

investors
CHRONICLE

THE TRADER'S
**MARKET
OUTLOOK**



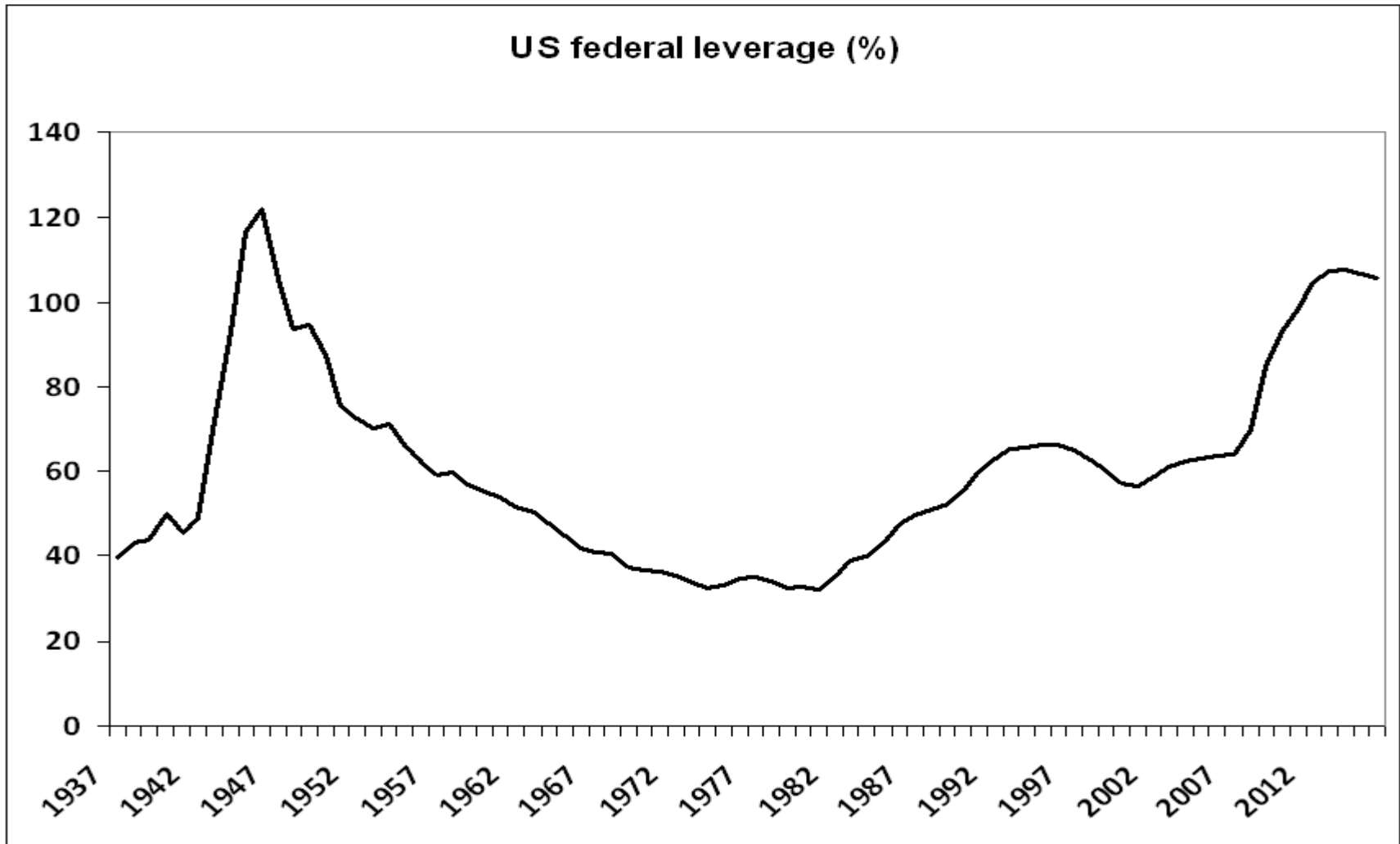
Precious Metals
Dominic Picarda CFA, CMT

WANTED!

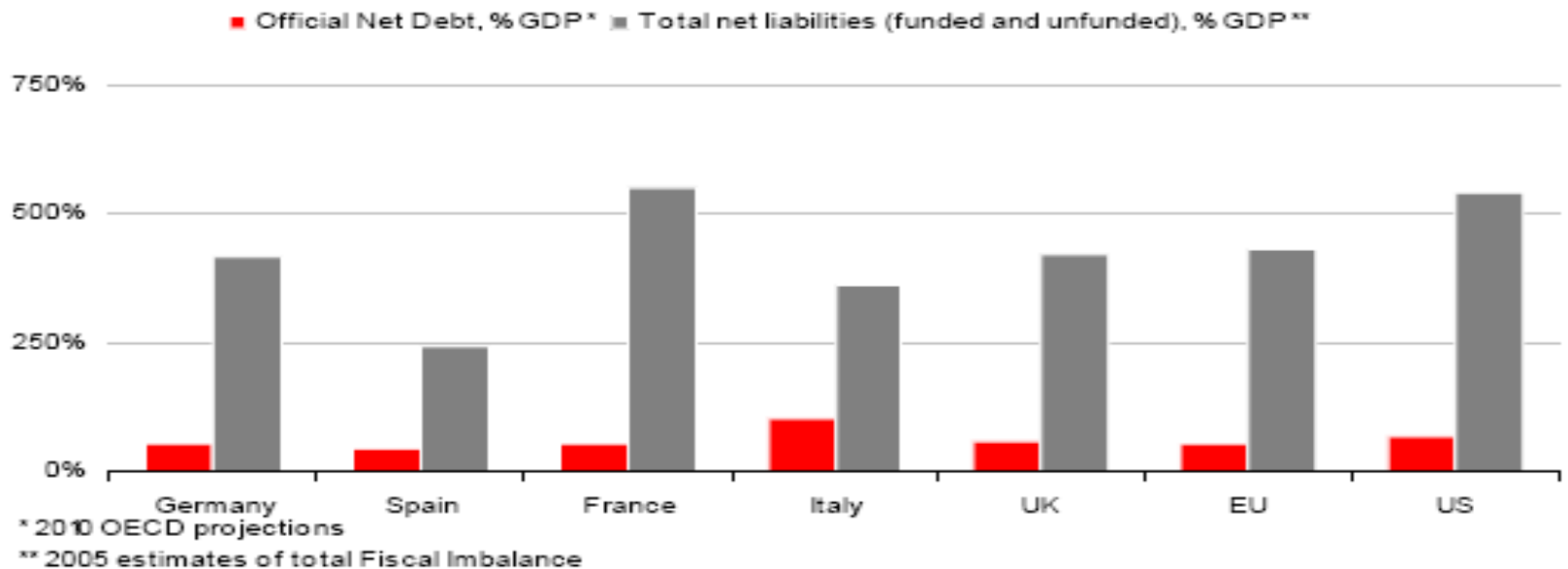


(For the next Federal Reserve Chairman)

