

# Equity Investment Advisers Gold Report



www.equity.co.nz E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) Tel: +64 (9)304 0145

Tuesday, 05 March 2018

## Australia's gold production hits new record high

Australia's gold production hit an all-time high of 317 tonnes in 2018, breaking the previous record of 314.5 tonnes, which stood for 21 years, consultancy Surbiton Associates says.

In the third quarter that ended Sept. 30, the country's gold output totalled 81 tonnes, making it the third consecutive quarter where it exceeded 80 tonnes, they say in their latest report.

"Overall, production is remarkably stable, despite the ups and downs at individual operations," Surbiton director Sandra Close said. "If gold output is maintained at current levels in the December quarter, output for the full calendar year 2018 will remain at a near-record level."

Australia continues to solidify its position as the No. 2 gold-producing nation in the world, just behind China, the consultancy says. The top five largest producers shifted over the course of the year, Surbiton notes.

Newcrest Mining's Cadia operation in New South Wales was 2018's top producing mine, dethroning Newmont Mining's Boddington operation in WA. Cadia yielded just over 750,000 ounces while Boddington produced 710,000 ounces. Newmont and Barrick Gold's Super Pit dropped to third last year.

## Romania to repatriate gold reserves from BoE

Romania is the latest country to hit the headlines following a proposed parliamentary bill pushing for the National Bank of Romania to keep the majority of the nation's gold reserves in the country.

Romania, through the National Bank (BNR), owns 103 tonnes of gold bullion in reserve, worth an estimated \$3.84 billion (£2.9 billion).

The bill put forward to the senate requires the National Bank of Romania to deposit no more than 5% of the nation's total gold reserve for the purpose of trading or other income-earning processes, while Politicians told Romanian media that nothing justifies keeping the majority of Romania's gold abroad.

The Bank of England currently holds most of Romania's national reserves but given the recent refusal to return gold to Venezuela there could be some concerns from the Balkan state that the gold is not in safe hands.

The move is likely to attract the attention of the European Central Bank, though the men behind the bill stress that the gold will stay in the possession of the National Bank, rather than with the government like Italy's populist coalition is proposing.

The governor of Romania's central bank, Mugur Isarescu, reacted angrily to the bill being put to the senate, telling local reporters: "I have been accused that I keep the reserves abroad. As if I am the one to keep them, as if they were mine. Where do you want us to keep them? These are international reserves; do you think the euros and the dollars are kept in BNR's basement?"

## Gold Price



## Silver Price



## Gold To Silver Price Ratio

1 Year Gold/Silver

High: 86.58 Low: 75.29 ▲5.04 6.26%



## Why gold is down for the month, but still on a long-term track to reach \$2,000 an ounce

Gold prices have pulled back from a 10-month high in recent sessions, leaving investors wondering why the many geopolitical and economic issues plaguing the market haven't been able to fully support the metal's haven appeal.

Futures prices GCJ9, +0.11% settled at two-week low of \$1,316.10 an ounce on Thursday and logged a monthly loss of about 0.7%. They had finished at \$1,347.90 on Feb. 20, the highest for a most-active contract since April. Gold still faces supply challenges and any uptick in demand would tighten inventories.

The gold mining sector has seen a spate of merger and acquisition activity, most recently with Barrick Gold Corp's ABX, +1.65% unsolicited proposal to buy Newmont Mining Corp. NEM, +1.86% in a deal that values Newmont at nearly \$18 billion.

On the demand side, central banks have been on a gold buying spree, lifting 2018 net purchases of the metal to 651.5 metric tons—their highest in more than 50 years, as geopolitical uncertainty and economic worries prompted national banks to diversify their reserves, according to the World Gold Council.

“Central bank buying is quite bullish as they are massive institutional players...and even a small allocation to gold can be quite significant in terms of additional physical demand,” says Mark O'Byrne, research director at precious metal brokerage GoldCore. “Official sector gold buying does not imply necessarily that [central banks] are bullish on gold per se...It likely means that they are concerned regarding the outlook for the dollar and are reducing and hedging exposures in this regard.”

## The Quick Rundown: Canadian Minerals & Metals

- Canada's mining ministers, but for those from Ontario and Saskatchewan, have publicised the Canadian Minerals and Metals Plan (CMMP).
- The plan will be used to guide priorities for the sector in the years ahead.
- Key themes include raising awareness of the importance of the minerals and metals sector, responding to ongoing and emerging challenges and positioning the country as a major supplier for a cleaner global economy in the future.
- It was put together following a series of discussions with experts, indigenous peoples, NGOs and industry associations.
- The ministers listed strategic areas their offices will be focusing on, such as economic development and competitiveness, protecting the environment, incorporating world-leading science and technology into the industry and guaranteeing sustainable development for communities nearby mining projects.

You may also be interested in:

<https://www.moneymetals.com/news/2019/03/04/warren-buffetts-gold-confusion-and-disorientation-001725>

<http://www.goldtelegraph.com/gold-being-recognized-as-money-again-by-central-banks/>

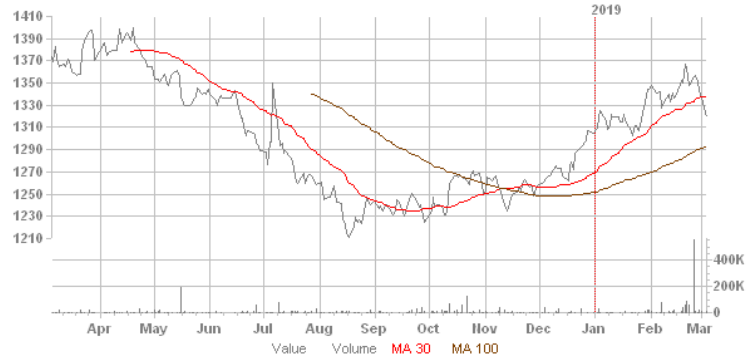
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**E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) Tel: +64 (9)304 0145 / NZ: 0800 474 669**

## ETF – Betashares Gold

GAU.ASX from 05/03/2018 to 04/03/2019



## ETF – Physical Gold

GOLD.ASX from 05/03/2018 to 04/03/2019



## ETF – Physical Silver

ETPMAG.ASX from 05/03/2018 to 04/03/2019



Listing (ASX)	Points	Percent.	Price
Evolution Mining	0.025	0.735%	\$3.375
Newcrest Mining	0.050	0.211%	\$23.720
Northern Star	0.120	1.342%	\$8.820
Rio Tinto	0.450	0.467%	\$95.980
South32	0.025	0.639%	\$3.885

As at 5:00 pm NZT, 05 March