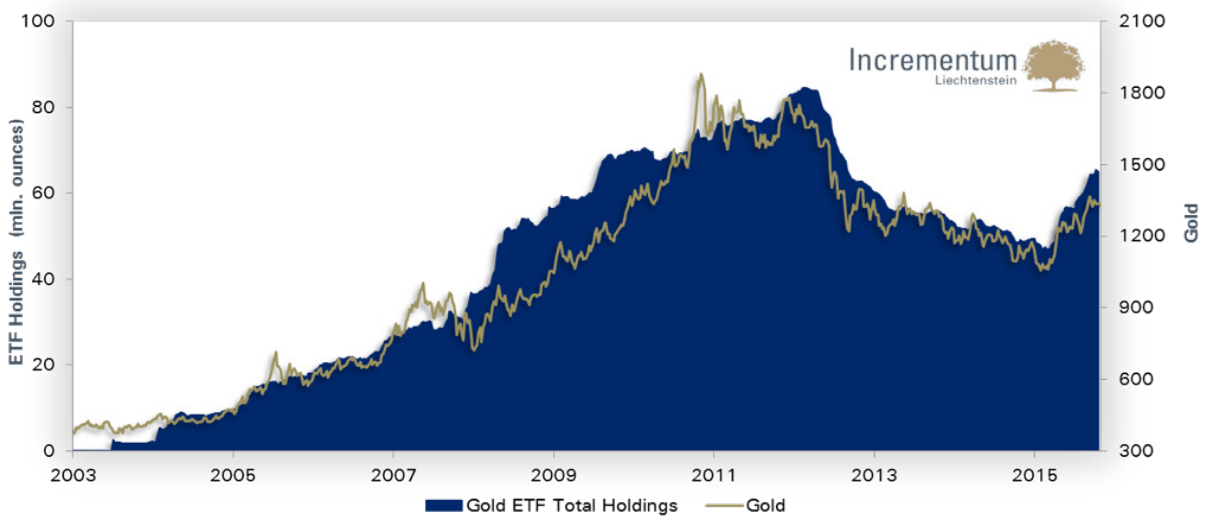
pumping more money into the system, in the form of additional fiscal stimulus measures and/or "helicopter money" (when and where appropriate), coupled with structural reforms. In their view, these are the missing ingredients that would help boost economic growth once more. But where and how does gold fit into this perspective? Actually, it doesn't! In fact, their gold allocation has been extremely low, even close to zero over the past decade. This group's firm belief in the current setup of the economy based on fiat currency and its management through stimulus packages helps explain that they don't prioritize gold in their portfolios, even in times of economic slowdown.

2. The Skeptics

This group is fundamentally at odds with the "believers camp". Here, people are extremely doubtful of the sustainability of the extreme economic policy measures that have been adopted. After the crisis, many of them instinctively came to the conclusion that fighting a debt crisis with even more debt and extravagant monetary policy measures does not address the true cause of the problem. This group includes hedge fund managers and traditional asset managers who are often unable or unwilling to communicate their critical assessments, especially publicly.

Due to the current "investment emergency" and the pressures exerted by reporting structures and benchmarks, many skeptics have in recent years increasingly joined the bandwagon in traditional "risk-on" asset classes like stocks and high yield bonds. However, in many cases this was done half-heartedly, in order to "ride the wave". But in reality, their portfolios reflect a different investment strategy: In the years after the crisis, they focused on gold. We can see this reflected in the outstanding volume of gold bullion in ETF holdings in the chart below. The recent significant increase in ETF inflows shows that these skeptical investors have partly returned to the market. ETFs have purchased 367 tons of gold in the first quarter of 2016, which represents the largest inflow since the first quarter of 2009.

Total amount of bullion held by ETFs (m. oz.) vs. the gold price



Source: *Bloomberg, Incrementum AG*

It is remarkable how many market participants are questioning the sustainability of current economic and monetary policy measures behind closed doors! We've noticed that the skeptics camp has gradually grown in recent years to represent the largest group of the three mentioned in this article.

