

# Gold and Silver Prospects in an Uncertain Global Currency Market



Thursday 8<sup>th</sup> December, 2016

1. USD

2. DEBT

3. GEO-POLITICS

4. GOLD IS A HEDGE

# The story of Shanghai is the story of the world... Massive Change!

1987



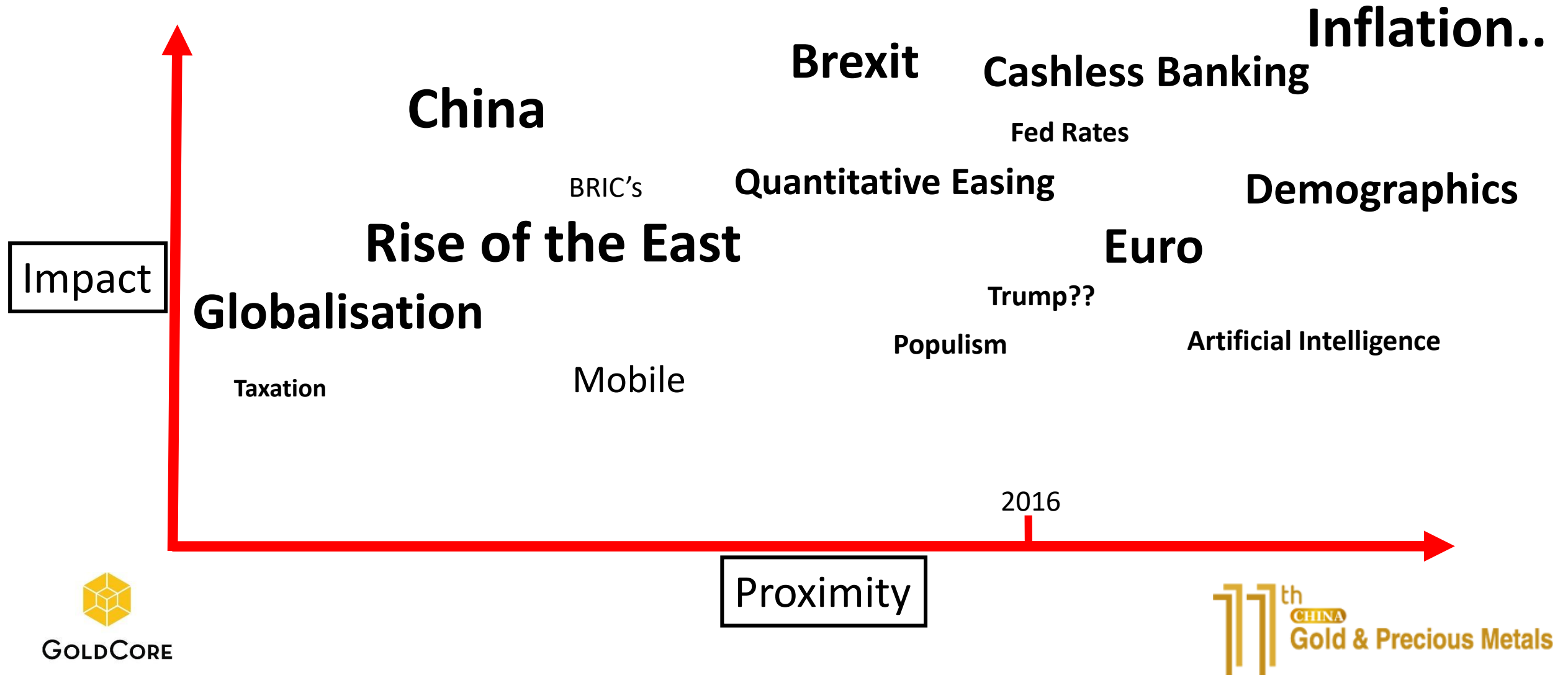
2016



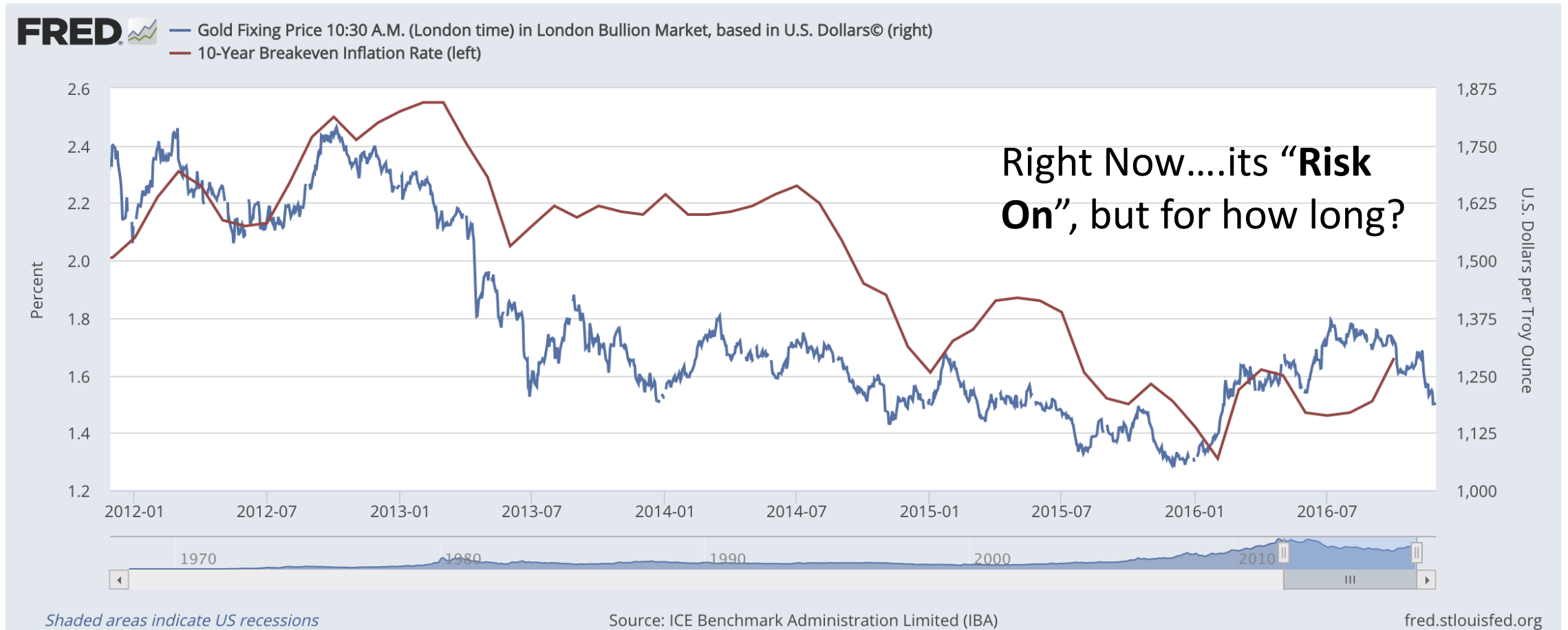
Source: KPCB

# A Risk Managers View on the Global Macro Backdrop

(Gold Impact, denoted by text Size)