Deleveraging has barely begun

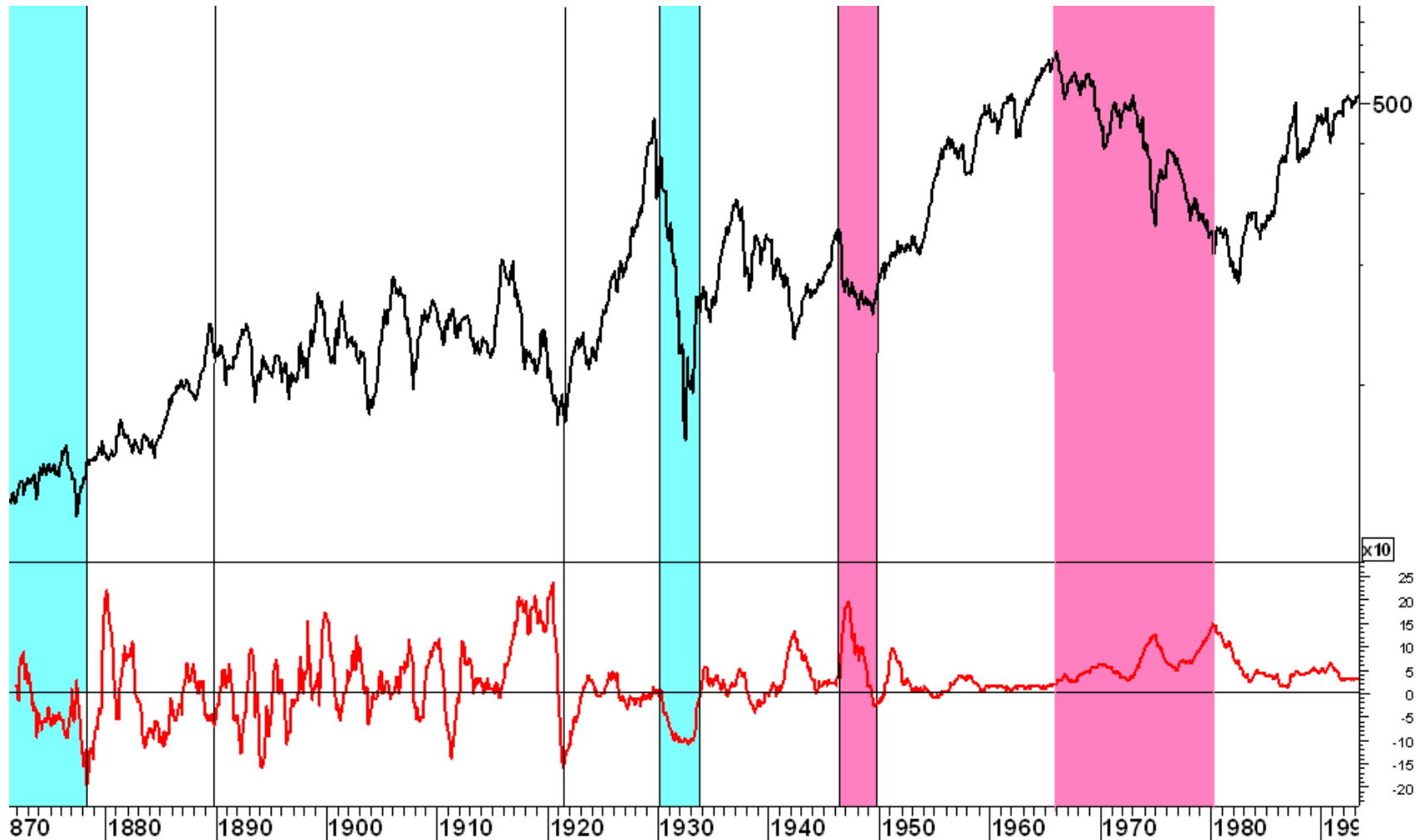


We're broke, I tells ya...