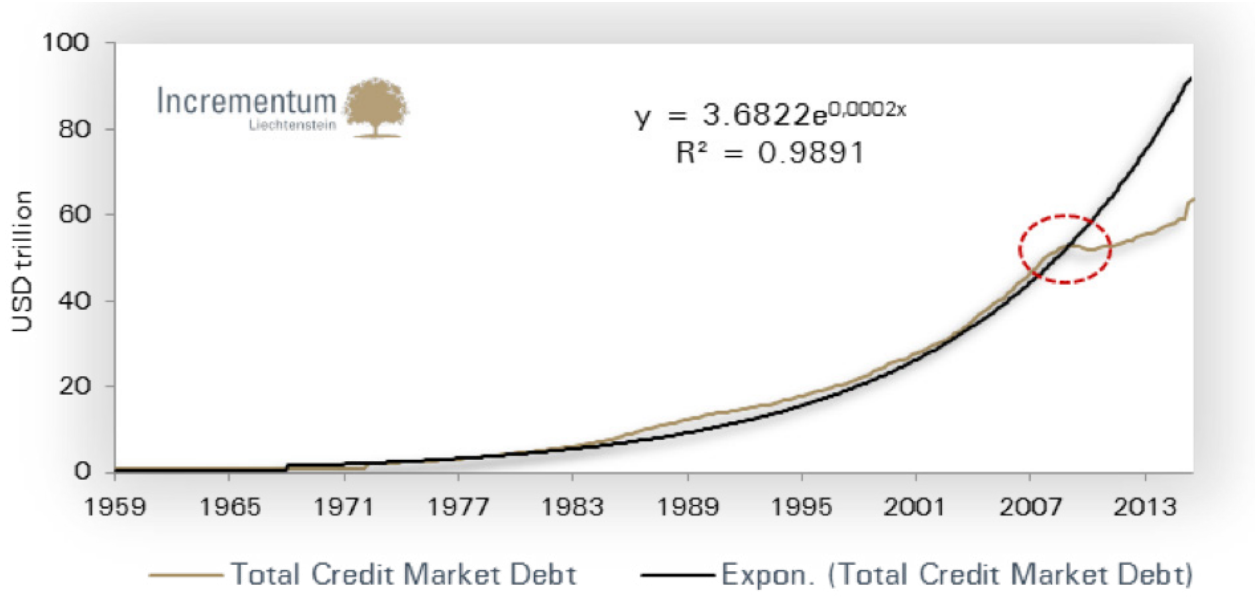
Going forward, we believe they could play a particularly important role as marginal buyers in driving the future gold price trend. This is because even though many have already invested in gold, there are others that haven't done so yet, but are keeping an eye on it from the side-lines. As soon as the narrative of the slow recovery of the economy no longer holds up, we believe they will be among the first to shift their portfolio allocations in favor of gold.

3. Critics of the system

Members of this group are not merely wary of the management of the economy, they are convinced that the monetary architecture is inherently and systematically flawed. In other words, the very foundation of our system is unsound, to say the least. The Austrian School of Economics is on the forefront, by consistently offering a critical assessment of the status quo, and therefore standing out as the theory that is able to systematically explain why the current economic recovery is neither sustainable nor self-supporting. For that reason, those who have come to adopt this critical stance have one thing in common: It is almost impossible for them to regain faith in the system. As Mark Valek said "once you become an Austrian, you remain an Austrian.". Thus, the Austrian way is a one-way street, i.e., this is a group that can only grow.

It is no secret that we belong to the third group. Our reasons for this are purely factual: Our findings are based on the methodological framework of the Austrian School, and results from investigations free from value judgments and ideological biases. Here is an example of our rationale: The instability of growth induced by credit expansion, which we routinely criticize, is concisely illustrated by the following chart. Since 1959, "total credit market debt" - the broadest debt aggregate in the U.S. – has increased by 9,100%, while its annualized growth rate amounts to 8.26%. In every decade, outstanding debt has at least doubled. In order to get credit-induced GDP growth to restart again, after the volume of total outstanding debt dipped slightly for the first time in 2009, the Fed implemented a series of never-before-seen monetary policy measures.