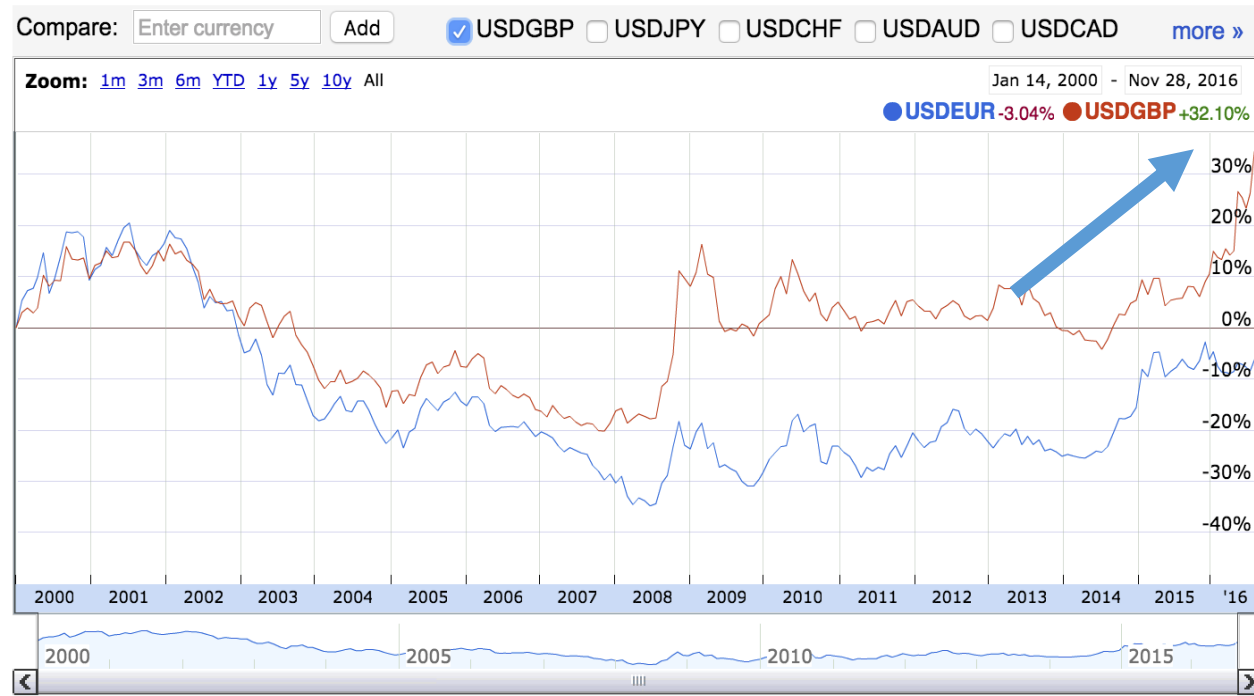
# Is the Strengthening US dollar, on the back of a potential Fed rate increase dampening gold and silver's year-to-date rally