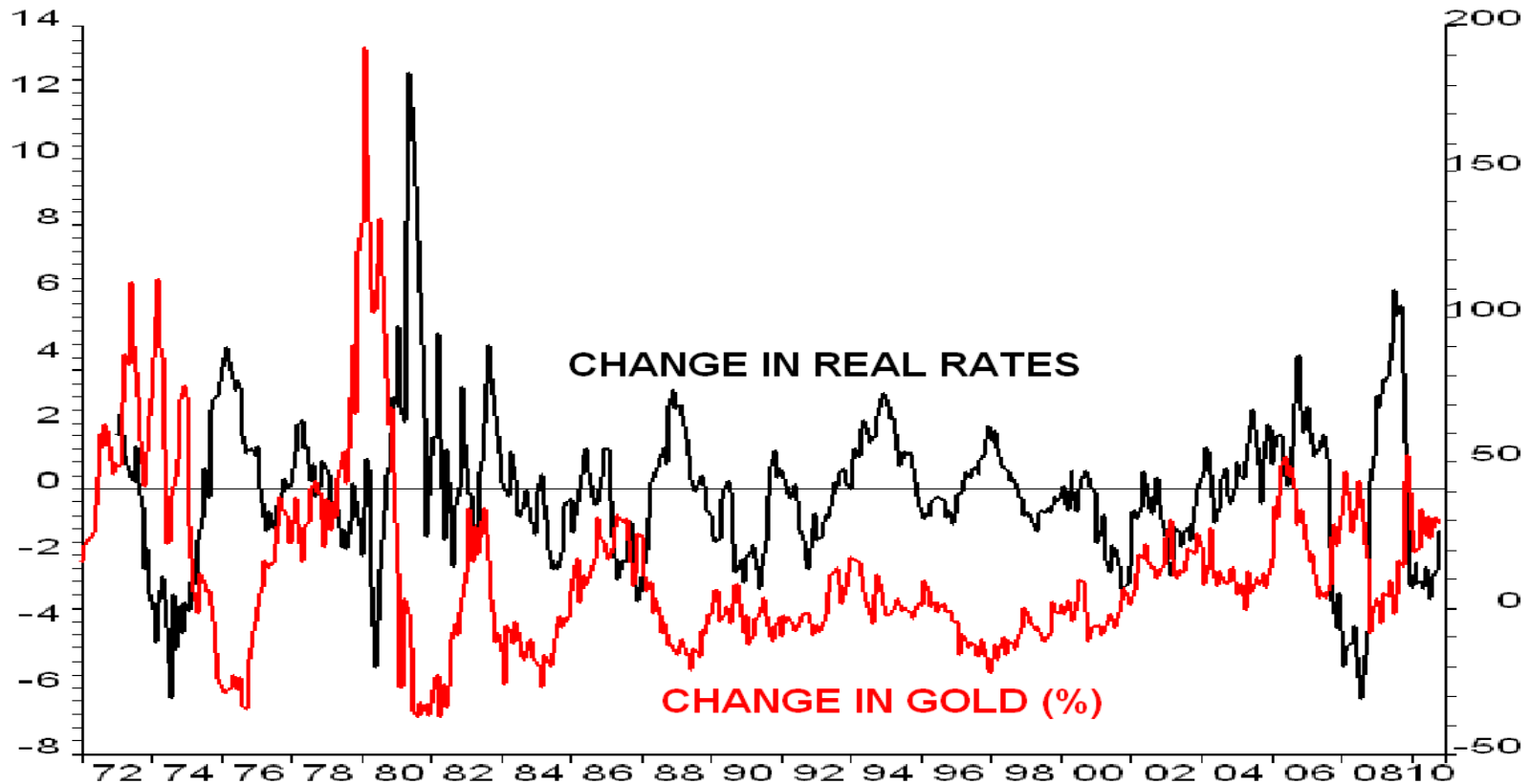


Source: Gokhale, OECD

The worst of all worlds

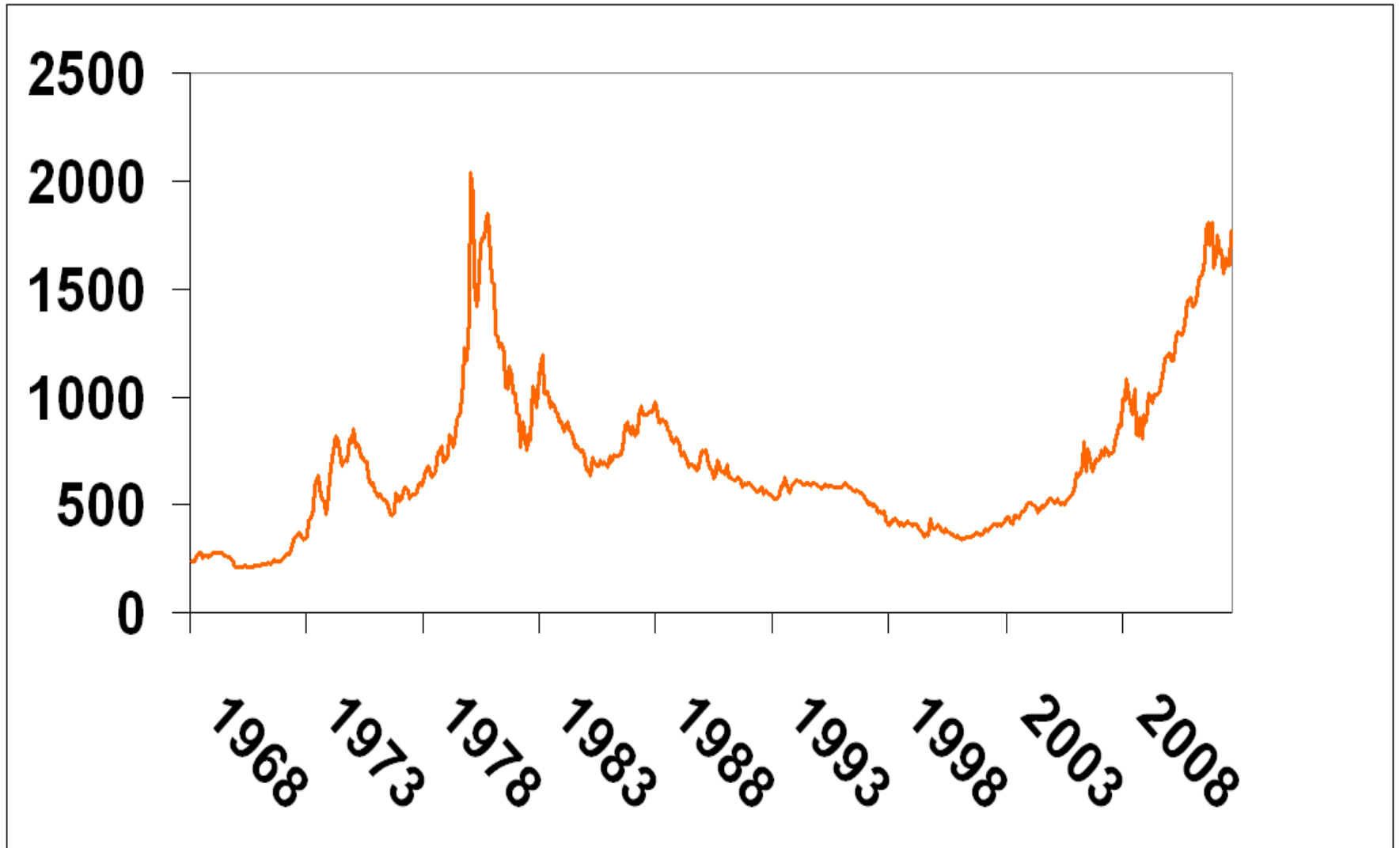


What drives the gold price

