

**investors**  
CHRONICLE

THE TRADER'S  
**MARKET  
OUTLOOK**



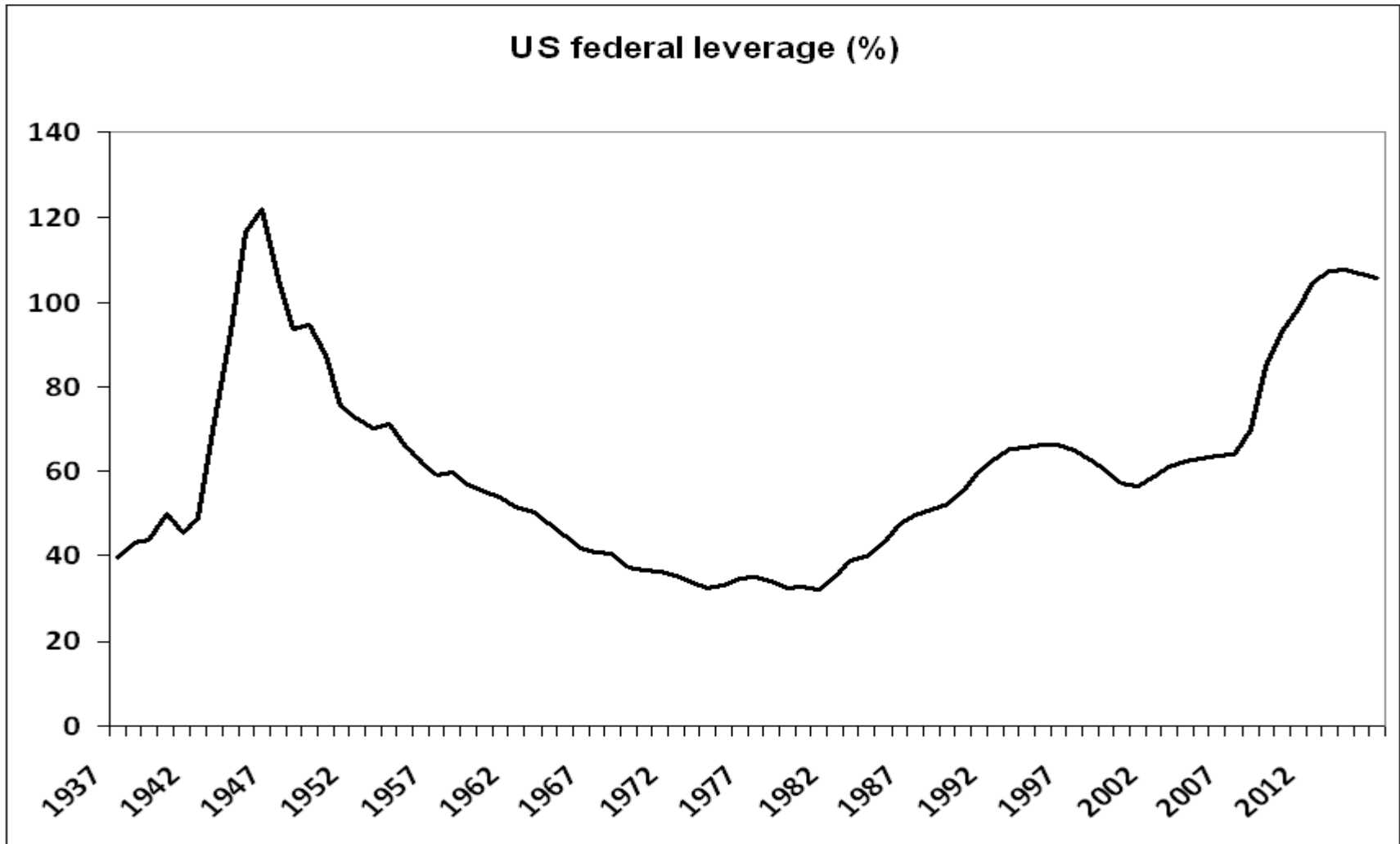
**Precious Metals**  
**Dominic Picarda CFA, CMT**

# WANTED!

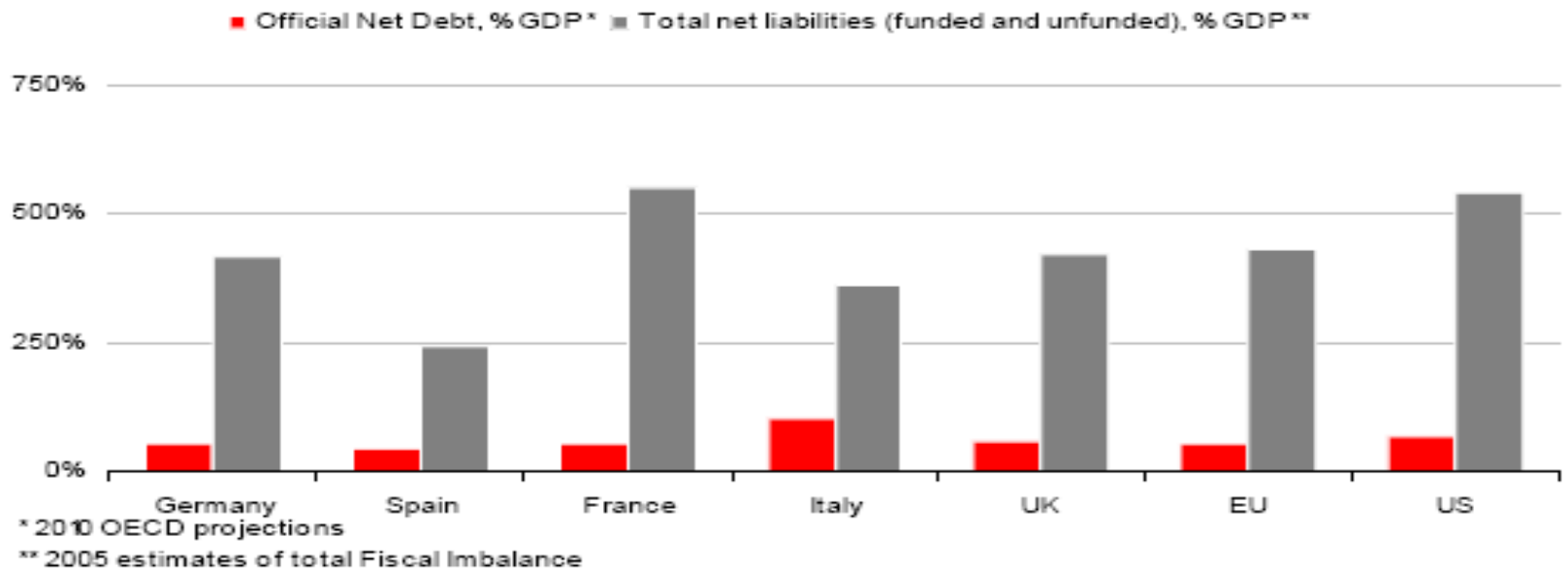


(For the next Federal Reserve Chairman)