# US Dollar Index and Gold



# Multi-Year US dollar Rally May Have Run Course, .....not likely while market is in "RISK ON" mode.

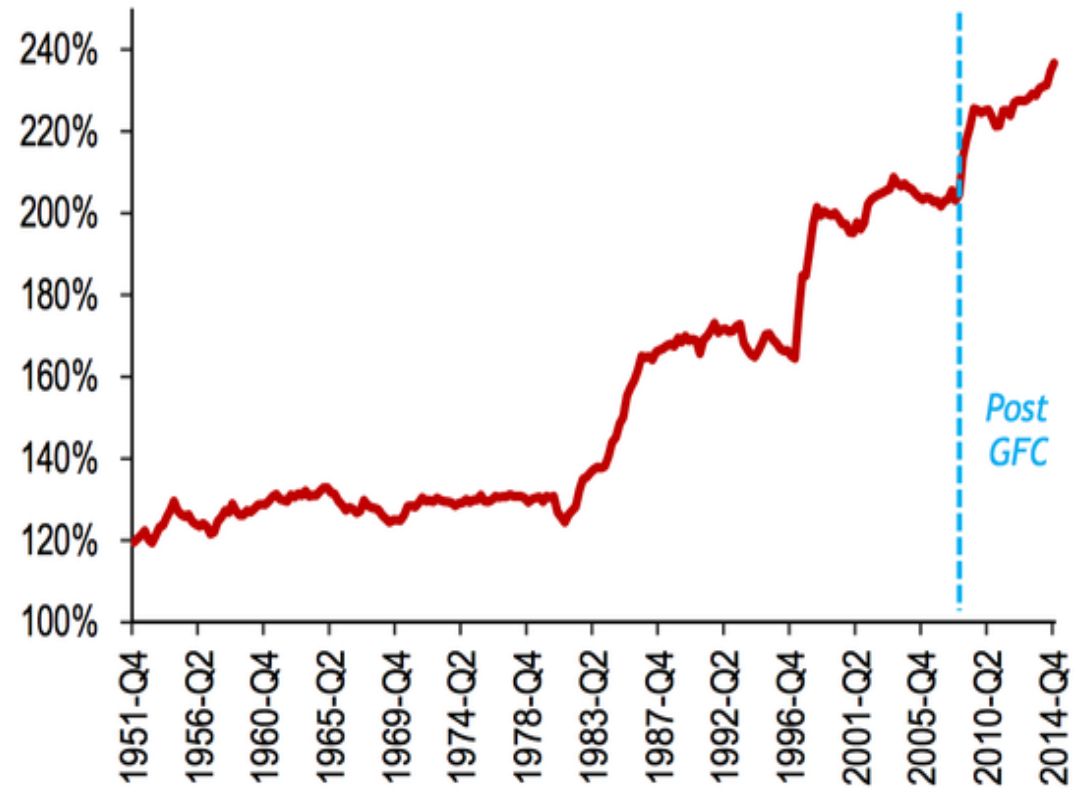


# Gold about to gain more ground in the euro and sterling terms?

Gold Price Performance: % Annual Change						Monday, November 21, 2016			
	USD	AUD	CAD	CHF	CNY	EUR	GBP	INR	JPY
<b>2001</b>	2.0%	12.3%	8.7%	6.5%	-	8.8%	5.0%	5.4%	-
<b>2002</b>	24.7%	13.3%	22.8%	5.7%	-	6.4%	13.1%	23.9%	-
<b>2003</b>	21.1%	-8.5%	0.6%	7.6%	-	1.7%	9.9%	14.8%	-
<b>2004</b>	5.4%	1.4%	-2.1%	-3.5%	13.6%	-3.1%	-2.4%	0.5%	3.7%
<b>2005</b>	20.0%	28.9%	15.4%	37.8%	21.3%	36.7%	33.0%	24.2%	37.6%
<b>2006</b>	23.0%	12.6%	23.0%	14.2%	18.7%	10.6%	8.3%	20.8%	24.4%
<b>2007</b>	30.9%	18.3%	12.1%	21.7%	23.3%	18.4%	29.2%	16.5%	22.9%
<b>2008</b>	5.6%	31.3%	30.1%	-0.1%	-2.4%	10.5%	43.2%	28.8%	-14.4%
<b>2009</b>	23.4%	-3.0%	5.9%	20.1%	23.6%	20.7%	12.7%	19.3%	26.8%
<b>2010</b>	27.1%	13.3%	21.3%	15.4%	22.8%	37.1%	31.4%	22.3%	11.4%
<b>2011</b>	10.1%	10.2%	13.5%	11.2%	5.9%	14.2%	10.5%	31.1%	4.5%
<b>2012</b>	7.0%	5.4%	4.3%	4.2%	6.2%	4.9%	2.2%	10.3%	20.7%
<b>2013</b>	-28.3%	-16.2%	-23.0%	-30.1%	-30.2%	-31.2%	-29.4%	-18.7%	-12.8%
<b>2014</b>	-1.5%	7.7%	7.9%	9.9%	1.2%	12.1%	5.0%	0.8%	12.3%
<b>2015</b>	-10.4%	0.4%	7.5%	-9.9%	-6.2%	-0.3%	-5.2%	-5.9%	-10.1%
<b>2016</b>	14.1%	13.6%	10.8%	15.2%	21.2%	17.0%	34.9%	17.7%	5.6%
<b>Average</b>	10.9%	8.8%	9.9%	7.9%	9.2%	10.3%	12.6%	13.2%	10.2%
<b>Total Return</b>	346.2%	239.4%	300.0%	180.9%	162.5%	296.9%	435.5%	552.2%	211.1%