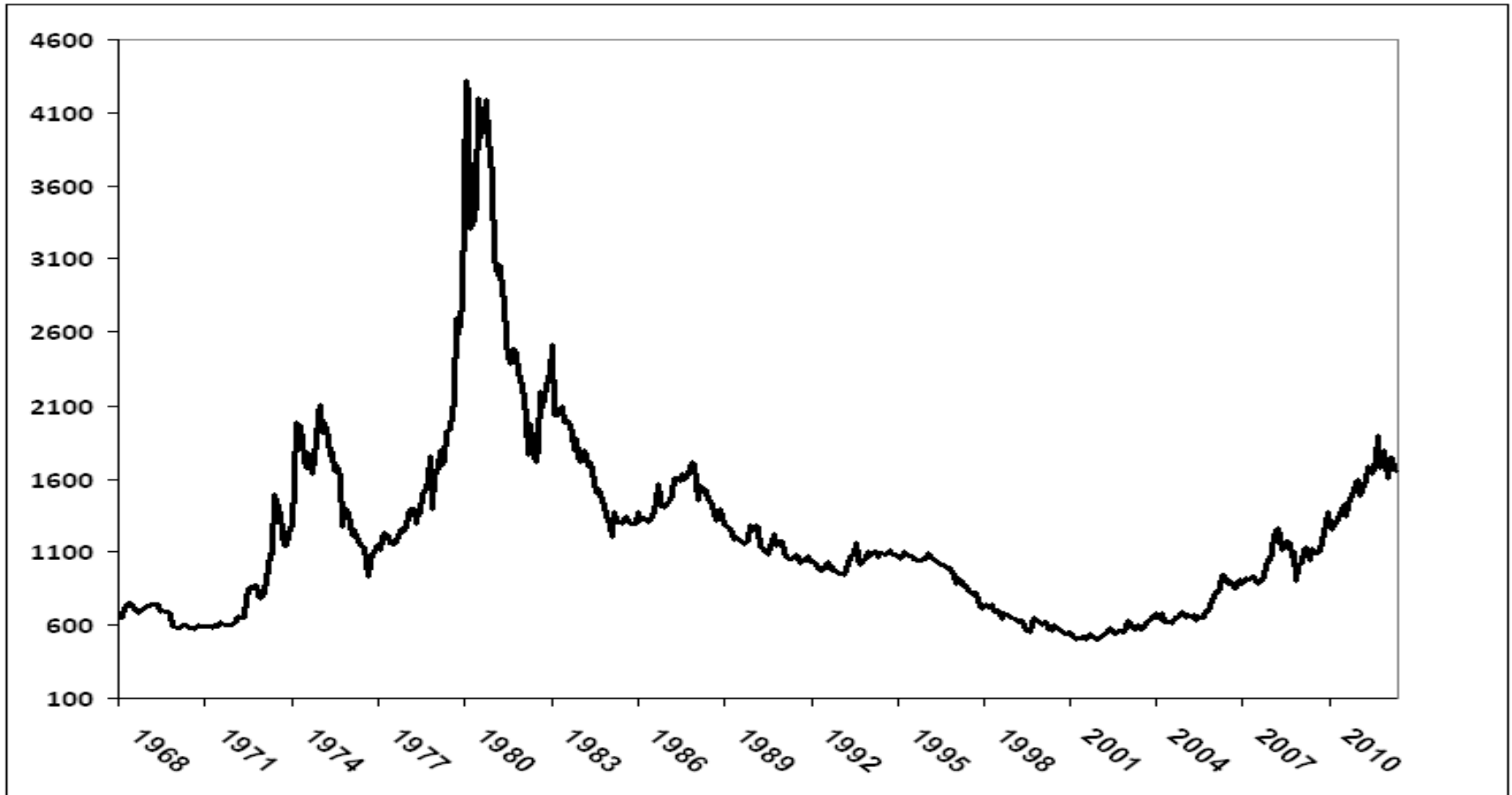


Source: DATASTREAM

Gold in real terms



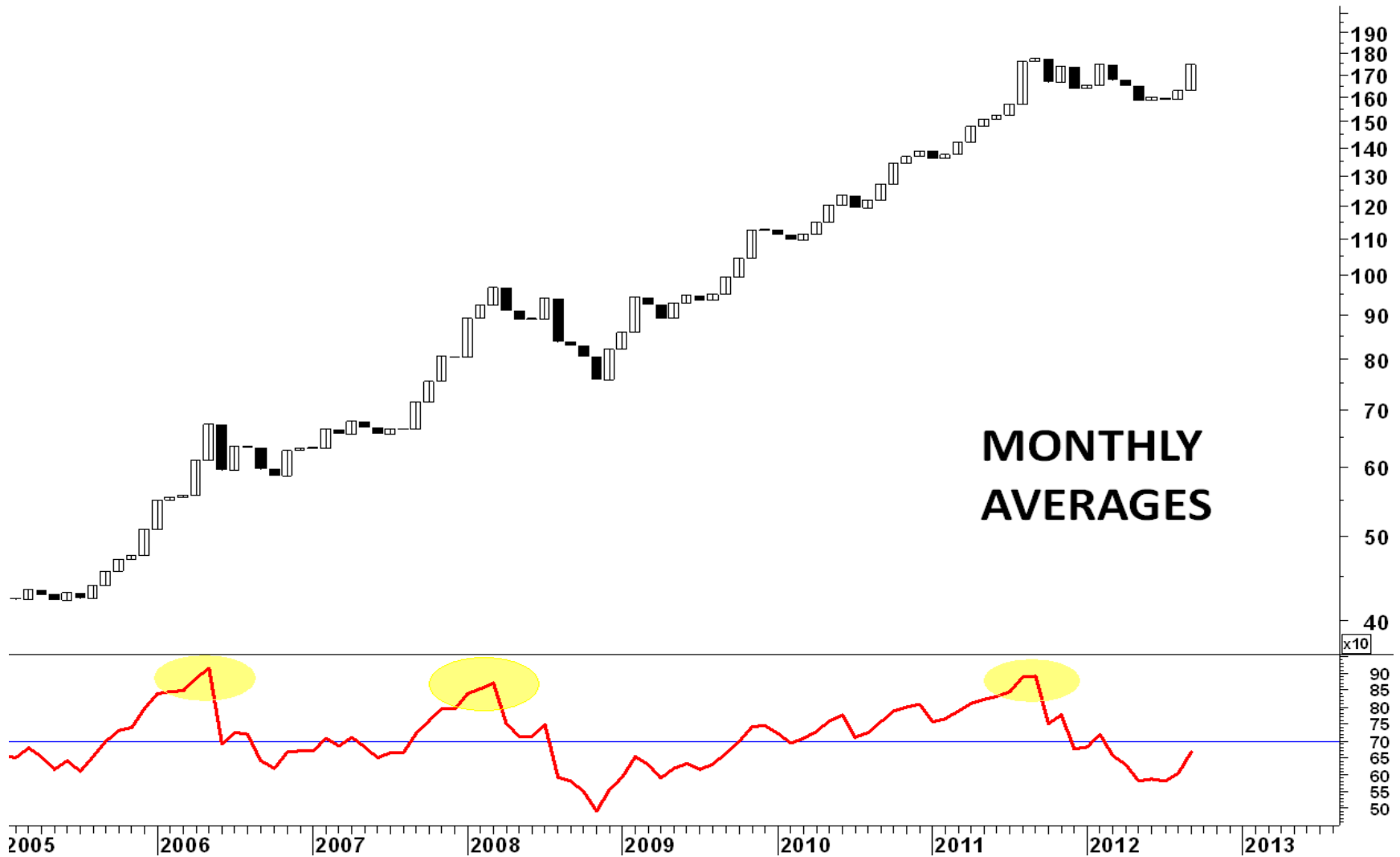
Gold scaled by junk money



