

GOLD MARKET RESET

This is not your father's gold market

April 2, 2025



STRONG DOLLAR POLICY

- ▶ The 1971 default
- ▶ Move gold out of the system
- ▶ Dollar as good as gold

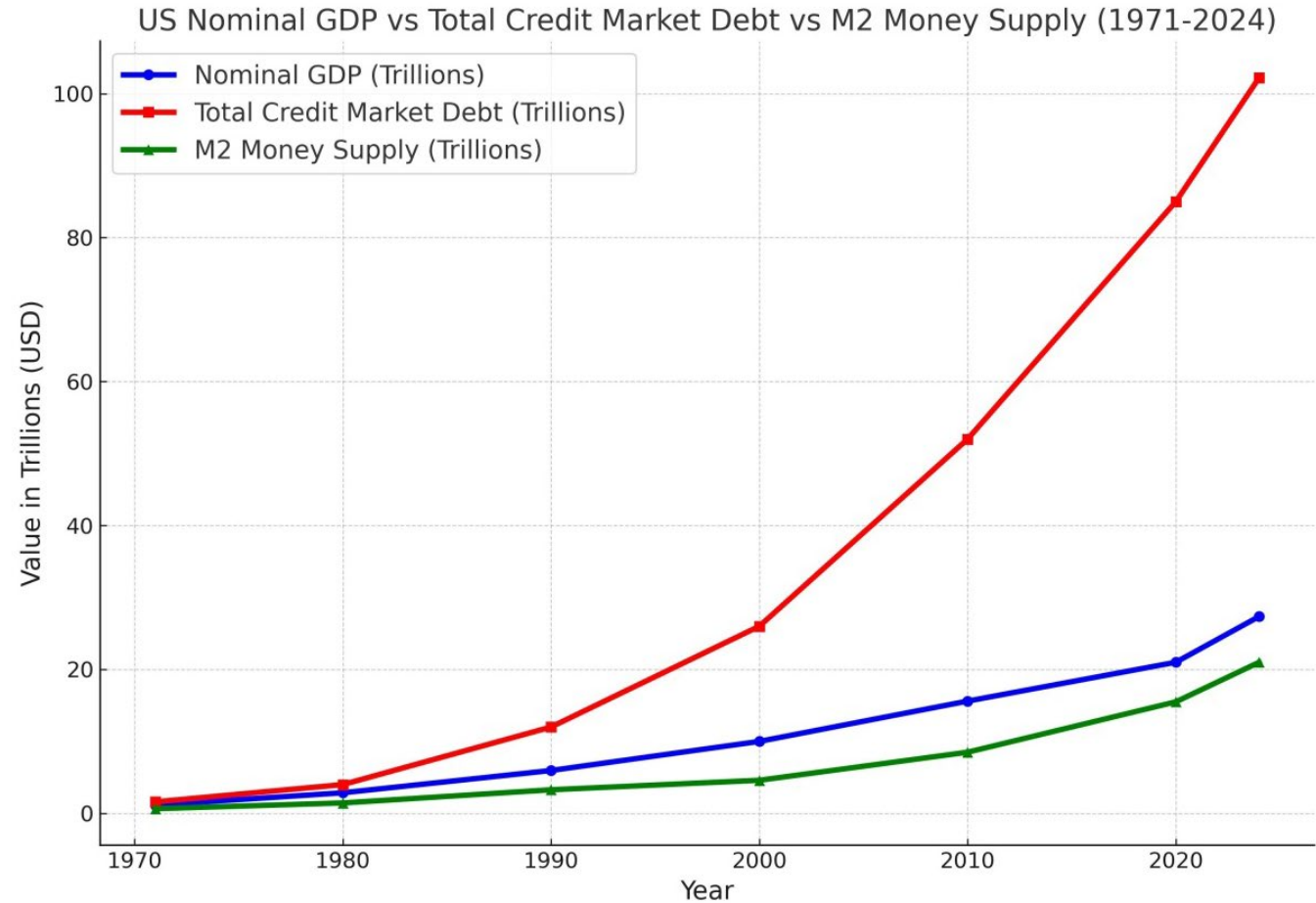
Elements of a Strong Dollar Policy

- ▶ Creation of Petrodollar
- ▶ Volcker inflation battle
- ▶ Sale of European Central Bank gold
- ▶ Creation of COMEX futures market (1974)
- ▶ Deceptive IMF reporting (1978)
- ▶ Gold a Tier 3 asset in Basil Accord (1988)