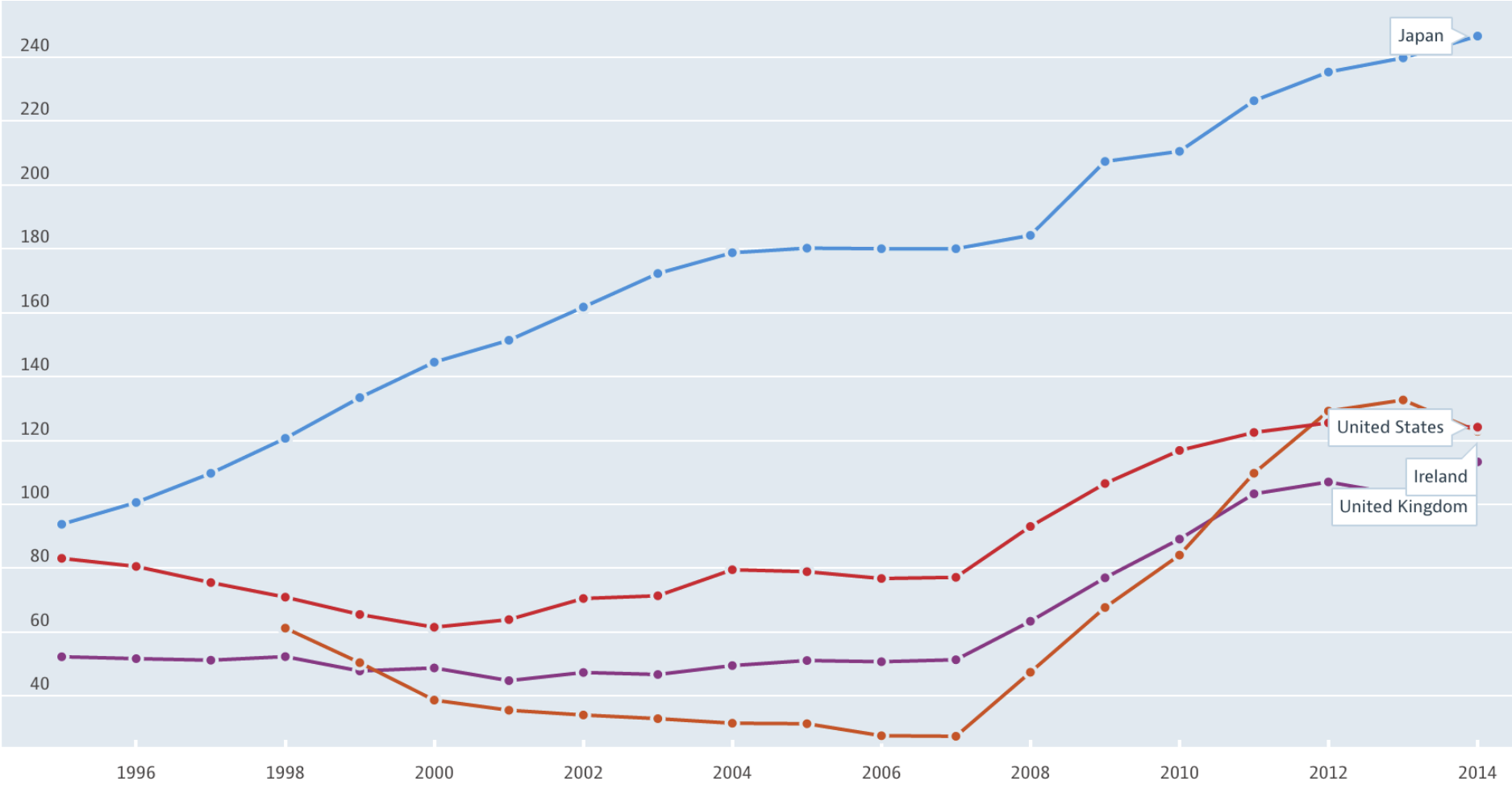


# Solve Debt Crisis With Humungous Amounts of More Debt!?