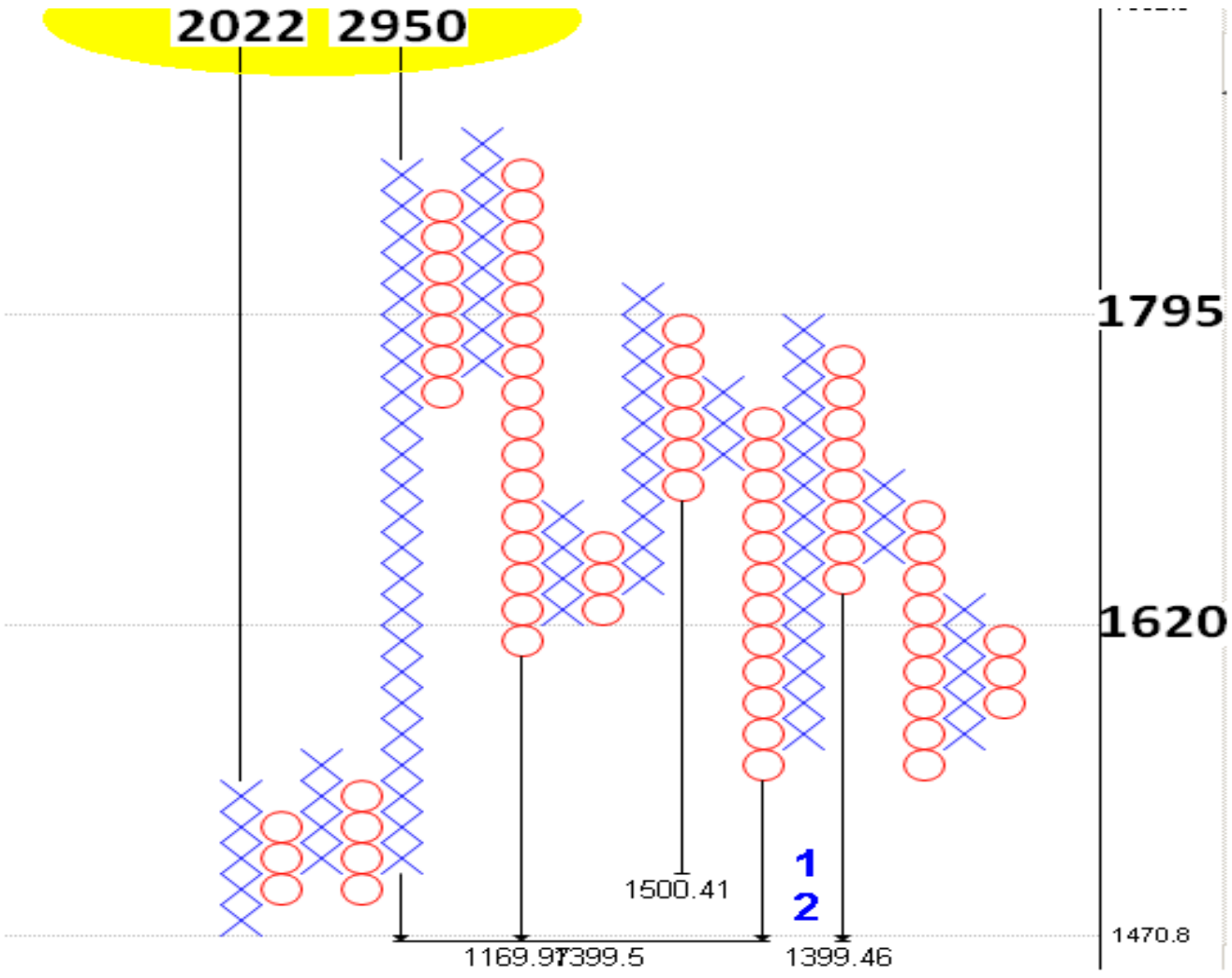
Bull market corrections



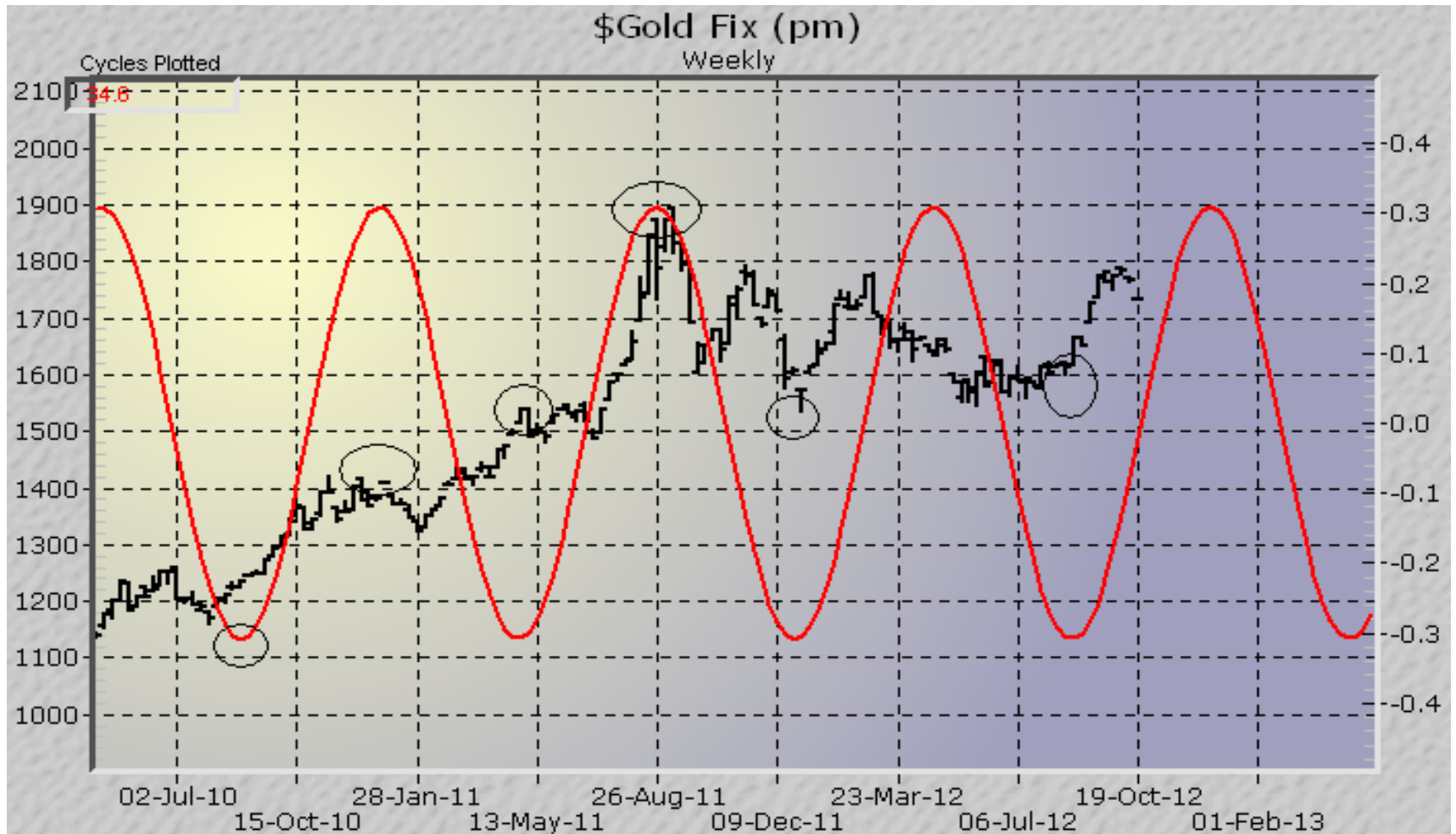
Gold's uptrend resuming



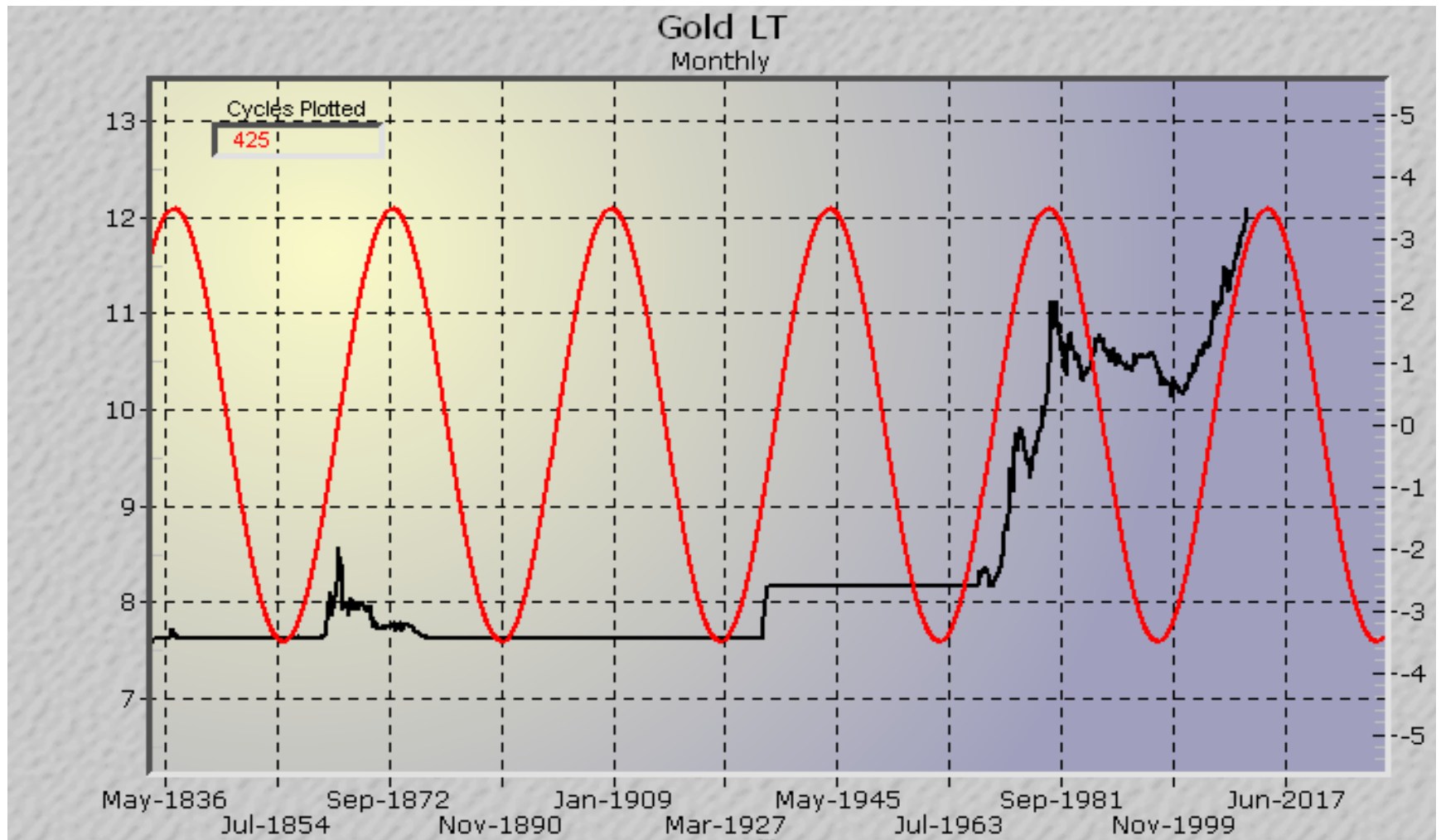
