

Equity Investment Advisers Gold Report



EQUITY
INVESTMENT ADVISERS LTD

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

Monday, 24 September 2018

Gold prices rise as easing trade tension weighs on dollar

Gold prices edged up on Friday to a one-week high as the dollar weakened on receding fears of a full-blown China-US trade war, keeping the metal on track for its first weekly gain in four. Spot gold added 0.1% to \$1,208.0 by 2.52am GMT, after touching its highest since September 13 at \$1,210.01. It has risen 1.3% so far this week. US gold futures were up 0.1% at \$1,212.70 an ounce.

"Higher gold prices are due to the fact that China-US trade tensions have somewhat dissipated," OCBC analyst Barnabas Gan said.

"Right now we have to tread very carefully on gold as any uptick in trade tension is bearish. US tariffs should actually improve trade balance in the US and should give more strength to the dollar and push gold prices down."

New US and Chinese tariffs on each other's goods were set at lower rates this week than previously expected, raising hope that hostilities between the world's two largest economies may be easing.

Investors have been buying the dollar believing that the US has less to lose from the dispute. But the dollar has weakened this week, with investor flows being diverted away from the greenback to its peers such as emerging-market currencies as trade war concern has ebbed.

The dollar index was hovering near a 10-week low against a basket of major currencies. Gold has declined about 11.6% from a peak in April, hurt by the intensifying US-China trade dispute and on rising US interest rates.

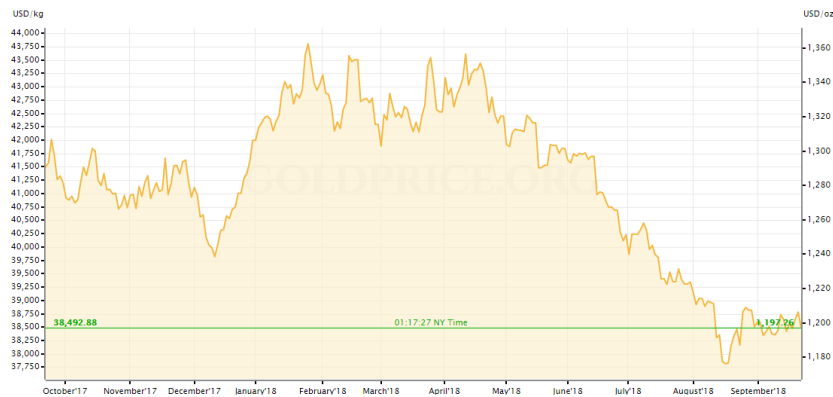
Radius Gold begins drilling at Amalia Project, Mexico

The drill program is operated by Radius and funded by Pan American Silver, under a joint venture agreement. Radius plans to drill test several high-grade gold and silver epithermal targets at Amalia in the coming months.

The 9450 hectare Amalia Project is located 25 km SW of the historic Guadalupe y Calvo mining district in Chihuahua. Radius geologists discovered high grade epithermal silver-gold mineralization in several veins, vein breccias and disseminated zones over 3.5km of strike length and a 600m vertical interval following the trace of a large regional fault zone. An agreement to explore Amalia Project with Pan American Silver Corp. was announced 30th July 2018. Radius and Pan American Silver plan to drill test multiple targets, including Campamento, Guadalupe and Dulces.

Radius has also granted to Pan American Silver Corp. the option to earn up to an initial 65% interest in the Amalia Project by making cash payments to Radius totalling US\$1.5 million (of which US\$100,000 has been received) and expending US\$2 million on exploration over four years. Pan American may earn an additional 10% by advancing the property to preliminary feasibility. Initially Radius will be the project operator.

Gold Price



Silver Price



Gold To Silver Price Ratio

1 Year Gold/Silver

Last Close: 83.83



China's CNG, India's SUN Gold to invest \$485 mn in Russian gold deposit

Chinese company China National Gold will invest about \$420 million in the development of the Klyuchevskoye gold deposit in Russia, while another \$65 million will be invested by India's SUN Gold. The annual production volume is expected at about 6.5 metric tons of gold per year, the Russian Industry and Trade Ministry said on Friday.

According to the ministry, during the meeting of the Russian-Chinese subcommittee on industrial cooperation, the Chinese company China National Gold and JSC West Keys signed contract documents for the transition to the practical implementation of the Klyuchevskoye gold deposit development project.

"The implementation of the project involves attracting Chinese investments of about \$420 million. India's SUN Gold plans to invest an additional \$65 million in the project," the ministry said in a statement.

"An annual output of about 6.5 metric tons of gold per year will give a powerful impetus to the development of the economy of the Zabaikalsky Territory (in Russia's south-east Siberia) and will increase the total extraction of precious metals in the region by 40 per cent by 2020," the statement cited Industry and Trade Minister Denis Manturov as saying.

The Quick Rundown: Mine Geologists die in Colombia

- Canadian mining firm Continental Gold reported that three of its geologists were killed in Northern Antioquia province in Colombia in an armed attack.
- The attack occurred in the Ochali Village in Yaramul, inside the boundaries of Continental's Berlin project.
- The suspects are suspected to be members of a local armed militia, a remnant of the former FARC rebel group.
- Such remnants have continued armed insurgency, turning to drug trafficking and illegal mining to fund their terror activities.
- These rebels regularly target establishing mining operations, as well as energy operations, with shooting or bombing attacks.
- Despite an official end to the civil war in Colombia, violence still plagues the South American country.
- Canadian Gold is considering upgrading private security forces at its projects in Colombia.

You may also be interested in:

<https://www.moneymetals.com/news/2018/09/17/should-i-sell-gold-and-buy-bitcoin-001618>

<http://www.goldtelegraph.com/paper-money-eventually-returns-to-its-intrinsic-value-zero/>

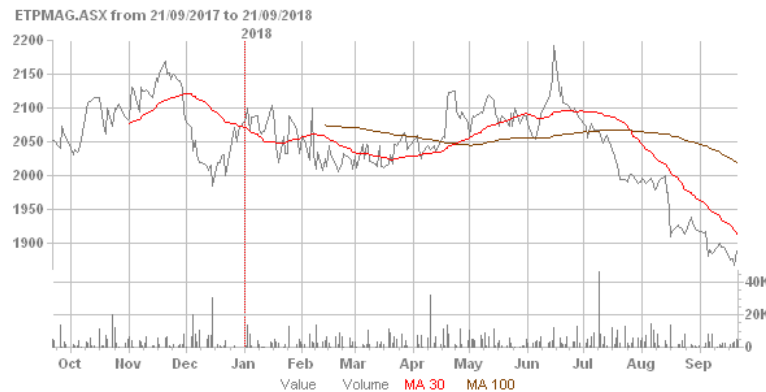
ETF – Betashares Gold



ETF – Physical Gold



ETF – Physical Silver



Listing (ASX)	Points	Percent.	Price
Evolution Mining	0.135	4.720%	\$2.725
Newcrest Mining	0.370	1.872%	\$19.400
Northern Star	0.460	5.275%	\$8.260
Rio Tinto	0.700	0.881%	\$78.790
South32	0.060	1.538%	\$3.840

As at 5:00 pm NZT, 24 September

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. **Acknowledgements:** Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA gold reports: Kitco, BullionDesk, MoneyMetals, GoldSeek, Gold-Eagle, GoldSilver, MarketIndex, BullionVault, ANZ & BusinessDesk.

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

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

SHARECHAT.co.nz
NZ'S NUMBER ONE HOME FOR SHARE MARKET INVESTORS