# Deleveraging has barely begun

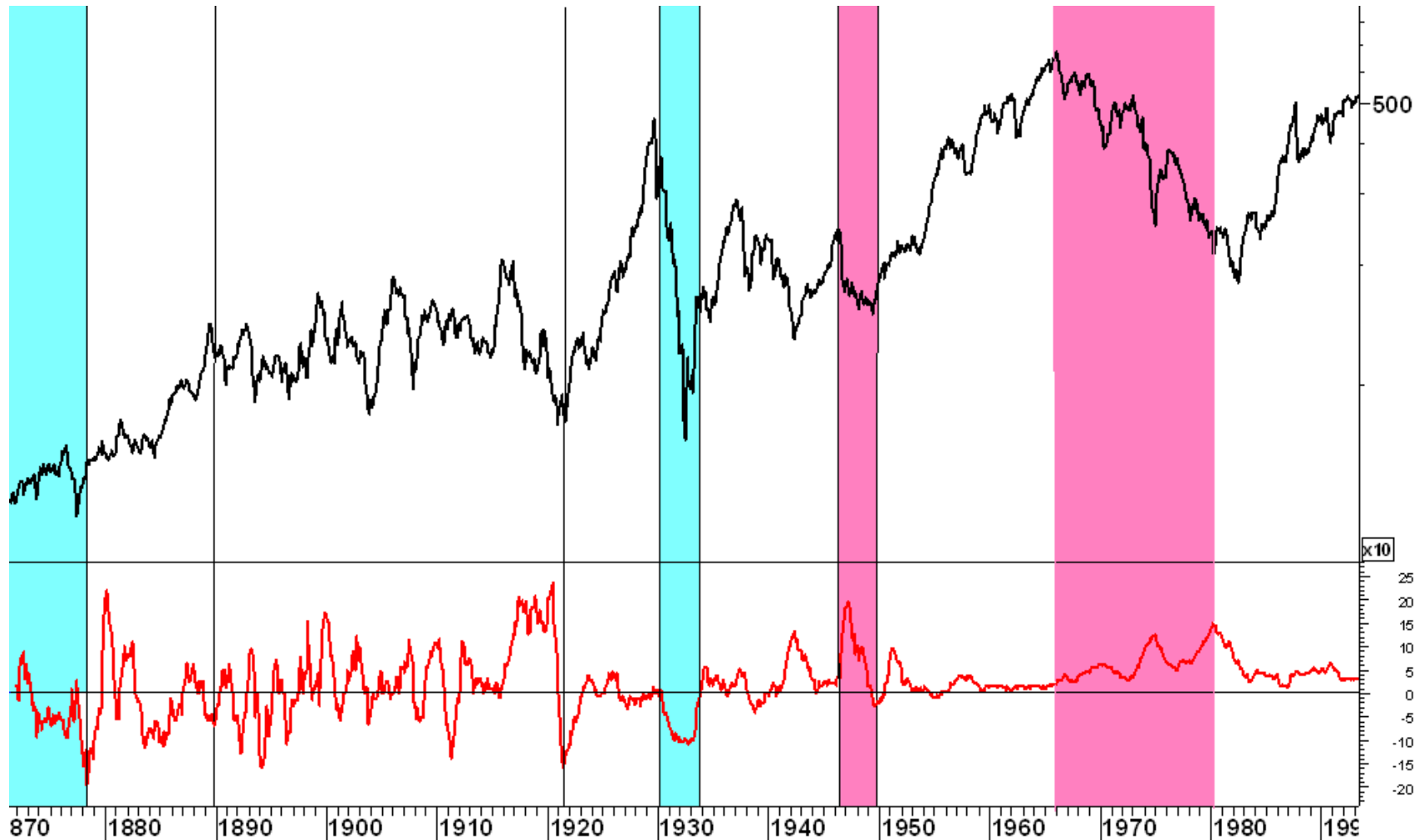


# We're broke, I tells ya...

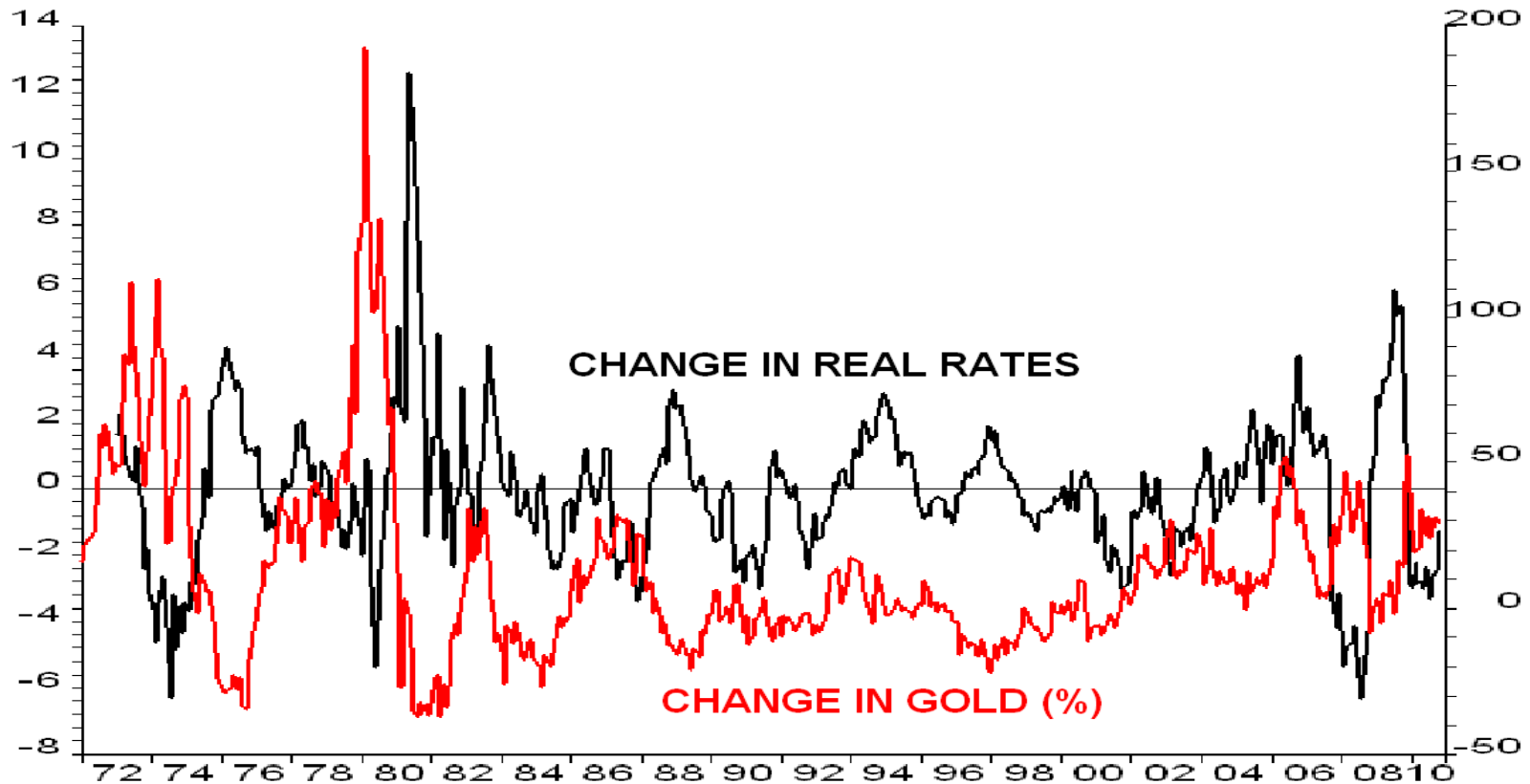


Source: Gokhale, OECD

# The worst of all worlds

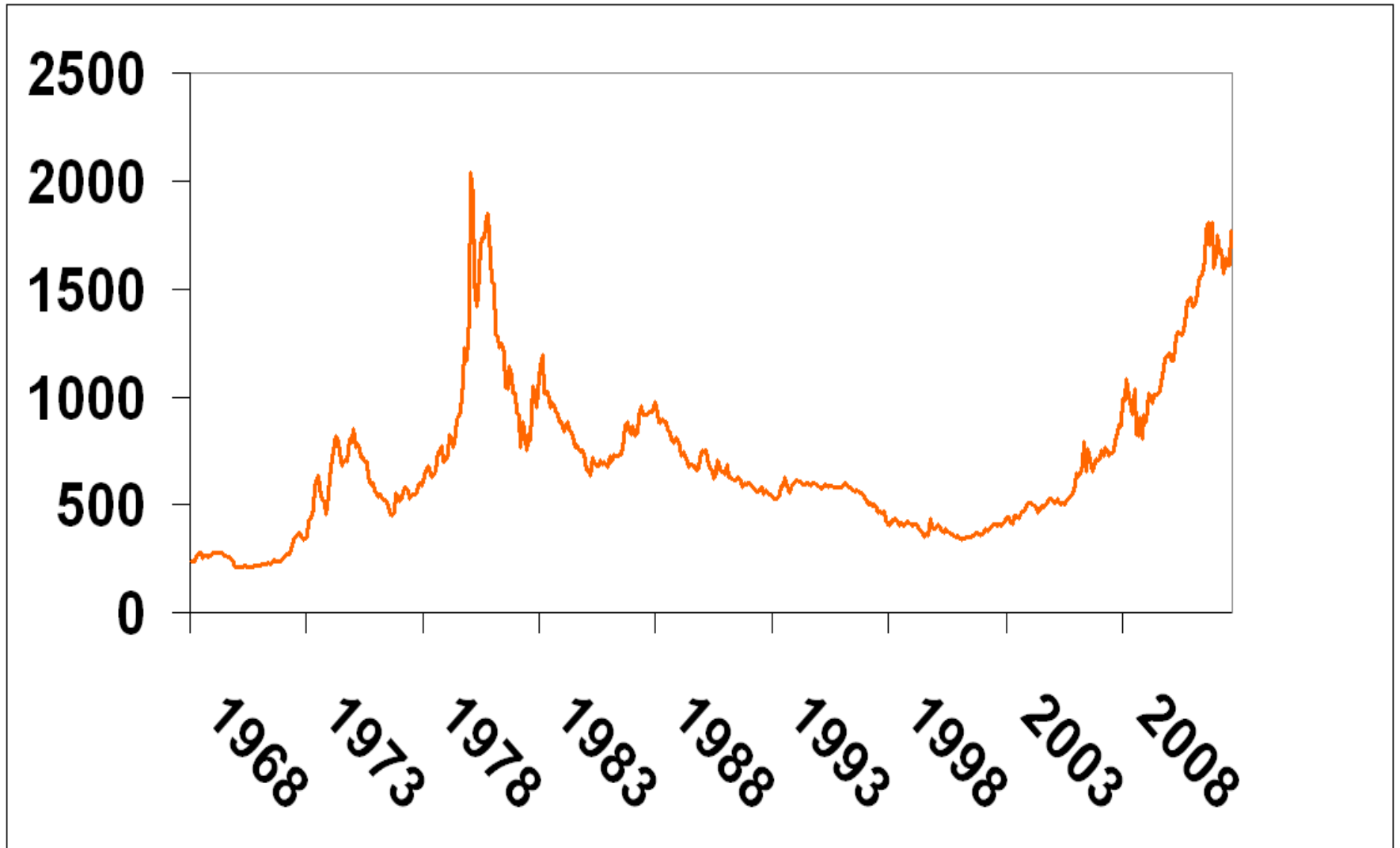