Near- and medium-term targets



34-week cycle in gold



Top unlikely before 2015



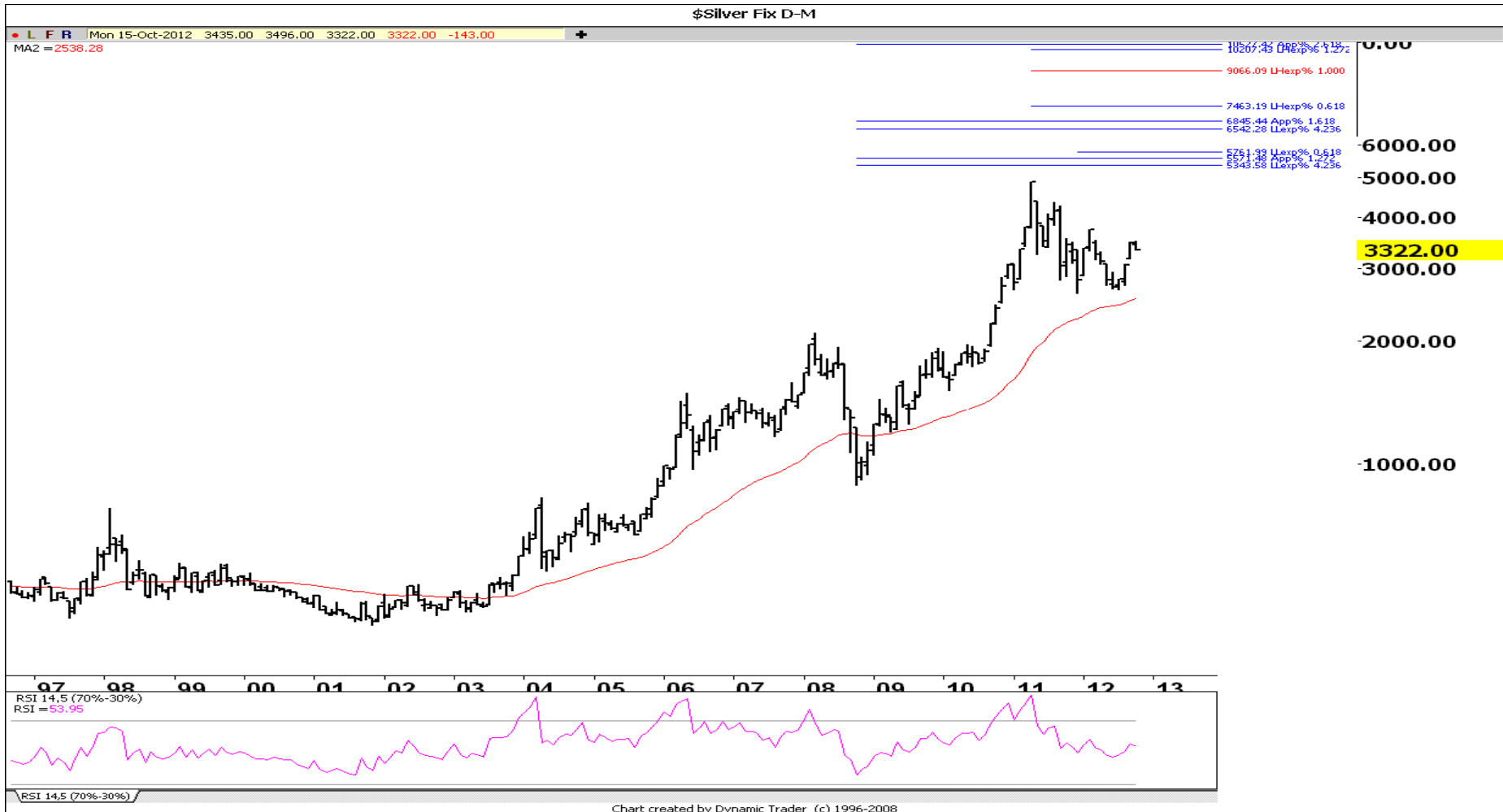
Longer-term buying level



