

# Equity Investment Advisers Gold Report



Monday, 11 February 2019

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## Russia Considers Getting Rid Of Gold Tax To Boost Investment

The Russian Finance Ministry is looking into eliminating the value-added tax (VAT) on gold purchases, potentially opening up demand to additional 50-100 tonnes per year, according to a Russian newspaper Izvestia.

"The Finance Ministry has initiated the elimination of the VAT on gold bar purchases, the ministry has told Izvestia," the newspaper reported on Thursday. Currently, there is a 20% tax on all gold bar purchases in Russia, which the buyer does not get back when selling the bullion, according to the Finance Ministry.

One of the reasons cited for pursuing this is increasing demand for the precious metals in Russia, which the ministry believes is a great way to save and protect yourself against inflation, the newspaper wrote. According to reports, getting rid of the tax would increase gold investment demand from the current three tonnes per year to 50-100 tonnes.

The gold tax abolition supports Russia's overall pro-precious metal stance. At the end of January, CEO of the Russian trading floor Moscow Exchange (MOEX) said that Russia should offer gold to its pro-U.S. dollar investors.

Gold plays an important role for Russia, especially when it comes to the central bank's recent surge in bullion purchases. Since 2015, Russia's central bank has been the number one gold buyer out of all other countries, acquiring 828 tonnes over the last four years, which brought the reserve total to 2,036 tonnes of gold, according to a report by TD Securities.

## Genesis receives encouraging resource estimates for Quebec gold project

Genesis Metals (TSXV: GIS) announced this week a new resource estimate for the Chevrier gold project near Chibougamau, Quebec.

In a press release, the miner said the resource estimate is for both the main Zone and east Zone at Chevrier, which are 10 kilometres apart. Geological data indicate that both zones are located within the Fancamp Deformation Corridor, which is a major structural break that appears to control the location of gold mineralization.

Based on the results provided by Ginto Consulting, the site's indicated resource is 423,000 ounces of gold averaging 1.22 g/t Au, while the inferred resource is 303,000 ounces of gold averaging 1.27 g/t Au.

Corporate information states that Genesis' efforts have been focused on a relatively small, 3-square-kilometres area near the center of the project. However, there is room for expanding as data obtained from their recent sampling work combined with historical information reveal that there are thick intersections of gold at Chevrier as well as high-grade intervals both at surface and at depth.

## Gold Price



## Silver Price



## Gold To Silver Price Ratio

1 Year Gold/Silver

High: 86.58 Low: 75.29 ▲2.57 3.18%



## U.S.-China Trade Talks Resume Next Week, Focus On Intellectual Property

U.S. negotiators are preparing to press China next week on longstanding demands that it reform how it treats American companies' intellectual property in order to seal a trade deal that could prevent tariffs from rising on Chinese imports.

A new round of trade talks begins in Beijing on Monday, after the most recent set of negotiations concluded in Washington last week without a deal and with the top U.S. negotiator declaring that a lot more work needed to be done.

A White House official said on Friday that preparations were under way and the talks would continue to focus on pressing Beijing to make structural reforms.

The White House announced a timeframe for the Beijing talks in a statement. It said lower-level officials will kick off the meetings on Monday, led on the American side by Deputy U.S. Trade Representative Jeffrey Gerrish.

Higher principal-level talks will take place Thursday and Friday with U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin.

Lighthizer, named by Trump to spearhead the process after agreeing a 90-day truce in the trade war with Beijing, has been a strong proponent of pushing China to make such reforms and end what the United States views as unfair trade practices including stealing intellectual property and forcing U.S. companies to share their technology with Chinese firms.

China has denied it engages in such practices.

## The Quick Rundown: Zimbabwe failure surprises none

- Operations at three Zimbabwean gold mines owed by RioZim have been suspended.
- The mines are facing possible closure as the Zimbabwean company has failed to get foreign currency earnings from golds sales through the country's Reserve Bank.
- RioZim is one of Zimbabwe's largest mining companies but it has long struggled to retain viability.
- Other Zimbabwean miners, such as Metallon and Falcon Gold, have also encountered difficulties in maintaining going concern in their operations, even being suspended from the ZSE.
- Mining managers across the nation have been expressing concern about currency shortages.
- Platinum miners in the nation are considered to be relatively better off.

## You may also be interested in:

<https://www.moneymetals.com/news/2019/02/06/venezuela-gold-counterparty-risk-001713>

<https://www.moneymetals.com/news/2019/02/05/cftc-silver-market-manipulation-001712>

## ETF – Betashares Gold

GAU.ASX from 08/02/2018 to 08/02/2019



## ETF – Physical Gold

GOLD.ASX from 08/02/2018 to 08/02/2019



## ETF – Physical Silver

ETPMAG.ASX from 08/02/2018 to 08/02/2019



Listing (ASX)	Points	Percent.	Price
Evolution Mining	0.060	1.554%	\$3.800
Newcrest Mining	0.295	1.215%	\$24.565
Northern Star	0.365	4.320%	\$8.815
Rio Tinto	1.435	1.584%	\$92.005
South32	0.070	1.923%	\$3.710

As at 5:00 pm NZT, 11 February

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