

Equity Investment Advisers Gold Report



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As Lira Crisis Raged, Turkish Banks Were Cashing In Their Gold

Commercial lenders in Turkey have pulled as much as \$4.5 billion worth of gold reserves since mid-June in an effort to avert a liquidity crisis as the lira plunged.

Weekly holdings reported by the Central Bank of Turkey fell by almost a fifth since June 15 to 15.5 million ounces with the lion's share -- \$3.3 billion -- of the exodus sparked by the monetary authority's Aug. 13 move to lower reserve requirements.

"The commercial banks were probably switching to more liquid assets, given what has happened to the lira," Jason Tuvey, a senior emerging markets economist at Capital Economics in London said by phone on Friday. "There's been concern at the commercial banks over their external debt burden, which has been reflected in the rising bank bond yields."

Turkish lenders are allowed to meet reserve requirements with bullion deposits, unlike in most other countries.

Turkey is one of the 20 largest sovereign owners of the precious metal and boasts the fifth-biggest consumer demand in the world, according to 2017 data from the World Gold Council. It refines scrap gold into jewelry sold all over the Middle East.

The central bank cut the reserve requirements for banks by 4 percentage points for foreign exchange liabilities over one, two and three years, and by 2.5 percentage points over other maturities. This equated to \$3 billion worth of dollar-equivalent gold liquidity, it said in a statement.

U.S. Mint Sells Out of Silver Eagles, Gold Buffalos

The lower metals prices are, predictably, driving increased demand for physical bullion from U.S. retail investors. Bargain hunters, who had less reason to buy during the first half of the year, have come out in force over the past two months.

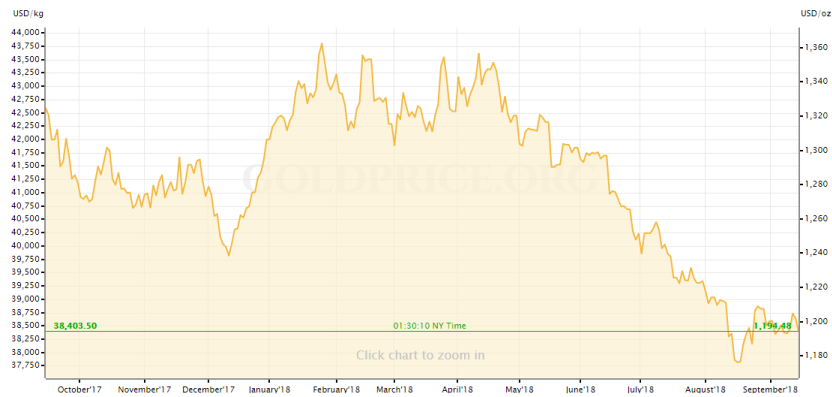
Perpetually plagued by shoddy production planning, the U.S. Mint announced last week the government agency is temporarily sold out of silver American Eagles and gold Buffaloes. Premiums for those coins moved higher almost immediately, especially on Silver Eagles.

The government-run "enterprise" typically operates with little room for error and does not maintain a large supply of unstruck planchets.

This means it can't handle moderate to large fluctuations in demand. It's not unusual for the U.S. Mint to fail in its statutory mandate to produce sufficient coins to meet public demand.

There is some pressure building on premiums for other sovereign coins, rounds, and bars. Those inclined to buy metals in this price range should consider moving quickly.

Gold Price



Silver Price



Gold To Silver Price Ratio

1 Year Gold/Silver

Last Close: 85.10

High: 85.11 Low: 74.37 ▲10.25 13.70%



Australian Miners Strike Gold with Million Dollar discovery

Workers at an Australian mine were amazed after discovering a rare gold vein containing two giant quartz rocks encrusted in gold, with an estimated value between \$6 million and \$10 million for the pair.

The two rocks, pictured below, were discovered 500 metres underground. They weigh 95kg and 63kg respectively, with initial valuations of the rocks and their gold being \$4 million and \$2.6 million apiece. Given the rarity of such a find though, the owners of the mine believe they could be looking at anything up to \$10 million for their find.

Airleg driller Henry Dole is accredited with the discovery. The veteran miner of 16 years told ABC News: "Everything was covered in dust, and as I watered the dirt down there was just gold everywhere, as far as you could see".

The Beta Hunt Mine is located near the tiny settlement of Kambalda, deep into the Goldfields-Esperance region of Western Australia – a modest 391.5 miles away from Perth on the west coast.

Canadian firm RNC Minerals runs the nickel mine and noticed traces of gold from digs back in June. Using surveying techniques, geologists identified where they believed gold was likely to be, and the miners got to work.

According to RNC's press release, approximately 9,250 ounces of high-grade gold was produced from the gold vein, which itself was roughly a 44 metres cubed cut into the ground. This dig produced 130 tonnes of earth, meaning the gold per tonne was 2,200 grams. Put into context, gold per tonne is usually around 2 grams.

The Quick Rundown: Mooney to End Gold/Silver Tax

- Congressman Alex Mooney (R-WV) of the United States has introduced a bill to remove all tax from Gold and Silver coins and bullion.
- The Bill, titled the Monetary Metals Tax Neutrality Act, would clarify that the sale or exchange of gold and silver would not be included in capital gains or losses in terms of income calculation.
- Mooney, referring to the American Constitution, believes that physical gold and silver should be recognised as legal tender of the United States, and therefore exempt from capital gains taxes.
- The Constitution does indeed refer to gold as money, something legal scholars and precious metals enthusiasts have pointed out in the past.
- The United States Mint also already continuously mints gold and silver coins, giving them all legal tender value in U.S. Dollars.
- Mooney, as a Congressman, is up for re-election in November 2018 with the rest of the legislative body.

You may also be interested in:

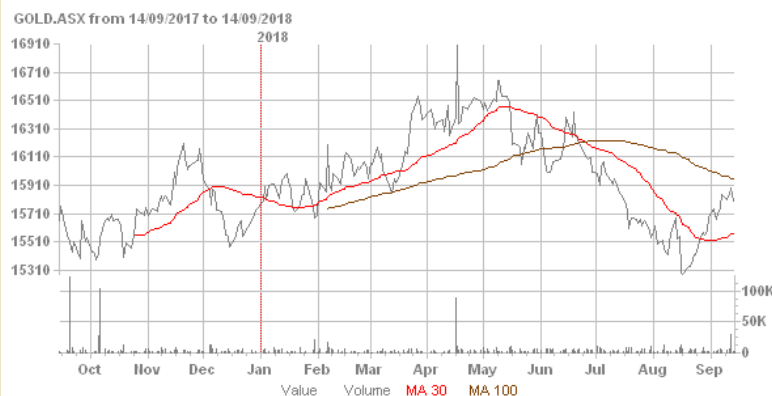
<https://economictimes.indiatimes.com/markets/commodities/views/gold-leans-on-safe-haven-charm-even-demand-is-lending-a-hand/articleshow/6581763.cms>

<https://www.dailyfx.com/forex/fundamental/forecast/weekly/chf/2018/09/14/Gold-Price-Hinges-on-US-China-Trade-War-Developments.html>

ETF – Betashares Gold



ETF – Physical Gold



ETF – Physical Silver



Listing (ASX)	Points	Percent.	Price
Evolution Mining	0.005	0.189%	\$2.655
Newcrest Mining	0.020	0.102%	\$19.500
Northern Star	0.155	1.886%	\$8.375
Rio Tinto	0.200	0.273%	\$72.950
South32	0.065	1.733%	\$3.815

As at 5:00 pm NZT, 17 September

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