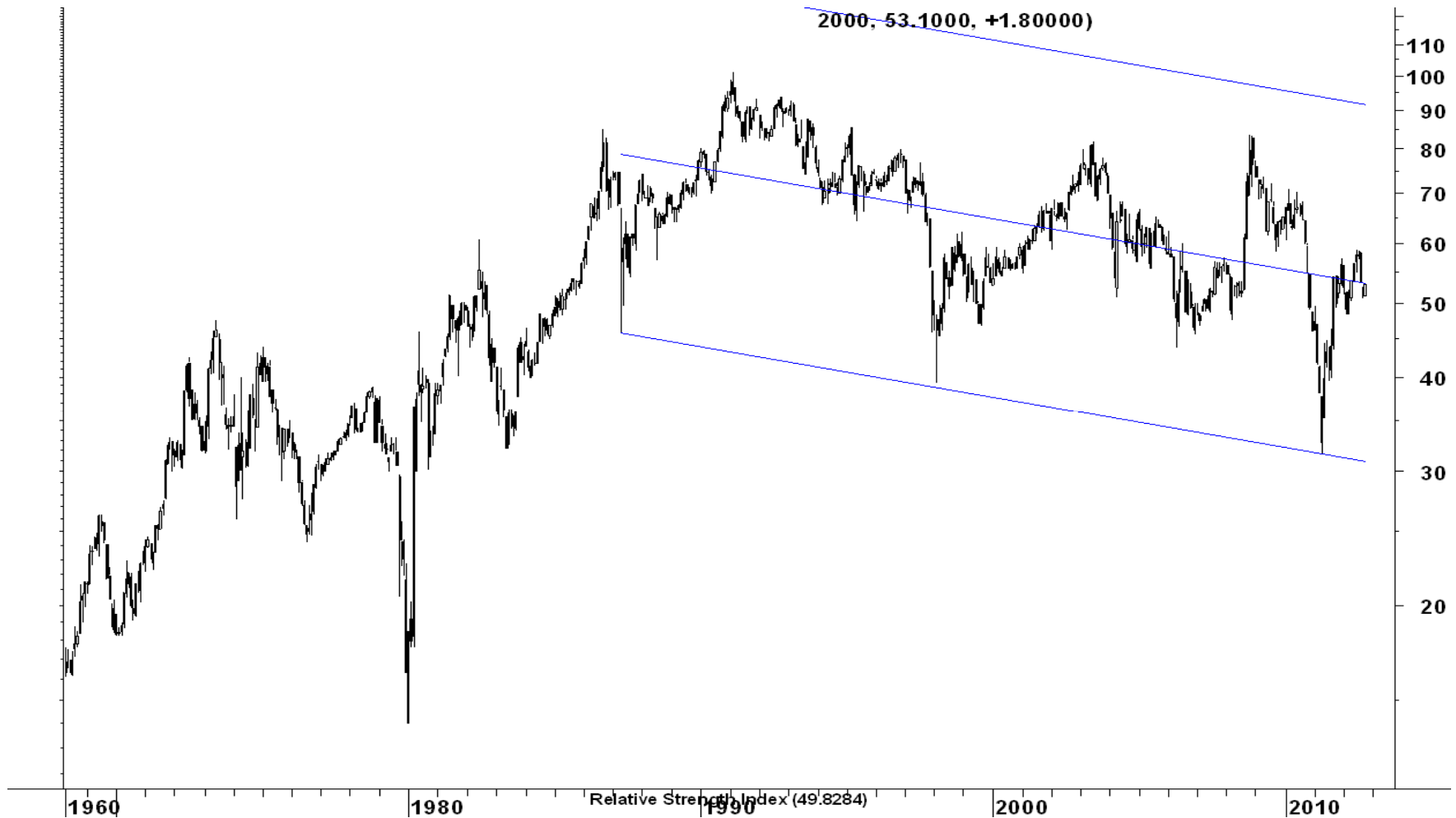
My key intraday levels



Silver targets



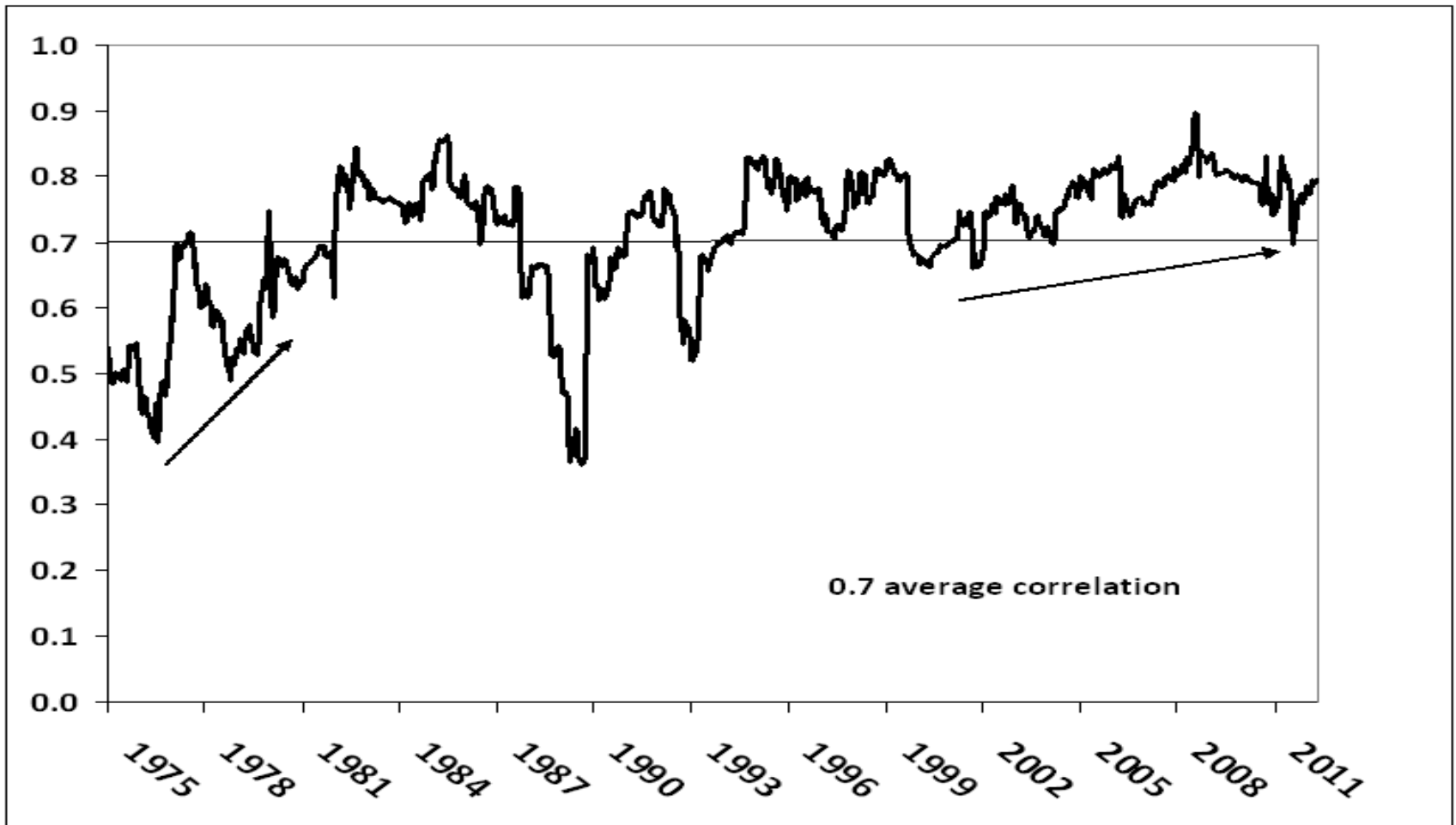
Gold/silver ratio