Growth in total credit market debt diverges from its exponential trend



Source: *Federal Reserve St. Louis, Incrementum AG*

The reality is that there is no reverse gear that can be engaged at this point: The money supply has to be increased incessantly, which in turn means that the amount of credit in the system continually rises as well. It is common sense. We see this in the steady expansion of the outstanding debt volume, leading us to the most critical phase in the monetary system's evolution. Over the medium-term, the record level of debt will either be dealt with by defaults or a forceful reflation, possibly in the form of "helicopter money".

Due to this critical assessment of the situation, we continue to argue in favor of a strategic allocation to physical gold. This long-term vision will secure and fortify any investment portfolio in these unstable and risky market conditions.

Where do we stand?

There are more and more signs that skepticism is rising. Something quite telling happened at Ms. Yellen's press conference after the March FOMC meeting. The first question that CBNC journalist, Steve Liesman, asked her was:

"Does the Fed have a credibility problem [...]?"

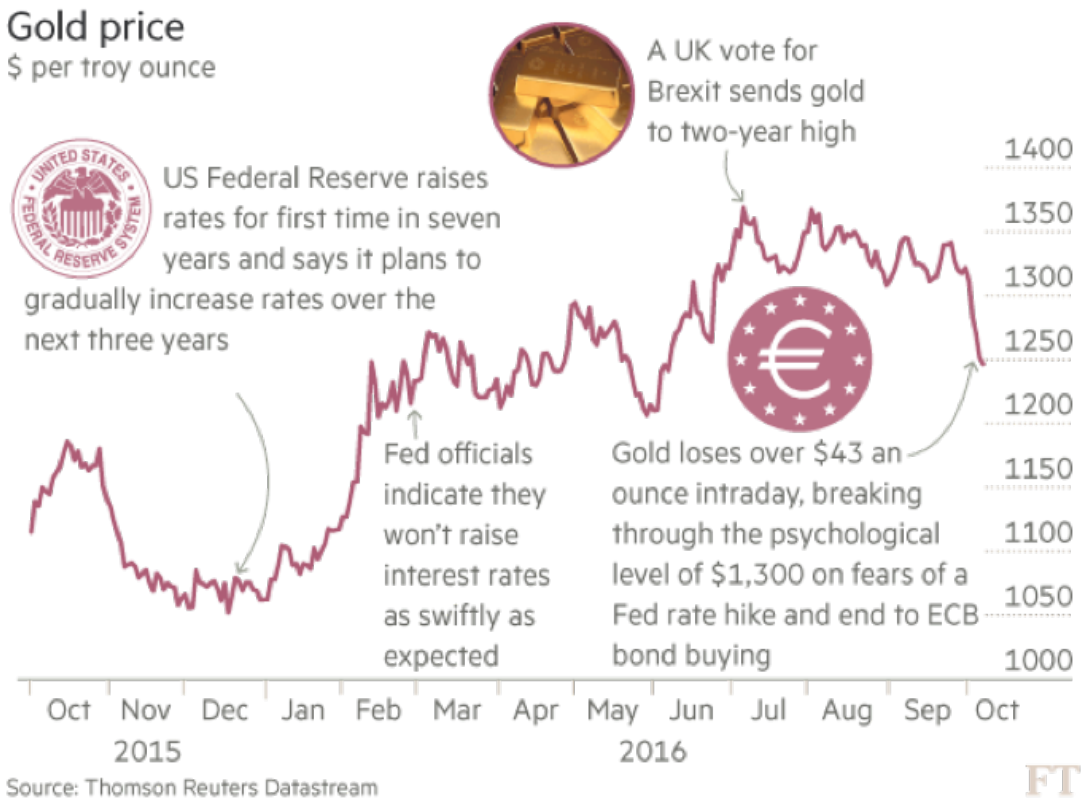
This was translated into market performance, as gold celebrated an impressive comeback earlier this year, exhibiting strong vital signs. Last year, we went far out on a limb by projecting a price target of USD2'300/ oz. for June 2018 amidst a pronounced bear market. The first step in this direction appears to have been taken.