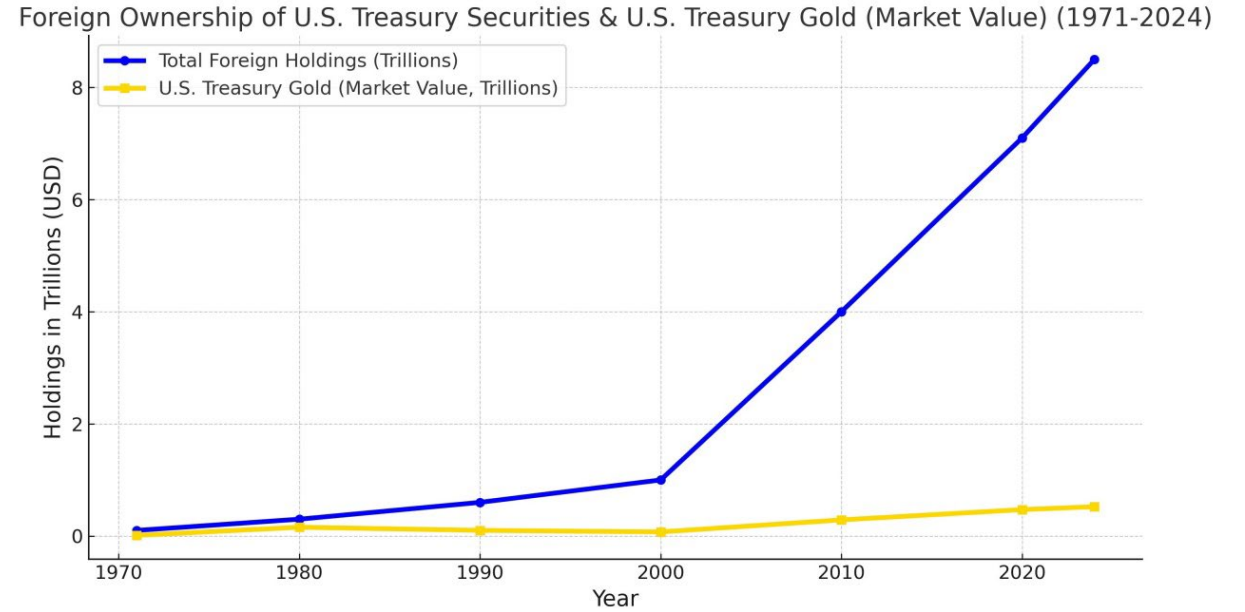
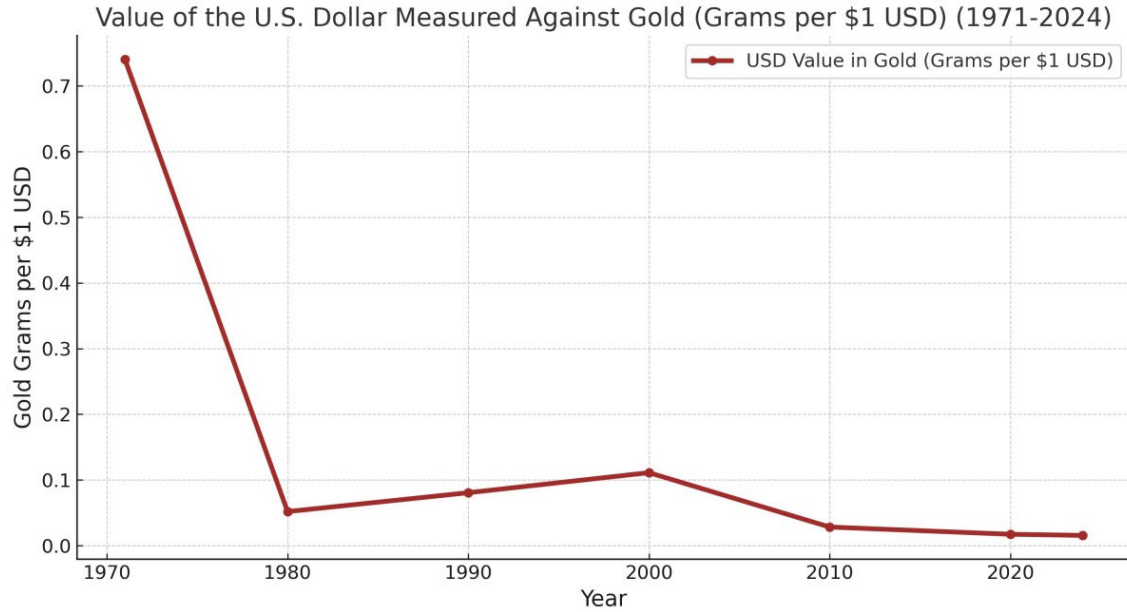
THE EXPLOSION OF UNBACKED FINANCIAL ASSETS/FIAT