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

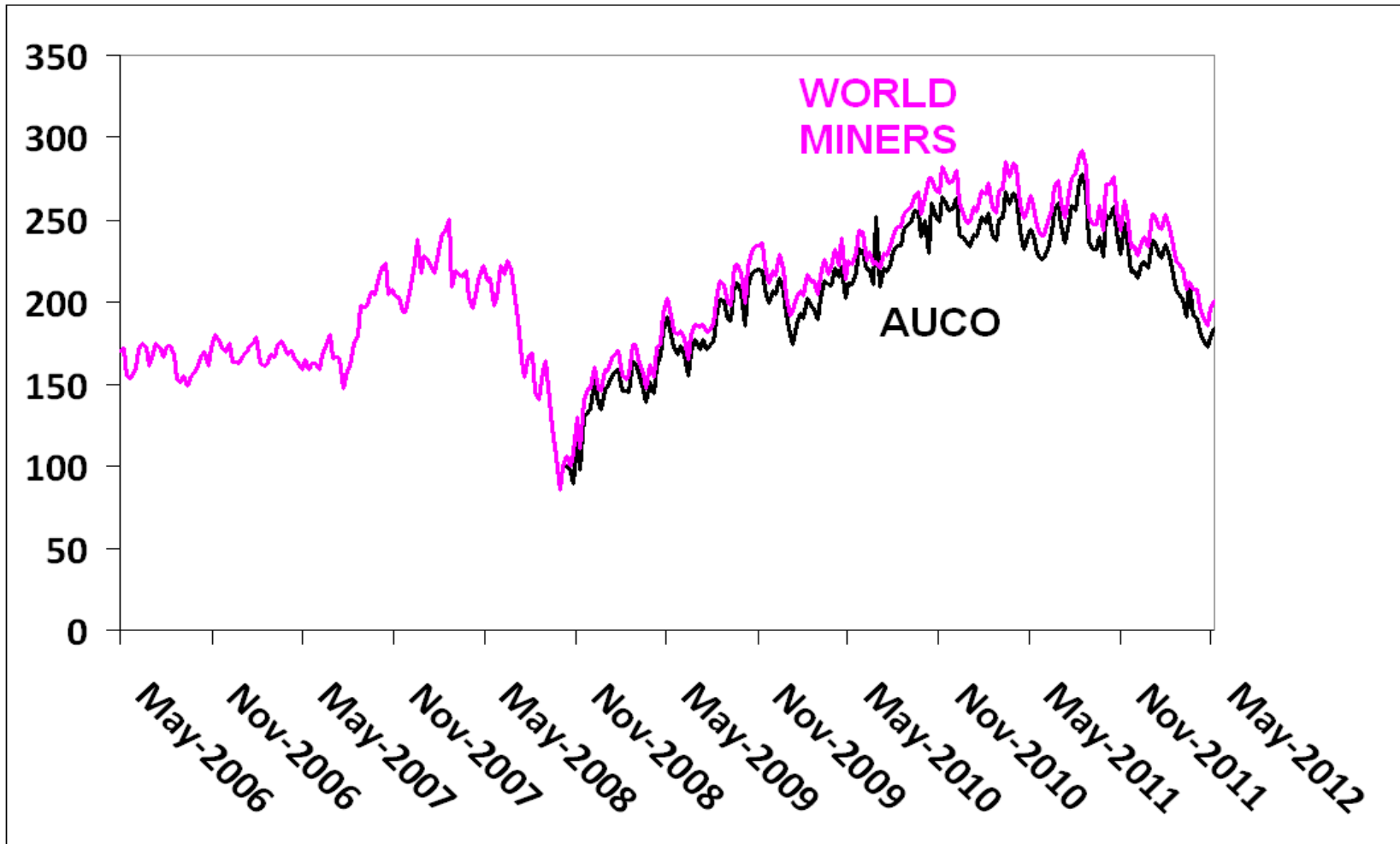
1999-2011:

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??)