Global Debt To GDP – No Post Crisis De-Leveraging

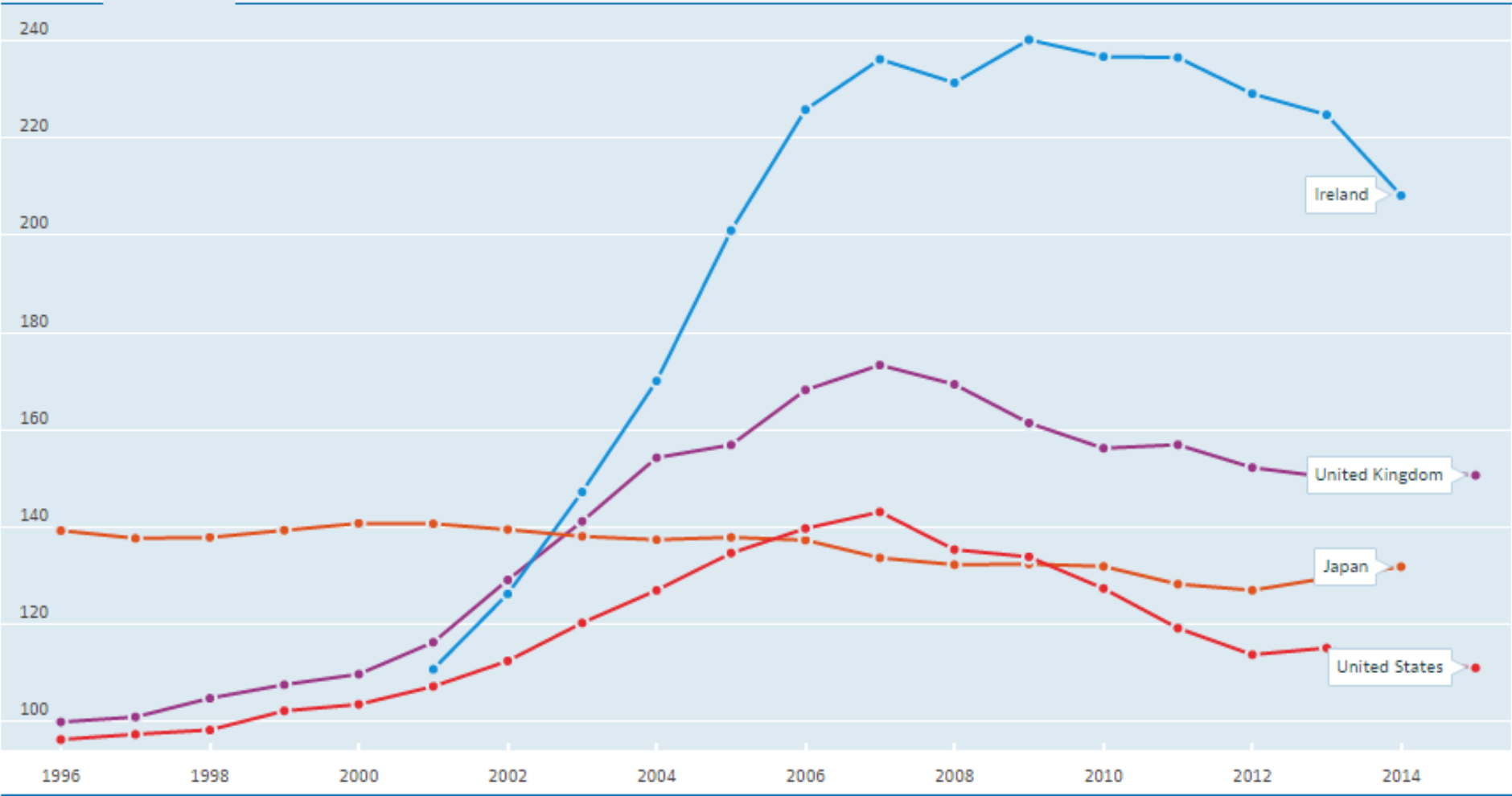
# Relative to GDP – Gov Debt is Exploding!



