

Equity Investment Advisers Gold Report



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

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Gold Prices Edge Up On Tepid Dollar Ahead Of Fed Meeting

Gold prices rose for a third consecutive session on Tuesday as the dollar weakened on expectations that the U.S. Federal Reserve will maintain a dovish tone at its monetary policy meeting this week.

Spot gold was up 0.1 percent at \$1,304.91 per ounce as of 0058 GMT. U.S. gold futures rose about 0.3 percent to \$1,304.70 an ounce.

The dollar, which eased marginally against major currencies, traded close to a two-week low posted in the previous session.

Traders currently expect there will be no U.S. rate hikes this year, and are even building in bets for a rate cut in 2020. Federal Reserve Chairman Jerome Powell will speak at a news conference on Wednesday.

Prime Minister Theresa May's Brexit plans were thrown into further turmoil on Monday when the speaker of parliament ruled that she could not put her divorce deal to a new vote unless it was re-submitted in a fundamentally different form.

European Union leaders could hold off making a final decision on any Brexit delay when they meet in Brussels later this week, senior diplomats in the bloc said, depending on what exactly British Prime Minister Theresa May asks them for.

Miners with Long-Life Assets Are Harder and Harder to Come By

The gold industry is facing a looming production crisis after years of capital starvation has shrunk gold miner reserves, says Ken Hoffman, materials expert at McKinsey & Company.

In early March, Kitco interviewed Hoffman at PDAC in Toronto, where his firm released its study looking at the gold mining reserve crisis.

"After the downturn a few years back, mining companies have abandoned exploration," says Hoffman. "You have seen capital starvation all along the value chain from people discovering mines all the way up to the majors."

The authors of the McKinsey study say that gold companies were on a merger and acquisition "frenzy" at the start of the decade. Annual acquisitions peaked at US\$38 billion in 2011, and the average price paid per ounce reserve was 300% higher than a decade earlier.

Falling commodity prices and the consequent impairments and write-downs have left the industry where it is today: starved for growth.

Hoffman says investors are now looking for miners with long-life assets that can get them to the future.

Gold Price



Silver Price



Gold To Silver Price Ratio

1 Year Gold/Silver

High: 86.58 Low: 75.29 ▲4.25 5.25%



Tanzania sets up mineral trading centres to curb illegal gold exports

Tanzania has ordered all mineral-producing regions in the East African nation to set up government-controlled trading centres by the end of June, accelerating efforts to curb illegal exports of gold and other precious minerals.

The trading centres will give small-scale miners direct access to a formal, regulated market where they can go and directly trade their gold. They currently struggle to access formal gold dealers who mostly based in the capital Dar es Salam and major towns.

A statement from the prime minister's office said the first mineral trading centre was inaugurated in the northwestern town of Geita on Sunday, close to the country's biggest gold mine owned by South Africa's AngloGold Ashanti.

Small-scale miners produce around 20 tonnes of gold per year in Tanzania, but an estimated 90 percent of the output is illegally exported "All mineral-producing regions should set up these trading centres as soon as possible to serve small miners," the statement quoted Prime Minister Kassim Majaliwa as saying while commissioning the centre in Geita.

The Geita centre would serve as a model for others, the statement said, adding the centres were aimed at controlling smuggling of gold and other minerals.

Small-scale miners produce around 20 tonnes of gold per year in Tanzania, but an estimated 90 percent of the output is illegally exported, according to a report by a parliamentary committee.

Tanzania is Africa's fourth-biggest gold producer after South Africa, Ghana and Mali and gold exports are a key source of foreign exchange.

The Quick Rundown: Turks & Kyrgyz mine together

- Kyrgyz gold producer Chaarat and Turkish mining and mine construction contractor Ciftay Insaat Tahhut ve Ticaret signed today a binding term sheet to enter into a joint venture.
- The two companies intend to partner together on projects in the Kyrgyz Republic, in Central Asia.
- Ciftay will progressively invest \$31.5 million for a 12.50% equity stake in Tulkubash and Kyzyltash, both projects together valued at \$252 million.
- Definitive agreements for the joint venture are expected to be concluded in Q2 2019.
- Total capital expenditure for the project is between \$120 and \$130 million, and after Ciftay financial input, the vast majority of the remaining capital expenditure is expected to be debt funded.

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<http://www.miningweekly.com/article/bluebird-raises-funds-for-south-korean-gold-projects-2019-03-18>

ETF – Betashares Gold

GAU.ASX from 19/03/2018 to 18/03/2019



ETF – Physical Gold

GOLD.ASX from 19/03/2018 to 18/03/2019



ETF – Physical Silver

ETPMAG.ASX from 19/03/2018 to 18/03/2019



Listing (ASX)	Points	Percent.	Price
Evolution Mining	0.060	1.657%	\$3.680
Newcrest Mining	0.270	1.082%	\$25.220
Northern Star	0.060	0.686%	\$8.800
Rio Tinto	1.330	1.427%	\$94.500
South32	0.010	0.259%	\$3.870

As at 5:00 pm NZT, 19 March

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

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