

Equity Investment Advisers Gold Report



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Gold maintains uptrend on jewellers' buying, global cues

In New Delhi, rising for the sixth straight day, gold prices spurted Rs 100 to a two-week high of Rs 32,400 per 10 grams at the bullion market today on persistent buying by local jewellers amid a firm trend overseas.

Silver too recaptured the Rs 41,000-mark by surging Rs 330 to Rs 41,100 per kg backed by increased offtake by industrial units and coin makers. Traders said continued buying by local jewellers in the ongoing wedding season and a firm trend overseas mainly kept the precious metal's prices elevated.

Globally, gold rose 0.01 per cent to USD 1,321.30 an ounce as dollar eased against a basket of currencies after weaker-than-expected US inflation data. Silver also moved up by 0.03 per cent to USD 16.69 an ounce in Singapore.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity advanced by Rs 100 each to Rs 32,400 and Rs 32,250 per 10 grams, respectively, a level last seen on April 25. The yellow metal had gained Rs 320 in the previous five sessions.

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Argentina luring Australian investors into its mining sector

As the mining expo Latin America Down Under takes place in Perth, Argentina's Deputy Secretary for Sustainable Mining, Juan Biset, is visiting Australia with the idea of strengthening bilateral relationships and attracting new investments for his country's mining sector, as well as for the renewable and nuclear energy sectors.

According to state-owned news agency Télam, Biset is scheduled to meet with executives from major Australian mining companies and banks, such as Yerra Capital.

The secretary will also hold business sessions with representatives from multinationals such as UBS and Anaccord Genuity, and with officials from the federal and provincial governments. One of his first government-to-government will be with Victoria's Secretary for Economic Development, Employment, Transportation and Resources, Richard Bolt.

Last year, Argentina and Australia signed a memorandum of understanding to establish the foundations of a continued collaboration in the areas of education, research and capacity building, with special emphasis in the mining sector.

For decades, Australian gold and copper miners have had an important presence in the South American country. More recently, lithium has become the focus of attention with not only Aussie but also multinational companies such as SQM, Lithium Americas, FMC, Enirgi, Orocobre, Albermarle and Eramet developing important deposits in areas that belong to the so-called "Lithium Triangle."

Gold Price



Silver Price



Gold To Silver Price Ratio

1 Year Gold/Silver

High: 82.00 Low: 72.44 ▲3.66 4.86%



For the Last Time, Bitcoin Isn't the New Gold

It's been more than eight years since bitcoin became an investible cryptocurrency, and oh what a ride it's been.

The world's largest cryptocurrency by market cap has drawn regular comparisons to gold, which is viewed as the go-to investment anytime fear, volatility, and/or inflation rear their heads.

However, it isn't, and will never be, the "new gold." To begin with, there's the application of gold versus bitcoin. Bitcoin exists in the digital realm as code. It's not tangible. You can't put it in your hand or do anything with it, aside from using it as a medium of exchange, or hoping that someone else comes along at a later date and pays more for it, per token, than you did.

On the other hand, gold is a physical asset that can be held in the palm of one's hand. It also has practical uses, such as being a conductor in electronic equipment, as the primary metal in fine jewellery, and as crowns in the cosmetic dental industry, to name a few uses. One asset is tangible and has practical use, the other exists entirely within the digital realm. Not comparable.

Another comparison that fails to hold muster is scarcity. When it comes to gold, all we're ever going to have is what's on this planet. Putting aside science fiction hype of mining asteroids, what we have in the ground and have already mined is all the gold we're ever going to get. That provides a true physical cap on gold, allowing investors to make a genuine case for scarcity.

Meanwhile, bitcoin does have a 21-million-coin cap, but this is only limited by protocols. We can't wave a wand and make more gold appear out of thin air, but computer coders with the backing of the bitcoin community could do just that and create more bitcoin.

To add to this point, even without increasing the coin limit above 21 million, bitcoin's numerous hard forks essentially violate the idea of a token limit and scarcity. Bitcoin has had three instances since August where a disagreement between developers on the future path of bitcoin and its blockchain resulted in the creation of a new currency. These spinoffs topple the idea of true scarcity, as new coins have been created.

The Quick Rundown: Ethiopian Mines Shutter

- MIDROC Gold, a company owned by a Saudi billionaire, has had its licence suspended in Ethiopia.
- A week of violent protests that swept towns near the mine pressured the Government into taking action against MIDROC.
- The ten-year mining permit was revoked after protesters blocked roads and disrupted schools and workplaces in the process.
- Locals claim chemicals from the open mine operations in Shakiso have caused severe water pollution and health defects in the local population nearby.
- Ethiopian Minister Bacha Faji commented to national media that the suspension was "in response to the demands of the people".
- The mine's licence was originally awarded in 1997 and was renewed in April for another decade, including a provision to give 2% of profits to the local community.

You may also be interested in:

<https://www.moneymetals.com/news/2018/05/08/two-reasons-to-invest-in-gold-silver-001474>

<https://www.fool.com/investing/2018/05/11/what-investors-need-know-about-yamana-gold-stock.aspx>

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Interested in adding Precious Metals to your portfolio? Contact Equity Investment Advisors today.

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ETF – Singapore Gold

ZGOL.ASX from 11/05/2017 to 11/05/2018



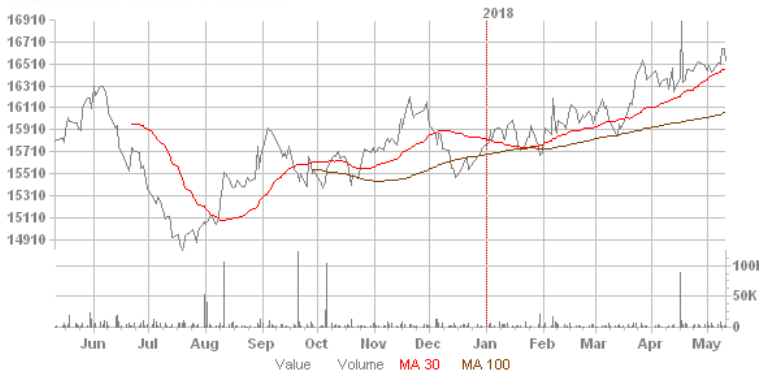
ETF – Betashares Gold

QAU.ASX from 11/05/2017 to 11/05/2018



ETF – Physical Gold

GOLD.ASX from 11/05/2017 to 11/05/2018



Listing (ASX)	Points	Percent.	Price AU
Evolution Mining	0.020	0.597%	\$3.330
Newcrest Mining	0.270	1.215%	\$21.950
Northern Star	0.030	0.442%	\$6.760
Rio Tinto	1.150	1.371%	\$85.030
South32	0.080	2.030%	\$4.020

As at 5:30 pm NZT, 14 May