Source: OECD



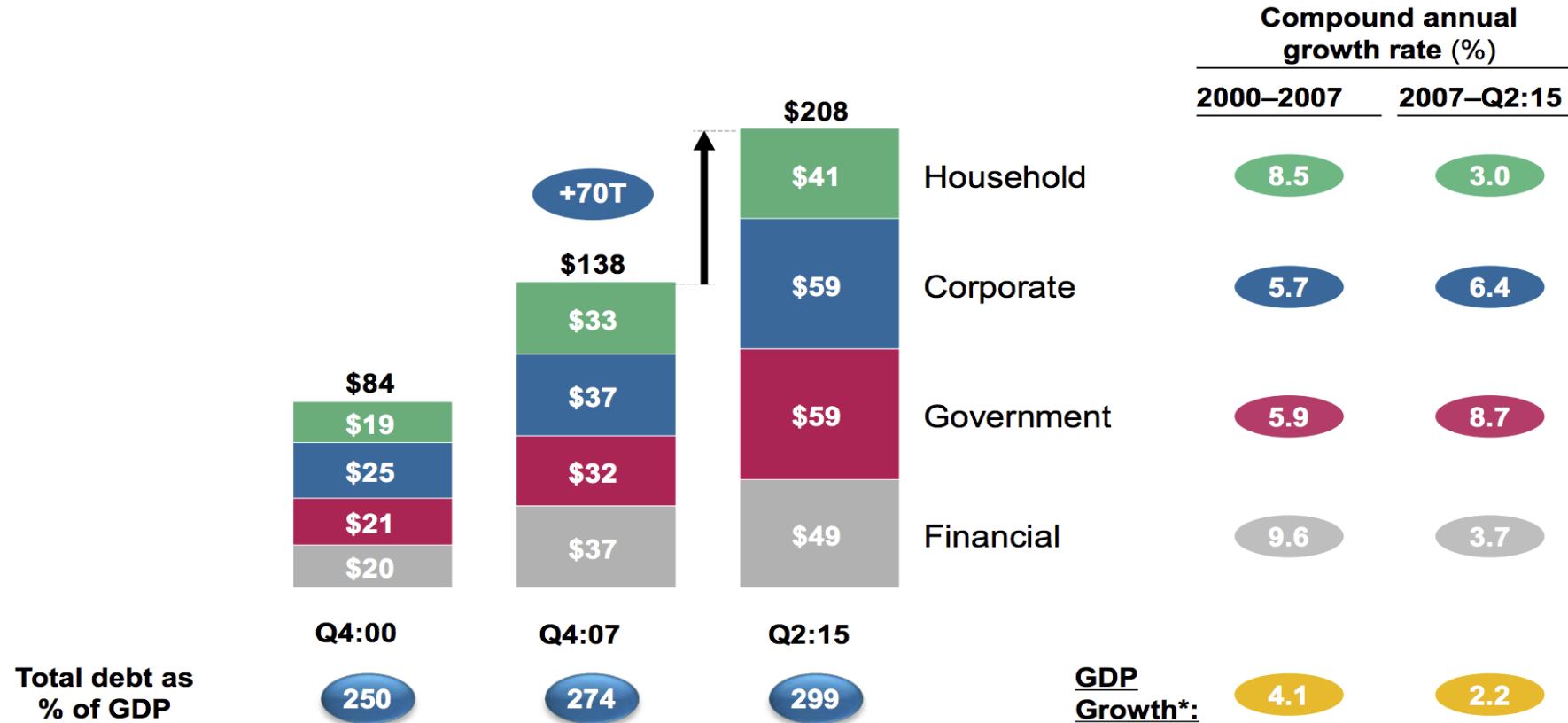
# Relative to GDP – Private Debt is still unsustainable!



Source: OECD

# Global Gov. Debt @ 66% Average Debt / GDP (2015) & Up... +9% Annually Over 8 Years vs. +2% GDP Growth\* for 50 Major Countries