# What drives the gold price

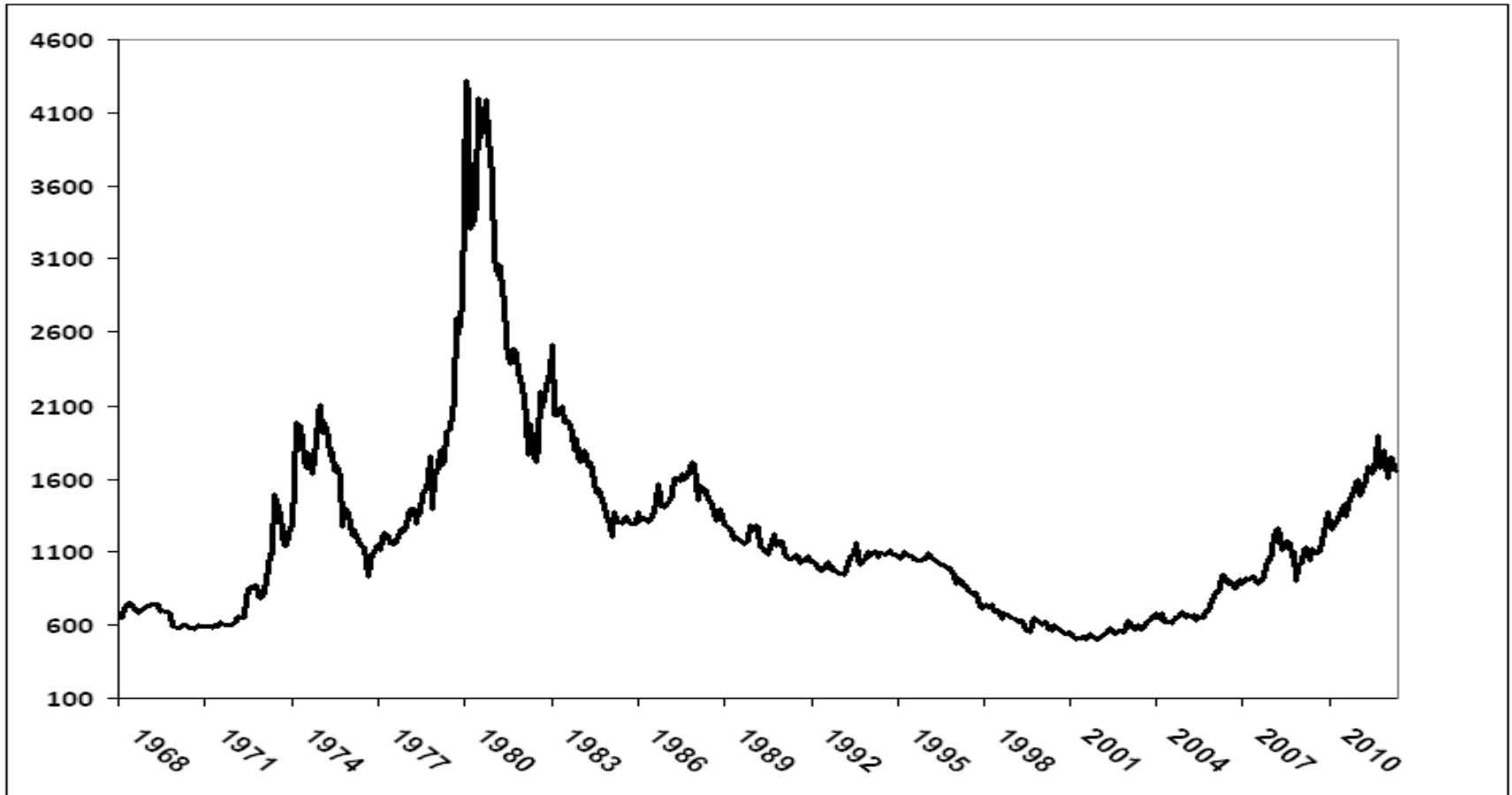


Source: DATASTREAM

# Gold in real terms



# Gold scaled by junk money

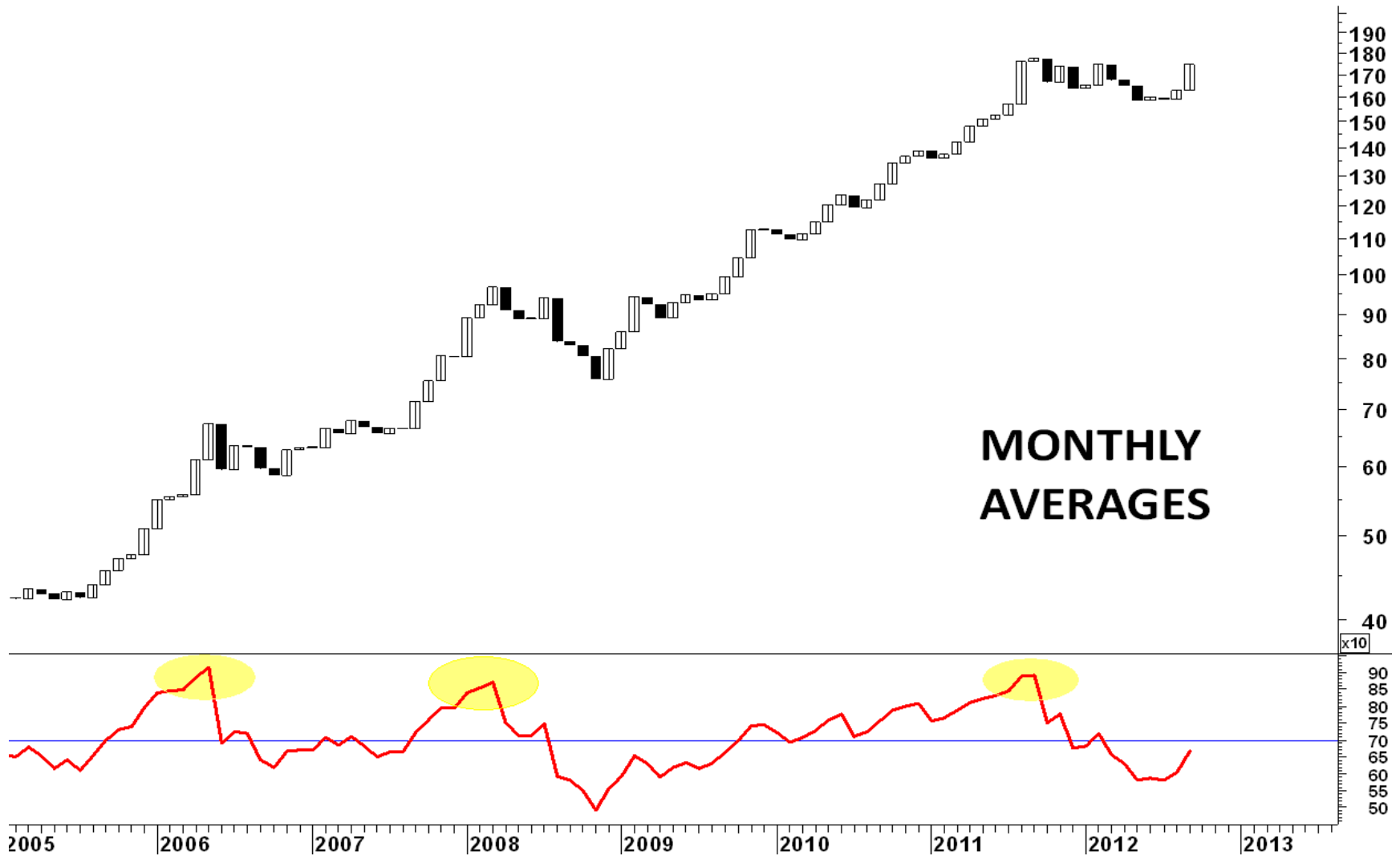




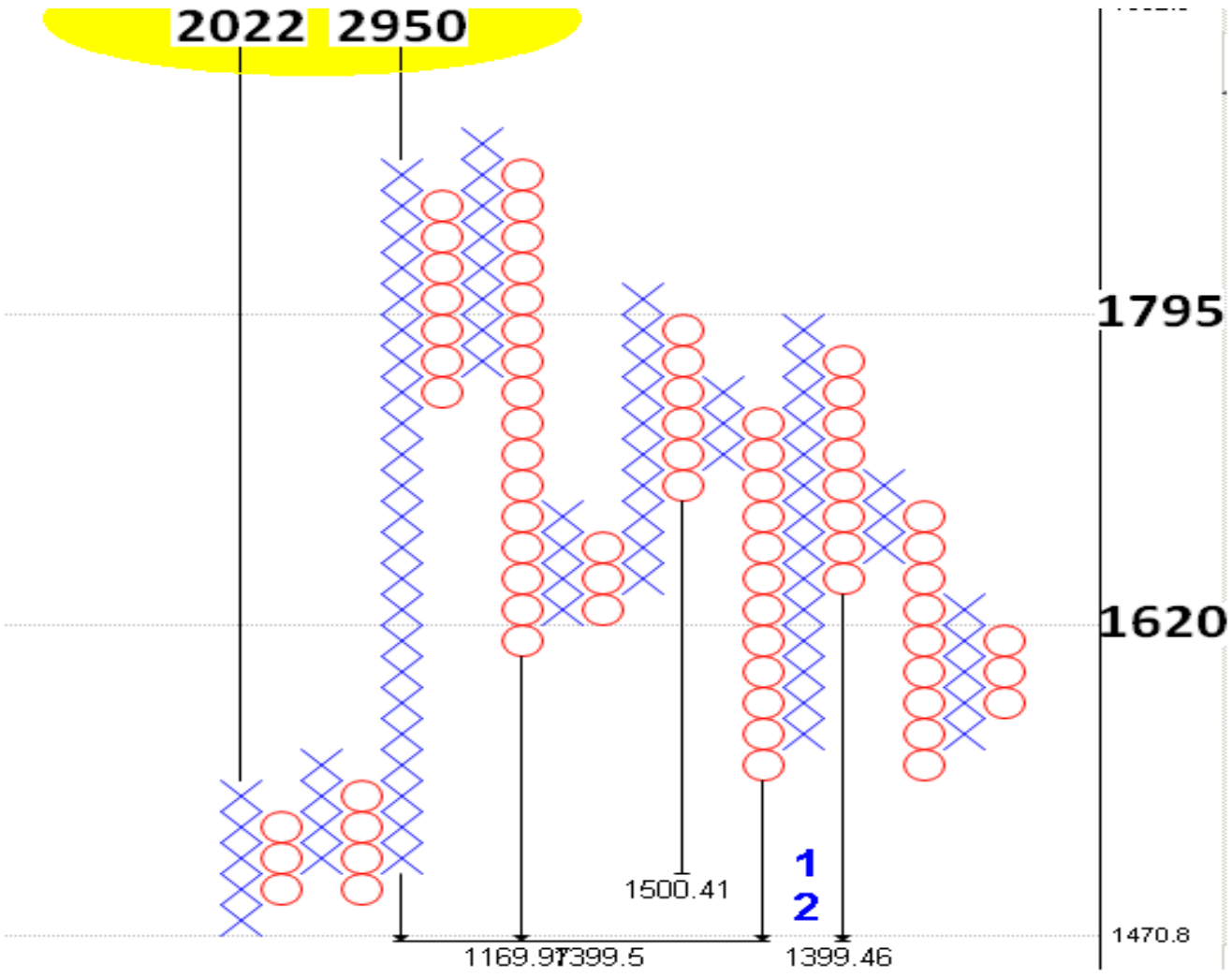