After the Fed's recent decision not to hike rates, the market is questioning when the hike will actually take place, if at all. The Fed's communication policy doesn't exactly inspire confidence - it is like a verbal dance on eggshells. A significant downturn in economic growth, followed by a renewed stimulus program, including even more extreme measures, would further increase uncertainty. In this case, it would have to be expected that the gold price, commodity prices and also price inflation, would rise. We find there is high probability of these or similar scenarios materializing in the coming 24 months, and we are therefore sticking with our price target of USD2'300 by June 2018. **Even though it appears there is still a long way to go, the current combination of obvious over-indebtedness, expansive fiscal and monetary policy and the unrelenting determination of central banks to generate price inflation, continue to represent a stable foundation for further advances in the gold price.**

Fundamentals outweigh short-term market gains

Gold's bull market is still on!

2016 is gold's big bull run. The precious metal rose close to 20% this year, pushed by a summer rally that peaked on July 10th. But then, gold experienced a bumpy ride during the remainder of the summer, as investors were concerned about the Federal Reserve's decision on the rate hike. This volatility was underlined by the immense uncertainty that prevailed in the gold market.



"Trusting" the establishment a bit too much?

Investors are not entirely to blame, not when the officials were releasing misleading information. For example: Fed chair Janet Yellen stated at the Jackson Hole meeting of central bankers that the case for rate rises has "strengthened", yet she gave markets little guidance on timing, saying the hikes would be "gradual" and happen "over time". In effect, this discouraged investors from buying into gold, because they still trust the establishment and its credibility. A rate hike offers investors an alternative to owning gold, because gold doesn't pay any interest. Moreover, higher interest rates tend to damp down inflation – this is also bad for gold.

But surprise, surprise! The Fed decided the time was not right to increase the rates after all. So, will this revive demand for the bullion? Initial market reactions seem to concur: after the Fed's decision NOT to raise rates, combined with a weaker dollar, as well as economic stimulus in Europe and Japan, demand for gold has picked up once again. Gold's bull run is still marching on and it has the steam to continue doing so for a while.

However, these are all short-term market considerations where bullion is seen as part of "buy-low and sell-high" strategies. This is indeed valid and effective, but gold is far more than that. We encourage investors to see the bigger picture, to look to gold for the long-term, instead of making short-term gains in reaction to the Fed's interest rate decisions.

In case you haven't heard: our system is failing!

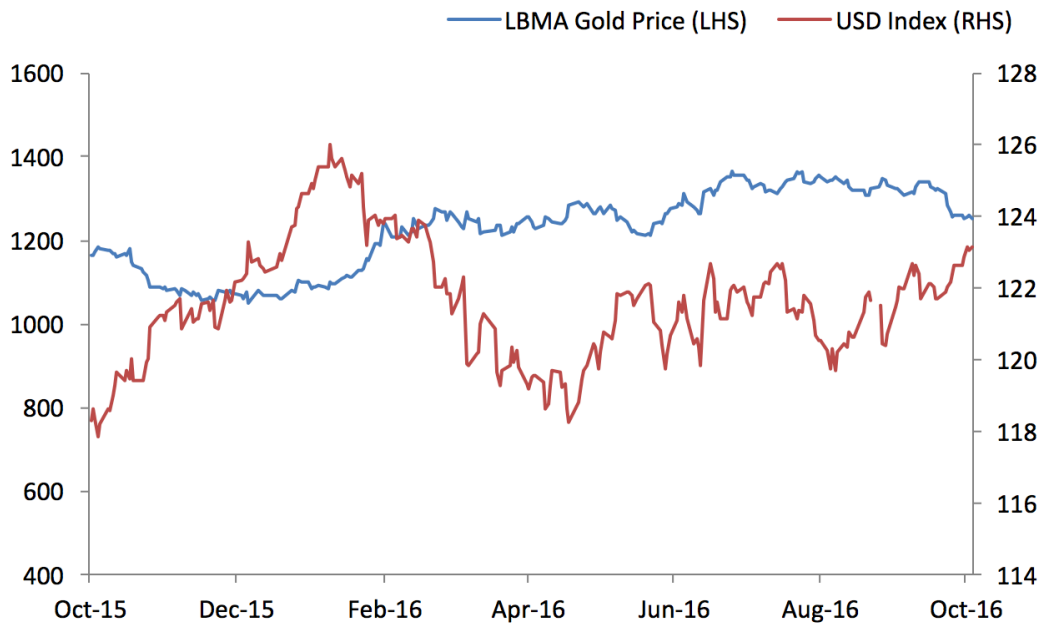
We and many others have repeatedly warned our readers of the failure of our system, caused by the damage inflicted by central banks' expansionary monetary policies. As we said before, our system will inevitably "shut down" as it will no longer be able to absorb all the extra cash that is being constantly pumped into the market.