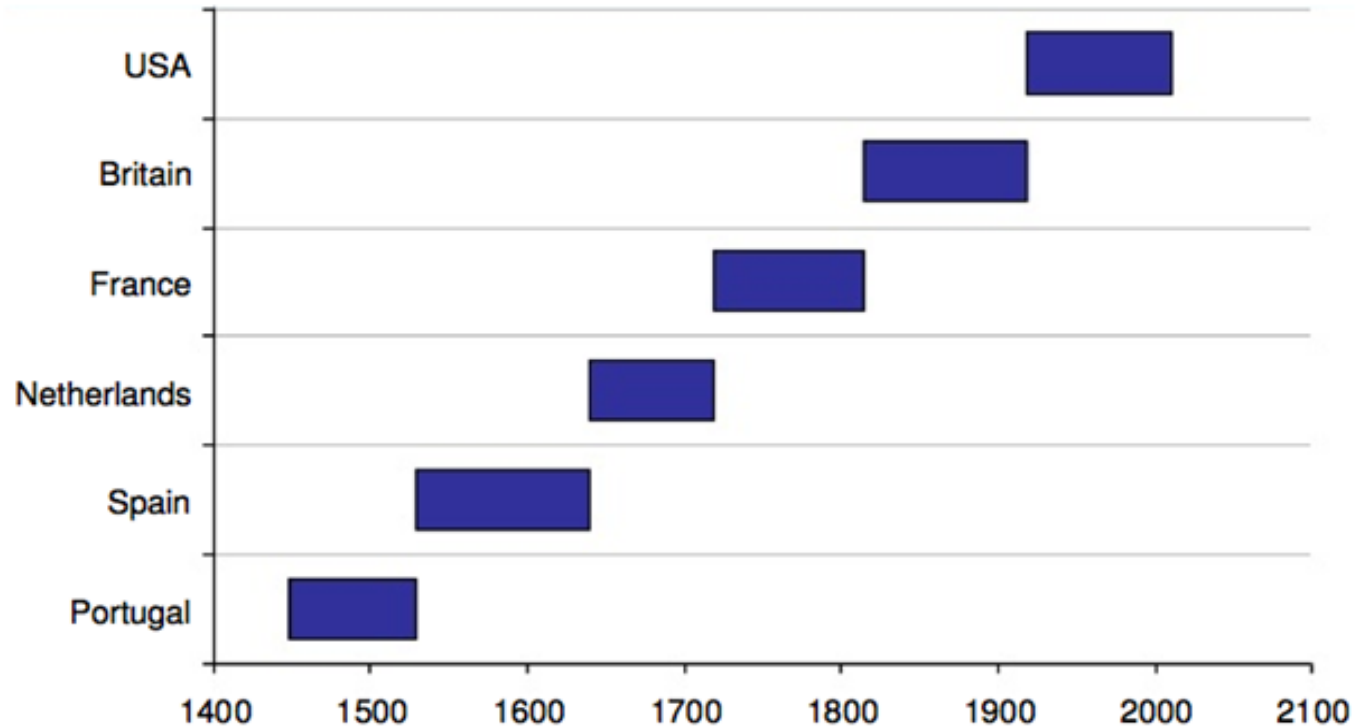
Global Debt By Type (\$T, Constant 2014 FX), Q4:00 – Q2:15



Source: KPBC

# Gold's History - Money and Currency Hedge

**Global reserve currencies since 1450**



Sources: JP Morgan - Eye on the Market, Hong Kong Monetary Authority, Erste Group Research

# 2017 Outlook

## **My take, from the trenches.**

**Trump:** *(Good / Bad) / (Managed / Unmanaged)*

*Good start then geopolitically naïve / drag on global growth. In time lame duck due to legal and ethical straight jackets.*

**Brexit:** *Medium term pain, Long term gain. Cameron may be seen as accidental hero.*

**Europe:** *Poor outlook, lack of cohesion, rise of the right. Euro doomed?*

**Rates:** *Fed wants to raise, taper tantrums likely as debt levels grow.*

**Market Liquidity:** *Market data trustworthy? Passive / Algo's / Official Sector, Open Market*

**Caveat:** *Very uncertain times lie ahead, there is no map!*

# And Beyond...

**We Are Getting ...**

**...Older** (Birth Rates Declining)

**.... Fatter** (Debt Levels Rising)

**.... Less Useful** (AI will replace many of us)

**.... Even Dirtier** (Climate Change?)

**.... Less Fair** (The 1%)

...it's a good time to own a hedge,  
that can not be debased by men.

**...ergo, gold**

## GoldCore Key Facts & Figures

- 4,500 clients in 40 Countries
- Offer investors access to Bullion Bar & Coins
- Storage in Zurich, London, Singapore & Hong Kong
- Specialist in segregated and allocated storage accounts

### What are we working on today...

- \$100,000 transactions mobile in 3 minutes
- Institutional incl. Sharia gold in Middle East, launch in 2017
- White label bullion solutions for private banks
- Seeking partners / investors in Asia



**Dublin HQ**

## London Office





# 感谢您的时间。

Thank you for your time.

## Contact

[www.GoldCore.com](http://www.GoldCore.com)

[Stephen.Flood@GoldCore.com](mailto:Stephen.Flood@GoldCore.com)

+353 87 2297883