# Bull market corrections



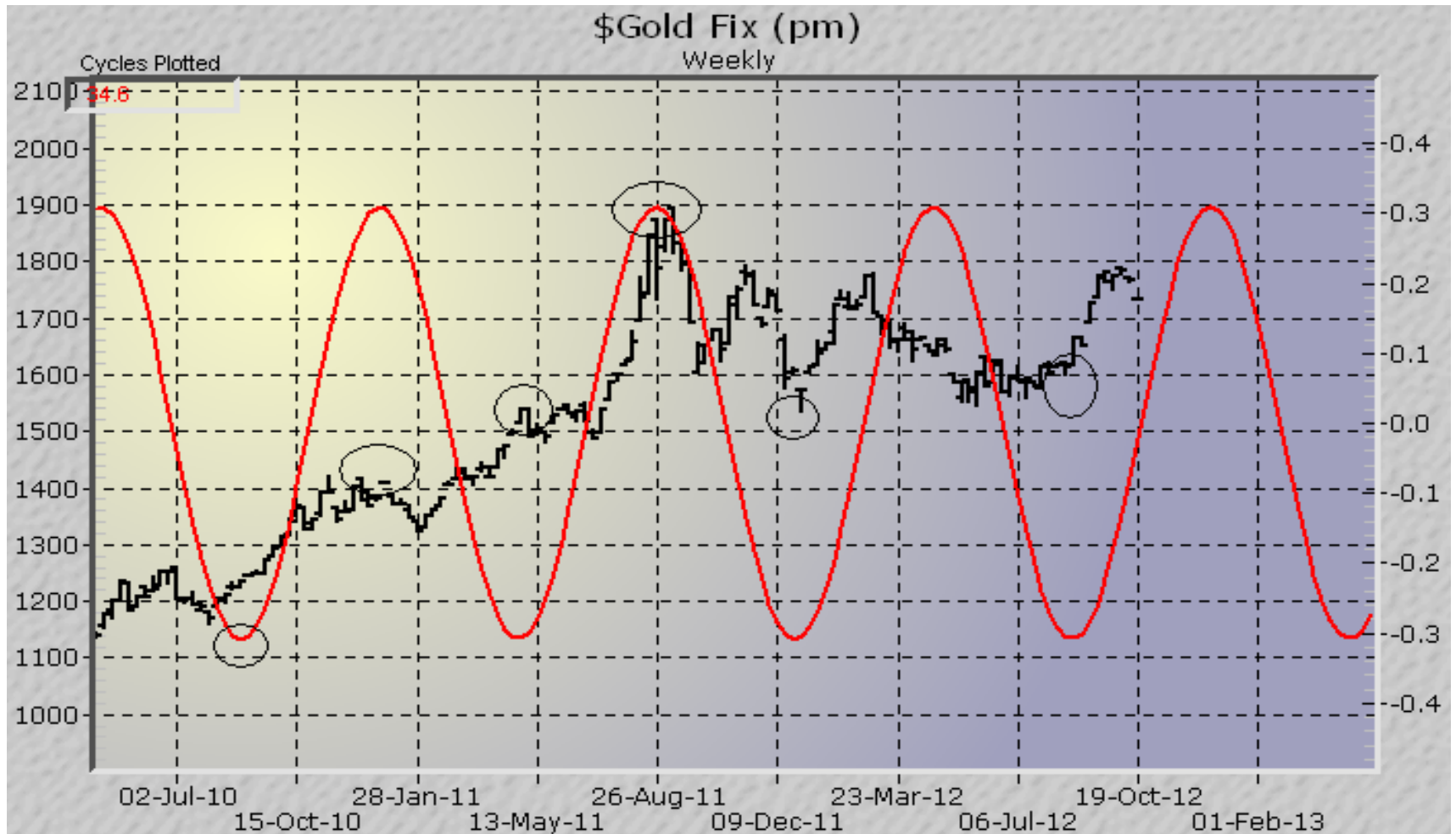
# Gold's uptrend resuming



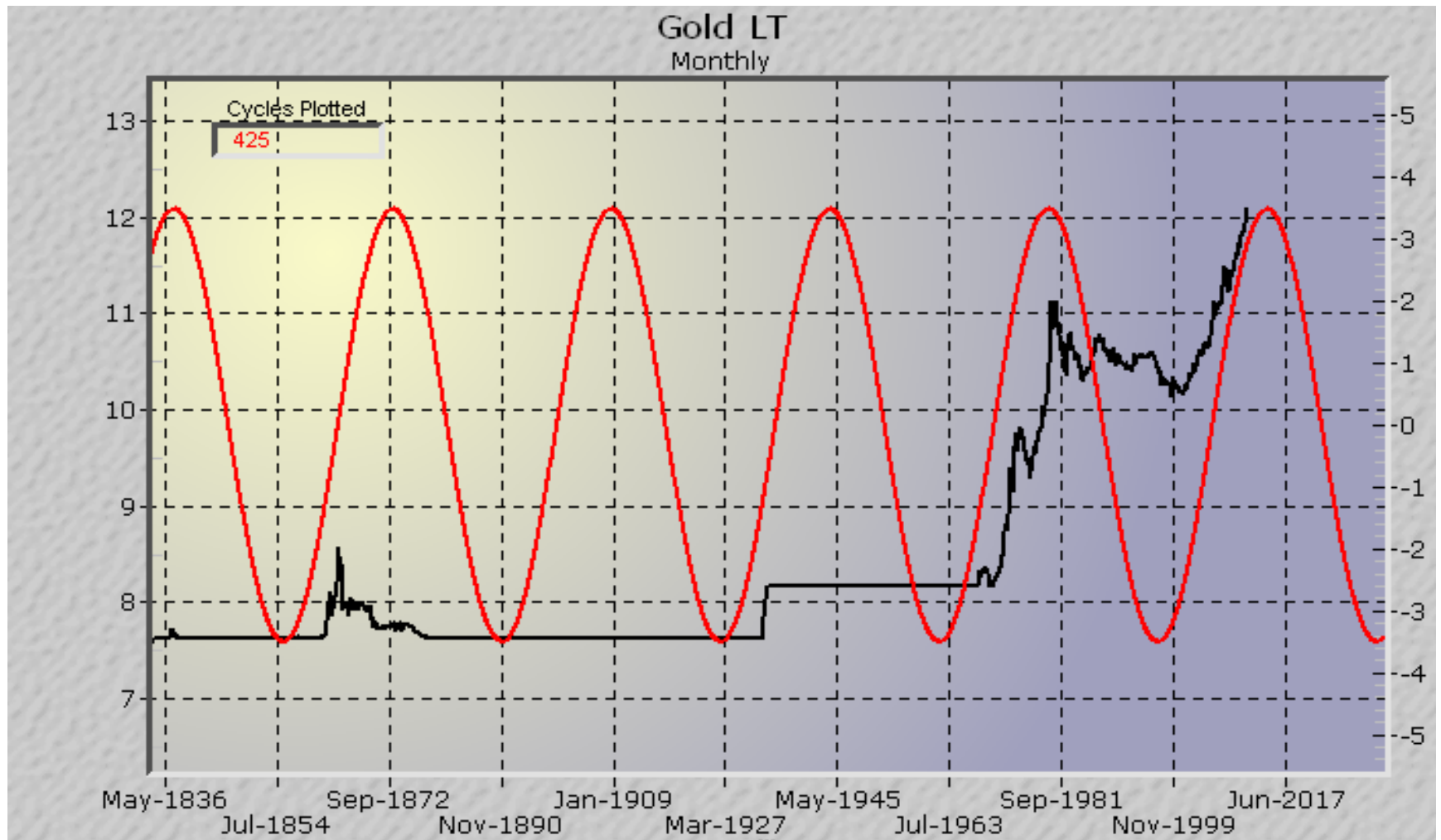
# Near- and medium-term targets



# 34-week cycle in gold



# Top unlikely before 2015



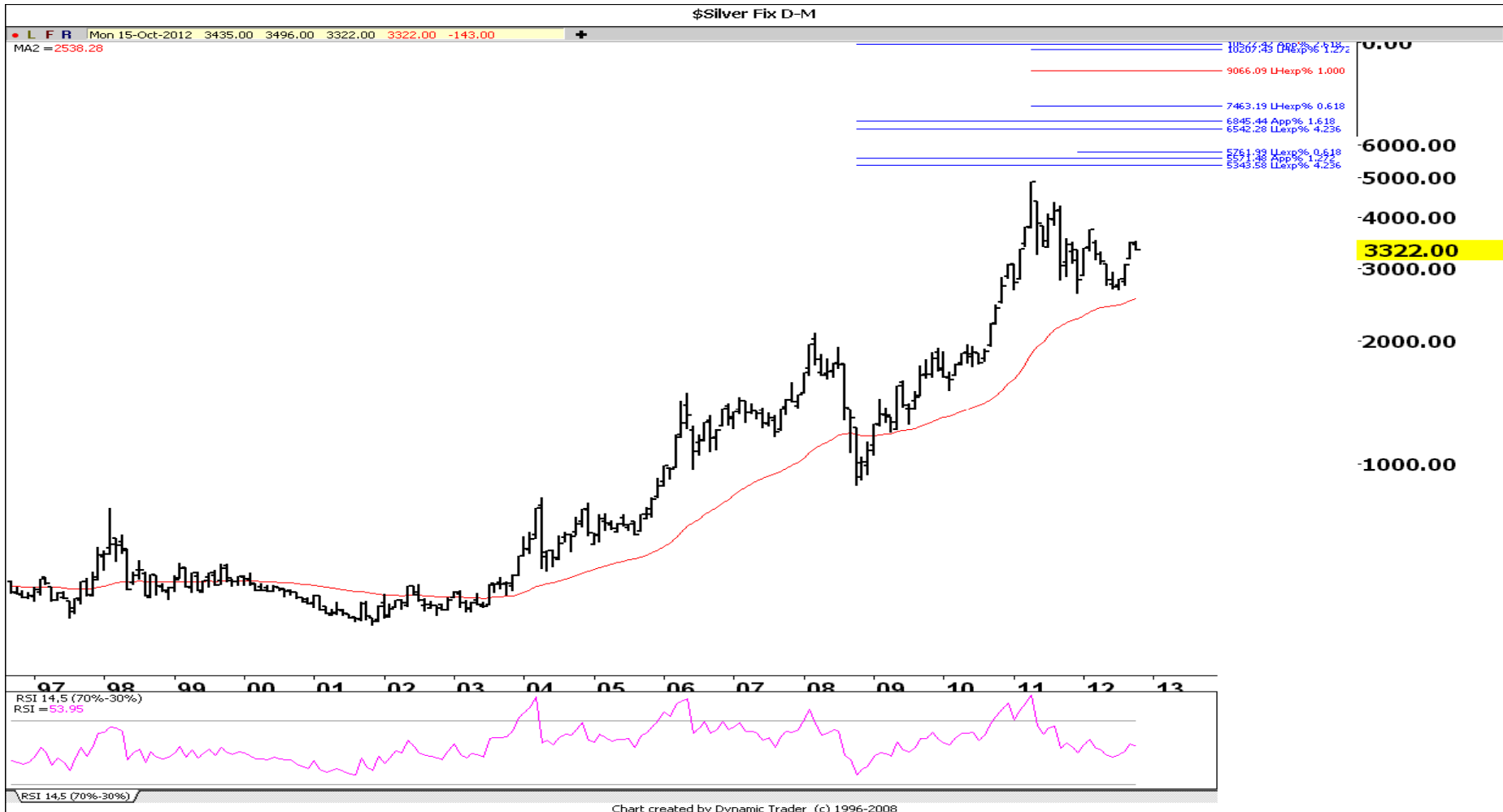