Central banks are now in a lose-lose situation: prolonging this low/negative interest rate climate will only expand our "illusionary" credit bubbles and have a disastrous impact on our economies. If they decide to raise the rates, they will doubtlessly cause a severe recession. While they all are trying their best to avoid this, it is the inevitable outcome. And as the Austrian School of Economics warned, the longer we wait, the worse we will have to endure. Our economies today are in a down cycle, "dying a slow death". The Fed's decision not to hike only confirms this outlook!

Aside from these ongoing challenges, there are additional political risks and critical events in the coming months, the US presidential election being the most important. Now that the candidates have presented their views in all three debates, poll numbers show it's a rather close race. In fact, right after the first debate Citigroup revised its position on Trump's chances to win to 40% from a previous 35% likelihood. And what would that mean for gold? Well, according to Citigroup, "a Trump win would bring about higher volatility in gold and forex", but they set a bullish scenario, where gold is predicted to rise to USD1'425 in 4Q 2016 (which includes the possibility of a Trump win). But even in the "base case" where Hillary wins, it could mean support for a more hawkish Fed, or at a minimum, a continuation of the status quo. Either scenario presents a positive case for gold, in both the medium and long term.

Apart from the U.S. election, there are other potential risks lurking ahead this year, even though they might not be making international headlines in the mainstream media. For one, Russia is set to transition its currency away from the dollar. This means that Russia has decided to disengage from the USD-based monetary system by adopting a national sovereign currency, which is aimed at supporting the ailing Russian economy and boost the demand for the Ruble. Russia has taken this step encouraged by China, which on October 1st joined the International Monetary Fund's special drawing rights (SDR) basket. By joining this basket of reserve currencies, the Yuan is on par with the U.S. Dollar, the Euro, the Yen and British pound. This represents a milestone for China: not only is it recognized as a global economic power, but now that Yuan-denominated bonds will be issued, central banks will start adding Yuan assets to their reserves. With alternatives now available on the international market, dollar bonds could become less popular and as a result, the dollars will themselves not flow outwards, thus creating price inflation in the U.S. Between both developments, which will eventually put added pressure on the Dollar, the Fed will not have the luxury to print at will as it used to. Also, a weak dollar, would translate into higher demand for precious metals, which will in turn push gold market's bull run even further. Although recent data suggests a climb in the dollar, and accordingly a mild decrease in gold prices – we need to look beyond that and consider the long-term trend.