From 1971 to 2024:

- ▶ Credit market debt grew from US\$398 billion to US\$102 trillion (**256x** increase)
- ▶ M2 money supply grew from US\$650 billion to US\$21.5 trillion (**33x** increase)
- ▶ Nominal GDP grew from US\$1.16 trillion to US\$30.3 trillion (**26x** increase)

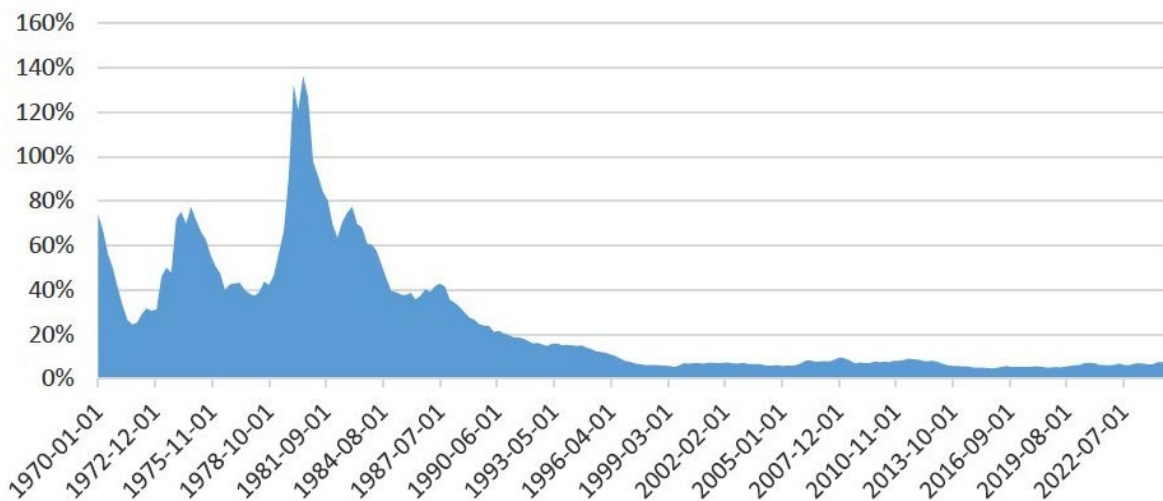


THE EXPLOSION OF UNBACKED FINANCIAL ASSETS/FIAT (CONTINUED)



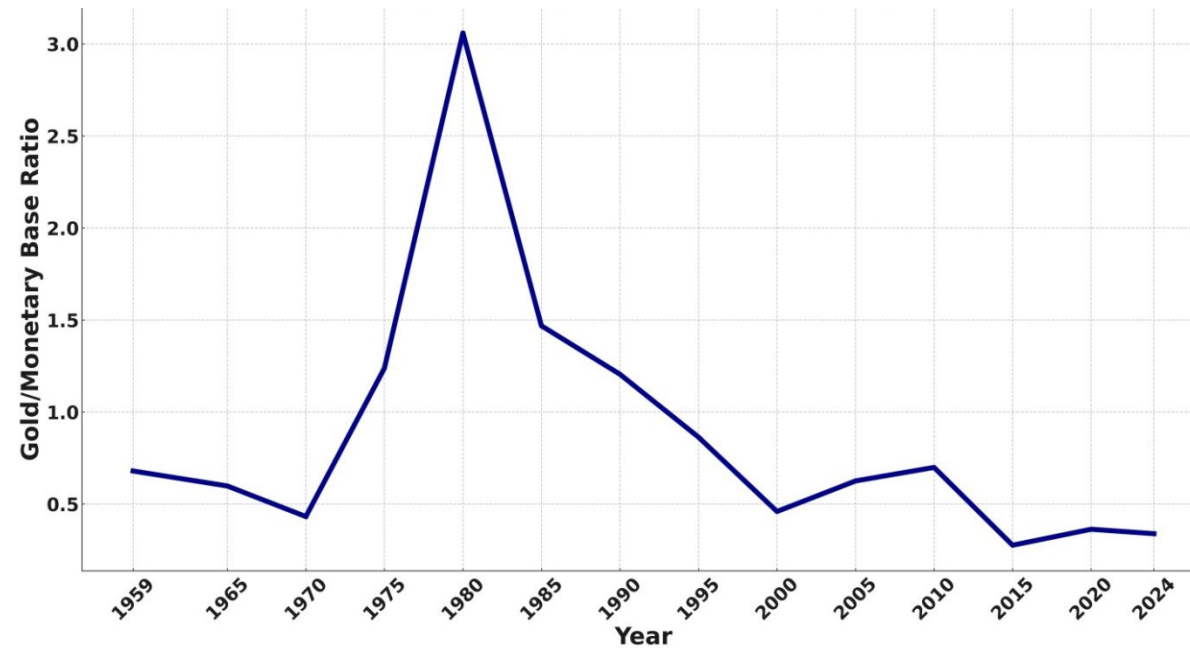
THE EXPLOSION OF UNBACKED FINANCIAL ASSETS/FIAT (CONTINUED)