# Longer-term buying level



# My key intraday levels

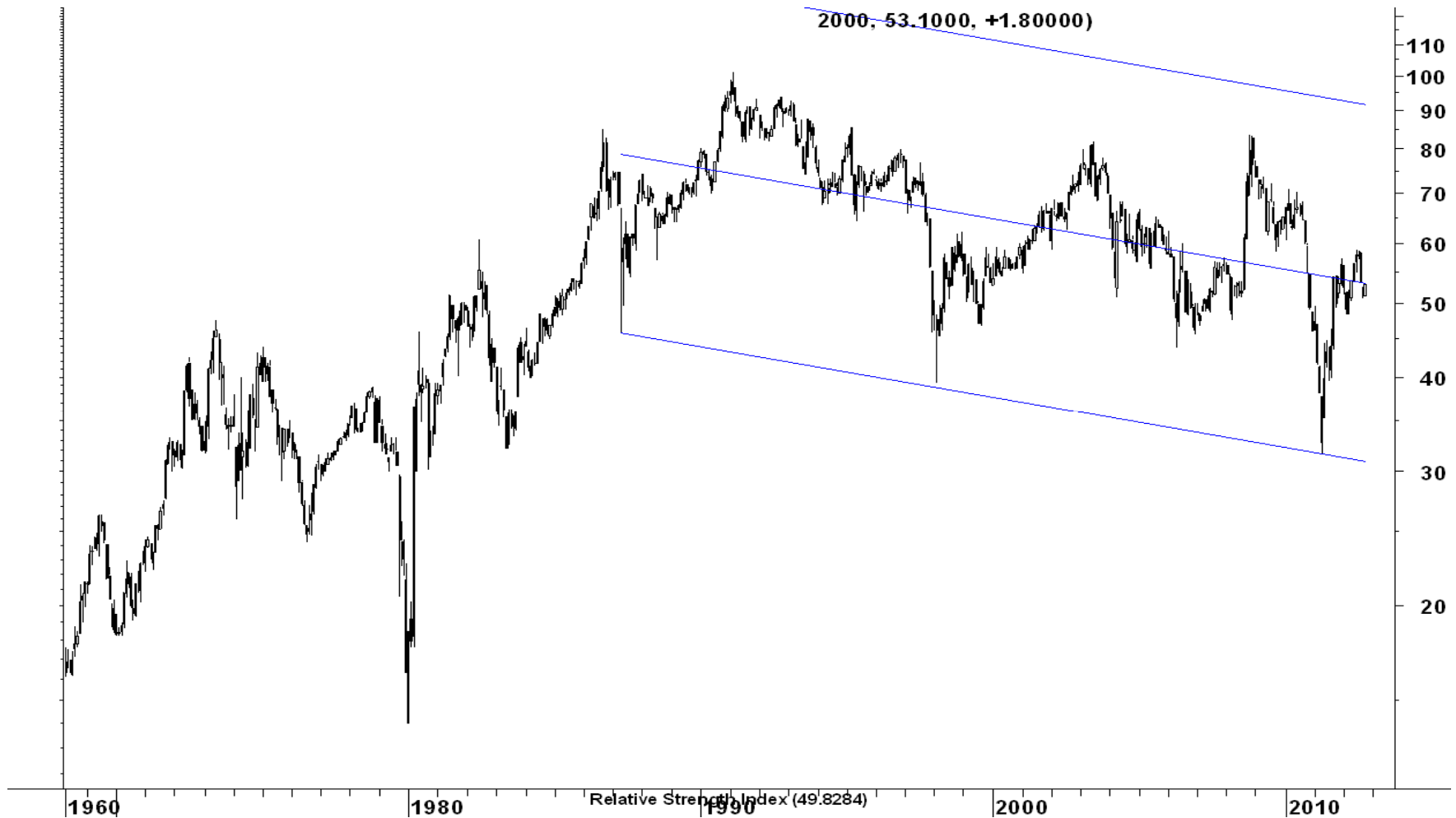


# Silver targets





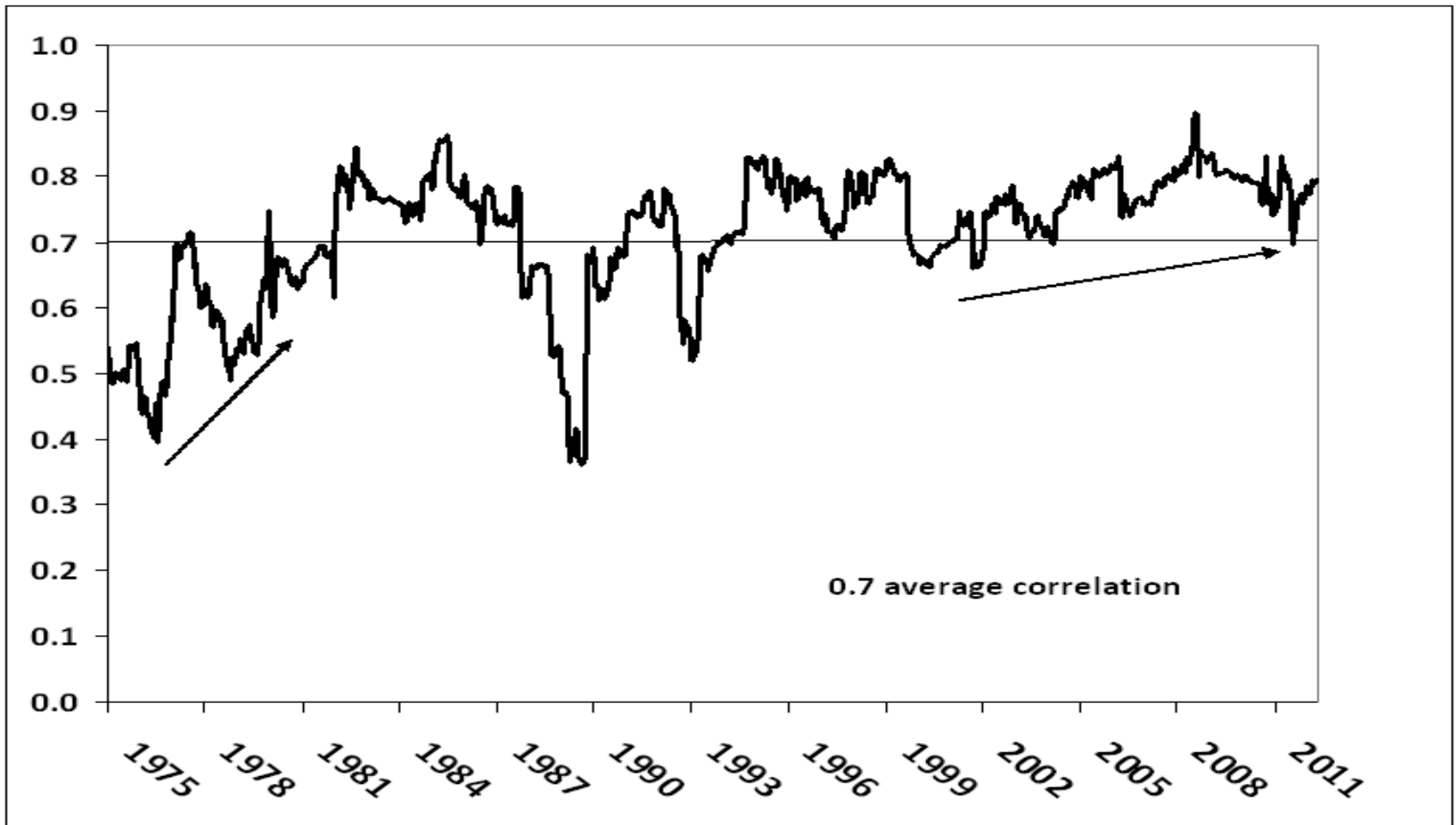
# Gold/silver ratio



# Gold or gold miners?

- Bullion has no yield and costs money to store