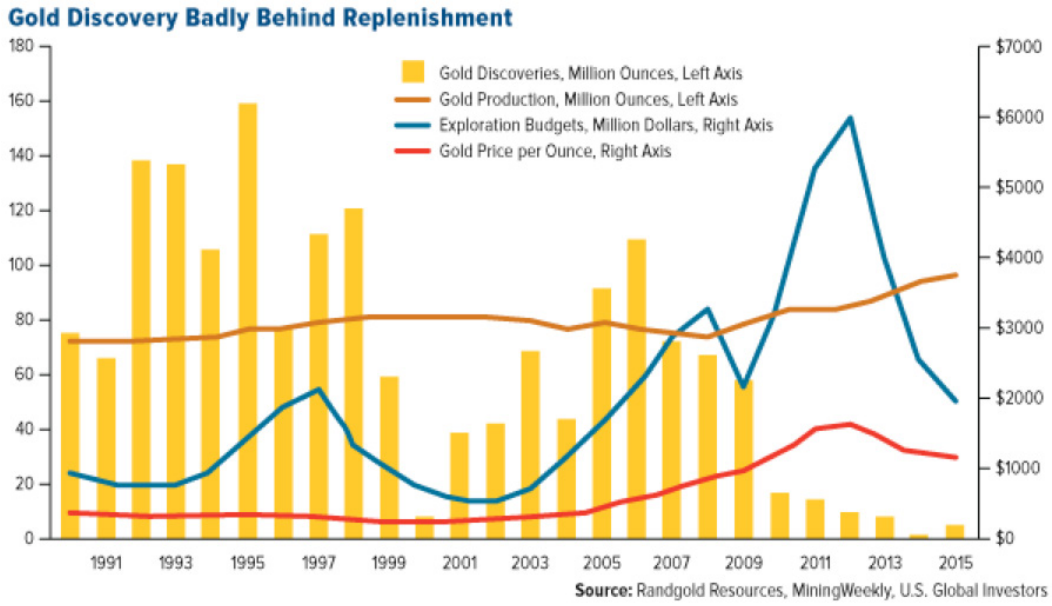
Gold price weakening with strengthening U.S. Dollar



Source: *Federal Reserve St. Louis (FRED), LBMA*

Gold supply to reach peak levels by 2019

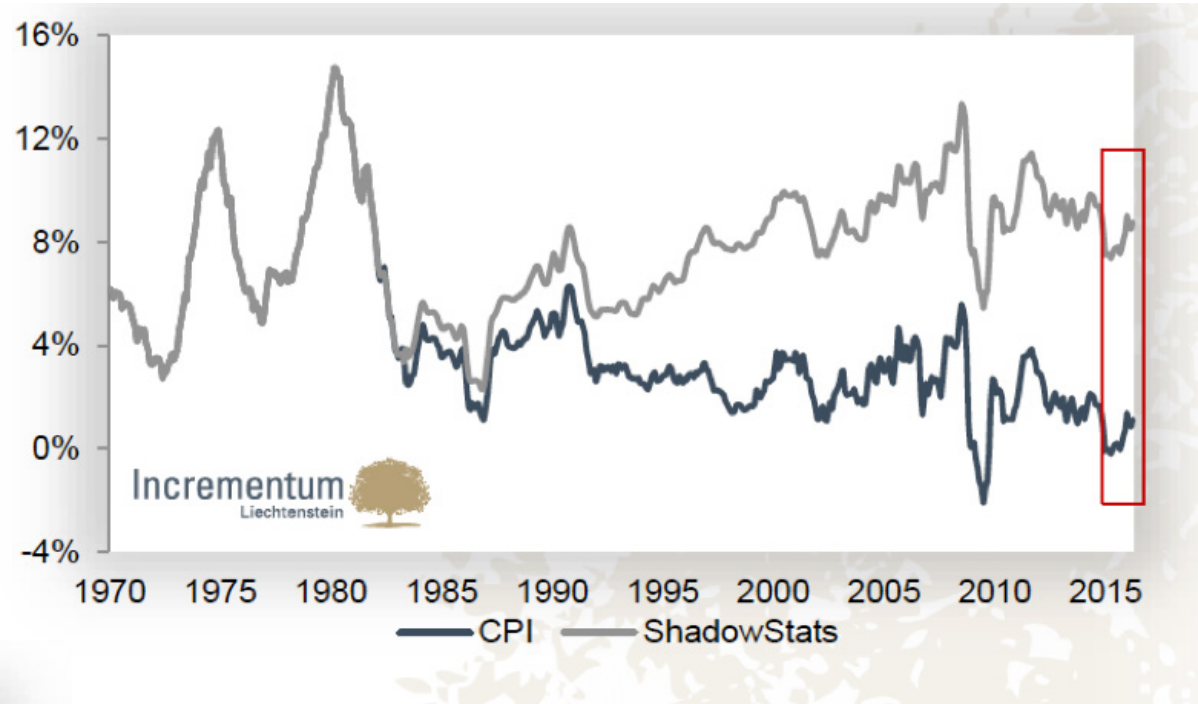
As we are talking about gold and the demand for it, we also need to look at the other side of the equation: the supply. Recently, the industry has been suffering from a supply crunch, which could very well lead us to peak gold production very soon. "Peak gold production may be reached within the next three years as miners fail to replace their reserves, according to Randgold Resources CEO, Mark Bristow. As shown in the chart below, this supply crunch is caused by a combination of lack of new discoveries and tighter budgets. Also, miners are digging out higher-grade material for a short-term gain, which can subsequently shorten the lifespan of a mine, according to Bristow. The world's largest producer, Barrick Gold Corp., produced 7.5% less in 2Q 2016, compared to the same quarter last year. Similarly, AngloGold Ashanti Ltd., the third-largest gold miner, produced 12% less in 1H2016.



