

Equity Investment Advisers Gold Report



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CIBC Sees Gold Hitting \$1,500 An Ounce Next Year, Raises Long-Term Outlook

The fifth-largest Canadian bank reaffirmed its unequivocally bullish stance on gold as it raised its price forecast for the rest of 2019 and its long-term outlook.

In a report Monday, analysts at CIBC said that they see gold prices averaging around \$1,425 in the third quarter. For the year, the bank sees the yellow metal averaging \$1,365 an ounce. These forecasts are up from the previous outlook of \$1,375 and \$1,350, respectively.

For next year and 2021, the bank sees gold prices pushing to \$1,500 an ounce. Long term, the bank sees gold prices holding above \$1,400 an ounce, up from the initial estimate of \$1,300 an ounce.

“Given the outlook for real rates in the U.S. to remain below the 2% mark on a more prolonged basis and a weak macro environment, we are not only raising our gold-price deck for the next several years, we are also raising our long-term gold price assumption,” the analysts said in the report.

The bank’s comments come as gold struggles to find momentum as prices continue to hold support above \$1,400 an ounce. Comex August gold futures last traded at \$1,411.70 an ounce, relatively unchanged on the day.

Going Back To The Gold Standard 'Could Crush U.S. Economy' — Wells Fargo

Wells Fargo has issued a note directed at U.S. President Donald Trump, advising not to forget why America has dropped the gold standard.

What the U.S. bank is referring to is Trump’s pro-gold Federal Reserve nominees, one of them being Judy Shelton, who supports the return to a gold standard.

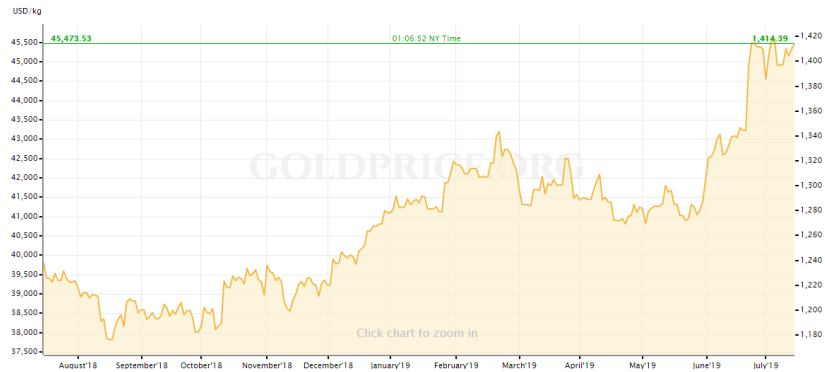
“We consider [Judy Shelton] to be a surprising choice for a pro-growth president. Ms. Shelton has the rare view that the U.S. should return to the gold standard—a restrictive monetary system, last seen during the Great Depression in the 1930s,” Wells Fargo head of real asset strategy John LaForge wrote on Monday.

In a commentary published in The Wall Street Journal in April, Shelton wrote: “It’s entirely reasonable to ask whether this might be better assured by linking the supply of money and credit to gold or some other reference point as opposed to relying on the judgment of a dozen or so monetary officials meeting eight times a year to set interest rates” LaForge, however, argued that a return to the gold standard would put the U.S. economy in great danger.

“Using the gold standard today (as it was used back then) could crush the U.S. economy,” he stated. “History shows that the gold standard harmed U.S. growth and made the tough times tougher—a fact that we believe is important to remember.”

Despite containing inflation, the gold standard contributed to deflation during the times of economic downturn, according to Wells Fargo.

Gold Price



Silver Price



Gold To Silver Price Ratio

1 Year Gold/Silver



Poland becomes the largest gold reserve holder in central Europe

The National Bank of Poland (Narodowy Bank Polski) has announced that it has increased its gold bullion reserves to 228.6 tonnes; some way off neighbouring Germany's 3,367.9 tonnes but still an increase that makes it the largest gold reserve holder in central Europe.

In a press statement released on Friday, the NBP revealed it had more than doubled their holdings in the past two years. So far in 2019 the NBP has added 100 tonnes of gold to Poland's reserves, having bought 25.7 tonnes last year.

The bank has been pursuing gold in line with the global trend of increasing reserves to protect against economic uncertainty. It began providing updates last July; 2 tonnes of gold added that month, a further 7 tonnes in August, 4.4 tonnes in September, and then 8.7 tonnes spread between October and December.

The president of the NBP, Adam Glapinski, said: "Carrying out our constitutional, legal and simply patriotic obligation, we are not only building the economic strength of the Polish state, but also creating reserves which will guard its financial security.

"Such is the global trend but also the expectation of Polish society."

The NBP also announced in its Friday statement that it would be repatriating half of the nation's gold, which is currently held by the Bank of England in their London vaults. The move back to Warsaw is seen as long-term, with the Polish central bank looking to keep these reserves for the foreseeable future and thus not need quick access to the London bullion market.

The Quick Rundown: Teck Liberty Sell Turkish Gold

- Cengiz, a Turkish industrial firm, is buying the Halilaga copper-gold porphyry deposit from Liberty Gold and Teck for \$55 million.
- Announced on Friday, the proceeds will be apportioned 60% to Teck and 40% to Liberty Gold (TSE:LGD) per their interest.
- The Halilaga project had a NI 43-101 resource estimate completed in 2012 that showed an open pit operation with an after-tax NPV (7%) of \$474 million. Total projected capital cost to develop was about \$558.5 million.
- Cengiz operates a business with arms in construction, energy, mining, metallurgy, and chemicals and fertilizer.
- Liberty Gold said it is focused on its exploration work in Nevada's Great Basin.
- Turkey's economy continues to experience significant pain due to runaway inflation that continues unabated.

You may also be interested in:

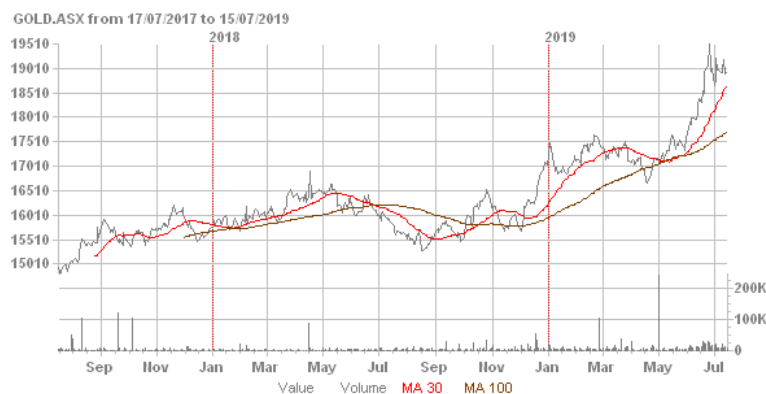
<https://goldsilver.com/blog/the-fed-appoints-itself-bubble-sustainer-in-chief/>

<https://www.moneymetals.com/news/2019/07/11/gold-buyers-price-over-1400-001813>

ETF – Betashares Gold



ETF – Physical Gold



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Listing (ASX)	Points	Percent.	Price
Evolution Mining	0.080	1.806%	\$4.510
Newcrest Mining	0.025	0.078%	\$31.965
Northern Star	0.315	2.649%	\$12.205
Rio Tinto	0.130	0.125%	\$103.780
South32	0.050	1.608%	\$3.060

As at 5:00 pm NZT, 16 July

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