THE PERTH MINT AUSTRALIA | TREASURY

Gold Corporation
(trading as The Perth Mint)
ABN 98 838 298 431

310 Hay Street, East Perth,
Western Australia, 6004,
Australia

A statutory authority under the *Gold Corporation Act (1987)* of Western Australia

Founded in 1899, the Perth Mint is an integrated precious metal operation refining circa 10% of world gold production; servicing investors with legal tender bullion coins and bars and the Perth Mint Depository custodial facility; providing collectors with innovative and high quality numismatic coins; supplying mints with precious metal blanks; and operating a leading Perth tourist attraction.

BLOG WATCH 3 APRIL 2012

OVERNIGHT MOVEMENTS

Perth Mint Spot	Gold USD	Silver USD	Gold AUD	Silver AUD
Closing 2nd	$1,672.16	$32.74	$1,610.32	$31.53
Opening 3rd	$1,686.00	$33.27	$1,618.51	$31.94
Change	+ $13.84	+ $0.53	+ $8.19	+ $0.41

CASEY RESEARCH ON WHEN TO SELL

Hard to go past an article with this tagline: “Revealed – the simple economic indicator that will tell you when it's time to sell gold.”

For the busy, here’s the punch line: *“When real rates turn positive, especially above 2%, it may be time to sell. We'll have to see what's going on in the world at that time; if there's financial chaos, the fear factor could cause gold to depart from this historic pattern.”*

It is another good piece by Casey Research and worth a read because negative real interest rates are a significant long term driver of gold prices.

CLIVE MAUND - TECHNICAL ANALYSIS

Clive Maund has put out two technical analysis articles on gold and silver. Clive considers gold’s recent trading behaviour to be one of consolidation and sees two alternative explanations of the pattern, both bullish. His first interpretation is:

“The pattern forming in gold is believed to be a Head-and-Shoulders continuation pattern. If so we are at an optimum entry point as the price is now marking out the Right Shoulder low. Failure of support shown [$1625-$1600] will abort the pattern. Moving averages in bullish alignment.”

Click here for the rest of the analysis. For silver (click here) Clive also sees it *“marking out a Head-and-Shoulders pattern that parallels the one forming in gold, but whereas the one in gold is classified as a Head-and-Shoulders continuation pattern, the one in silver is classified as a Head-and-Shoulders bottom.”*

MARK FABER ON BLOOMBERG TV ON GOLD

Contrasting with Clive Maund’s assessment, Zero Hedge reports Mark as saying *"Since then [December 2011] we've had a feeble recovery. I think that the correction period is not yet over.”* However, he’s not selling his gold *“because I don't trust* *governments and I don't trust the Federal Reserve, nor would I trust the ECB or other money traders in the world. They are all going to print money."*

Dominique de Kevelioc de Bailleul (Beacon Equity Research) on silver

Dominique riffing off a Dan Norcini observation: *"Volatility has been tremendous lately in all commodities markets. But in the silver market, volatility is the norm. Bottom line for silver investors: if volatility scares you, get over it, or get out!"*

So true, and maybe why silver investors seem to be more excitable than gold investors! Mentioning Dan Norcini, yesterday he notes that gold *"needs to push away from $1680 with some conviction and demonstrate that it can attract enough buyers at this level to take it firmly up and then through $1700. If it can do that, we have a solid shot at the $1720 level."*

Regarding gold and volatility, Ross Clack (CIBC) made the following comments in a King World News interview:

"Investors get concerned about the volatility of these markets, but the reality is that the percentage swings are very similar to the gold bull market of the early 70s and the 1976 to 1980 time frame. It is key that investors understand these markets experienced similar volatility in the 1970s."

James West (Midas Letter Money) interviews Rick Rule and Eric Sprott

This interview covers the usual Sprott themes you will have seen discussed before, but I just want to draw out one aspect which refers to gold's role as insurance for your investment portfolio.

Eric raises the insurance purpose by asking listeners to put themselves in the shoes of Greek citizens: *"Well if you are in Greece what would you be doing today?" You're a wealthy guy, you got your money in the bank, are you going to leave it there? I don't think so. … any country that's had devaluation whether it's Argentina, Iceland. If you had your money in gold you wouldn't have taken the write off on the currency.*

Rick then follows with a pretty good summary of the insurance purpose: *"I ask people not to think about buying them to make money but rather buy them to preserve purchasing power. … I hope I don't make a bunch of money on my bullion. Bullion traditionally has been catastrophe insurance. And I would prefer not to experience a catastrophe, but I feel better owning it."*

Richard Karn (The Emerging Trends Report) on Australian gold producers

Richard has been travelling around Australia researching the Australian gold sector and sees us as *"a safe country. It has very good miners and very good geology. We* *see an absolute wall of money headed Australia's way at some point because the worse the sovereign debt and sovereign risk issues get, the more people will pay a premium for safe countries in which to operate."*

The article also features charts from Richard's presentation at the Gold Symposium in Sydney last November comparing purchasing power vs GDP vs money supply vs debt. Negative real interest rates get a mention as well.

PETER BRIMELOW (MARKETWATCH) ON PHYSICAL DEMAND

Peter reports on Standard Bank's Gold Physical Flow Index, which shows that *"gold offtake was the highest since June last year, just before the $400 rise into August. The bank acknowledged recently weak Indian demand but reported strong interest elsewhere in Asia."*

This correlates with what the Perth Mint is seeing in the wholesale market but at the retail level demand is very lacklustre for us at the moment, which we do tend to see when gold is range bound.

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