The bigger picture: Gold as a backup plan

I believe this picture couldn't be clearer: We are in a vicious cycle in this monetary policy that is not fulfilling its objective. After looking at market factors, geopolitics and gold supply, one wonders why authorities are not putting an end to this downward spiral? The answer is: to maintain control! How else would the central banks be able to justify their "need" to keep rates down and print more money? The Fed attributes its decision not to hike to low inflation. The question is, are these numbers true? To verify, we refer to the next chart, where Incrementum used the inflation rate based on the calculation of 'Shadow Stats', which employs the methodology of the 1980s.

Official CPI Inflation Rate vs. Shadow Stats Inflation Rate (y/y)



Source: *Shadow Stats, BMG Bullion, Federal Reserve St. Louis, Incrementum AG*

This chart shows that while the "official" price inflation according to the CPI averaged 2.7% per year, Shadow Stats' methodology calculated an average rate of 7.6%! What does this tell you about strategic incentive to maintain the status quo?

It wouldn't be surprising if the Fed promises to hike rates, only to move them back down. At the moment, however, it is so deep into the crisis, it opts to play it safe by keeping the rates just as they are, for fear of ending up in the same controversial situation as the ECB. The markets and the public will not sustain more negative rates.

We have to "get real", as they say, and face the reality of our predicament: the monetary policy in place is designed to prolong our decline with weak currencies, low productivity and accumulation of debt. Worldwide, USD13 trillion worth of bonds with negative yields according to Merrill Lynch. And overall, about 3/4 of the world's sovereign bond market trades at 1% or lower! In the midst of this chaotic environment, we are now also seeing the first major cracks in the banking sector: Headlines of Deutsche Bank's dreaded collapse, under the weight of the USD14 billion fine imposed by the U.S. Department of Justice, to

settle the claims that Deutsche Bank missold U.S. mortgage-backed securities before the financial crisis. Could this mean that Germany's largest lender will have to be bailed out? "Banks in Europe are still choked with some €900 billion euros in bad debt left over from the last financial crisis", according to Peter Dattels, the IMF's markets and capital markets deputy director. This has the potential to deeply impact the already weakened European economy and could potentially lead to another stock market or Euro currency crisis, yet again. With so many question marks, it is, now more than ever, of paramount importance to hold gold.

While some market participants will keep looking for clues in Yellen's statements, your investment decisions should not be based on questions like "to hike or not to hike" or "will there be a gold market correction" – that is simply superficial and shallow and ignores fundamentals. When stored in physical form outside the banking system, gold is the only form of insurance in our unsecure market environment.

Our case for gold is to consider the long haul. Whether or not there could be a gold market correction is not the issue. We trust the fundamentals: it is clear that we are still in the middle of the long-term rally for the bullion. Gold has not seen the end of it; there is still a long, long way to go.

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