- Gold miners can grow profits & pay dividends
- Bullion better for spreading risk
- Bullion-developed market stocks 0 correlation over time
- Gold miners-dev mkts 0.3 correlation

# Bullion & miners move together



# Better off with bullion in a bull mkt

## **1973-1980:**

Bullion +1185%

World Gold Miners +310% TR

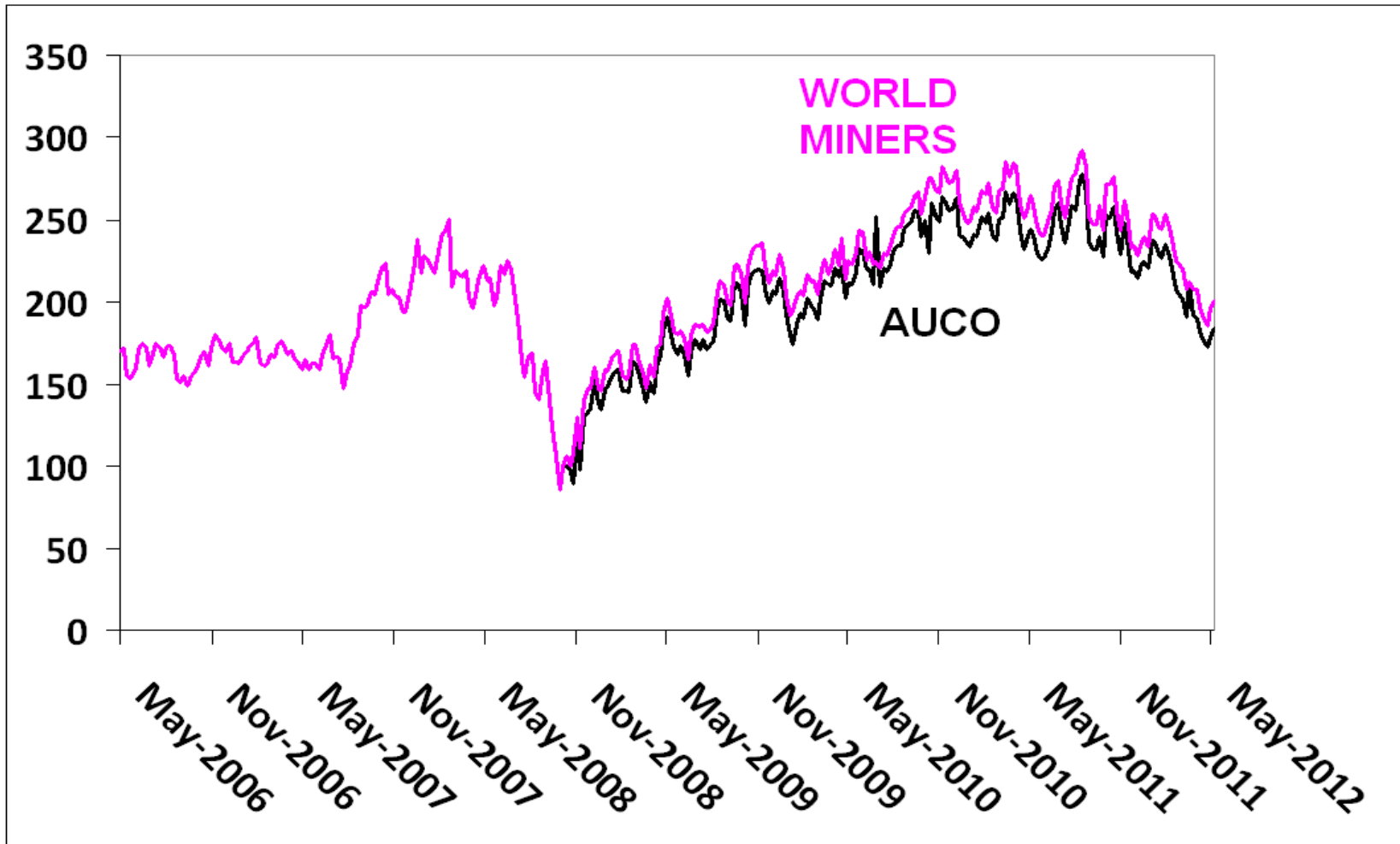
## **1999-2011:**

Bullion +640%

World Gold Miners +510% TR

Certain markets do better (**Aus**, UK)

# How to play gold miners



# When the going gets tough, they steal your stuff

- ROOSEVELT METALS HEIST (US: 1933 & 1934)
- BROWN DIVIDEND SWINDLE (UK: 1997-)
- KIRCHENER PENSION RAID  
(ARGENTINA 2008)
- FIDESZ RETIREMENT FRAUD  
(HUNGARY 2010)
- THE WORST YET (Developed world 2008-20??)