

Equity Investment Advisers Gold Report



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House Monetary Policy Committee Member Questions Treasury and Fed about Their Gold Activities

A Member of Congress posed some pointed questions to the Federal Reserve and the U.S. Treasury this week about their activities involving America's gold reserves, including, apparently, efforts to "drive gold out of the world financial system in favor of the Federal Reserve Note or Special Drawing Rights issued by the International Monetary Fund."

In a letter dated April 24, Representative Alex Mooney (R-WV) wrote to Jerome Powell, Chairman of the Federal Reserve, and Steven Mnuchin, Secretary of the U.S. Treasury, raising concerns about their formal policy to devalue the Federal Reserve Note (e.g. "inflation targeting") and requesting information about the United States' use of, and position on, gold.

"The purchasing power of our currency has fallen some 97% since Congress passed the Federal Reserve Act in 1913, with an acceleration in the rate of decline occurring since the early 1970s when the final link to gold was severed," wrote Mooney while also pointing out there had been almost no inflation in the U.S. prior to the creation of the Federal Reserve System.

"This Fed policy of creating inflation has the effect of driving up the cost of virtually everything my West Virginia constituents consume, while simultaneously reducing the real value of their pensions, savings, and fixed income payments," Mooney continued.

Congressman Mooney's letter can be accessed [here](#).

Hyderabad to have South India's First Gold Refinery Soon

Hyderabad will soon have a gold refinery, south India's first and India's second such facility to process the unrefined gold to be imported from Africa, Telangana government officials said.

The state government has received a proposal for setting up the gold refinery from a private company that specialises in refining of gold and silver.

A second proposal for a similar project was also submitted by another unnamed company and both of them were being considered.

If the proposal gets the nod from the Board of Approvals of the central government, it will come up at Kongar Kalan village near Ibrahimpatnam on the outskirts of Hyderabad on 30 acres of land belonging to the Telangana State Industrial Infrastructure Corporation. Officials expect that the refinery to boost the gems and jewellery manufacturing sector in the state as the government was also considering proposals to set up ten jewellery processing units.

India's only gold refinery at present was situated at Nadaun in Himachal Pradesh.

Gold Price



Silver Price



Gold To Silver Price Ratio

1 Year Gold/Silver

High: 82.00 Low: 72.44 ▲7.28 9.95%



Only Thing Rising Deficits are Good for is the Gold Price, says Tom McClellan

If you are a gold investor, then the one thing you want most is rising deficits. Luckily for you, Congress appears to have granted just what you want. The implication is that Rising deficits should be bullish for gold prices.

That certainly was the case during the 2000s, following the supposed surpluses of the late 1990s. Those were not actual surpluses, as the total federal debt actually went up in every one of those years. But for federal bookkeeping purposes, they were counted as surplus years. And gold certainly did poorly while that was going on.

After the 9/11 attacks, when the U.S. suddenly realized that the shortfall in military spending during the 1990s might not have been a good thing, suddenly the deficits started rising again. And so did gold prices. It helped gold that the Bank of England was ending its sales of central bank gold bullion in 2001.

Their sales of gold from 1999-2001 had a depressing effect on the gold market, and so stopping those sales gave the gold market some relief.

If the demonstrated correlation of the past 40+ years continues in the future, then the presumptive higher deficit rates should be bullish for gold prices. And that should continue right up until the point when Congress realizes that running a ginormous debt might not be a good thing, at which point we should see another major top in gold prices.

Congress does not seem to be anywhere near the point of making that realization, and so the message for the gold bulls is that it is game-on, and gold should be making a big general uptrend.

The Quick Rundown: India Jeweller Fraud Crackdown

- Gold jewellers in India are expecting a frosty reception from markets to short term plans to publicly trade shares in the wake of an alleged \$2 billion fraud by jewellers Nirav Modi and Mehul Choksi.
- The Joyalukkas Group has put an initial share of its jewellery business on hold and will revisit the proposal next year in light of the allegations.
- The fraud claims have also prompted banks to review funding for the gem and jewellery sector.
- The \$60 billion jewellery industry now faces tighter access to credit and more stringent auditing following the uncovering of alleged fraud in February earlier this year.
- The fraud was uncovered after questions arose concerning Nirav Modi's use of fake guarantees from the Punjab National Bank to solicit loans.
- The Diamond tycoon and his uncle Mehul deny all any wrongdoing.

You may also be interested in:

<https://www.bullionbypost.co.uk/gold-news/2018/april/27/germanys-gold-reserves-go-display-first-time/>

<https://www.silverdoctors.com/gold/gold-news/study-finds-that-recovering-gold-and-other-metals-from-e-waste-can-be-cheaper-than-mining/>

ETF – Singapore Gold

ZGOL.ASX from 27/04/2017 to 27/04/2018



ETF – Betashares Gold

GAU.ASX from 27/04/2017 to 27/04/2018



ETF – Physical Gold

GOLD.ASX from 27/04/2017 to 27/04/2018



Evolution Mining	0.00	0.000%	\$3.230
Newcrest Mining	0.00	0.000%	\$21.380
Northern Star	0.00	0.000%	\$6.380
Rio Tinto	0.00	0.000%	\$79.650
South32	0.00	0.000%	\$3.730

As at 12:00 pm New Zealand Time

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