Market Value of U.S. Official Gold as a % of Foreign Held US Treasuries

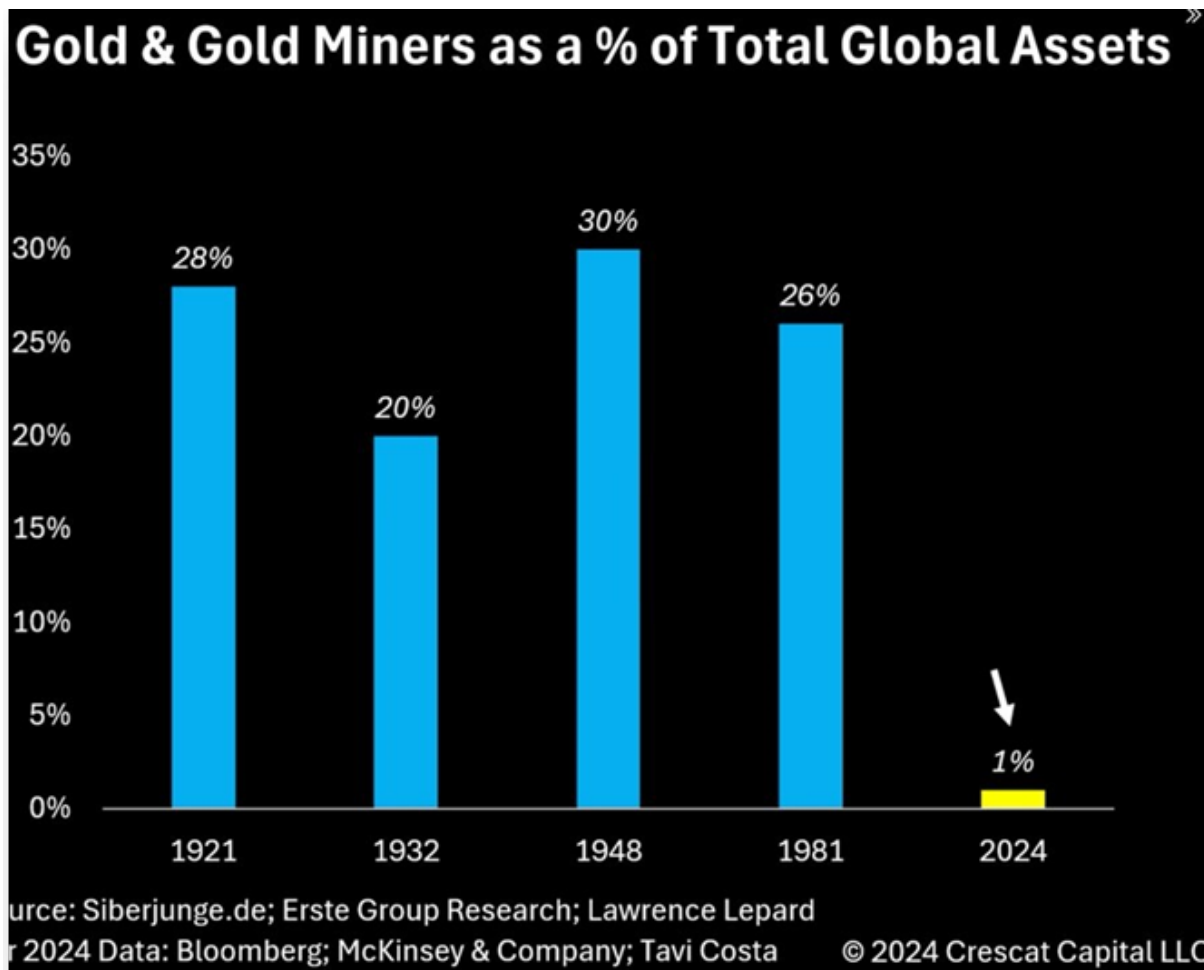


Source: Federal Reserve, FFTT

Gold Price to Adjusted Monetary Base Ratio
(Quarterly, Year-End Samples)



THE RESULT: GOLD AND GOLD EQUITIES ARE GROSSLY UNDER OWNED

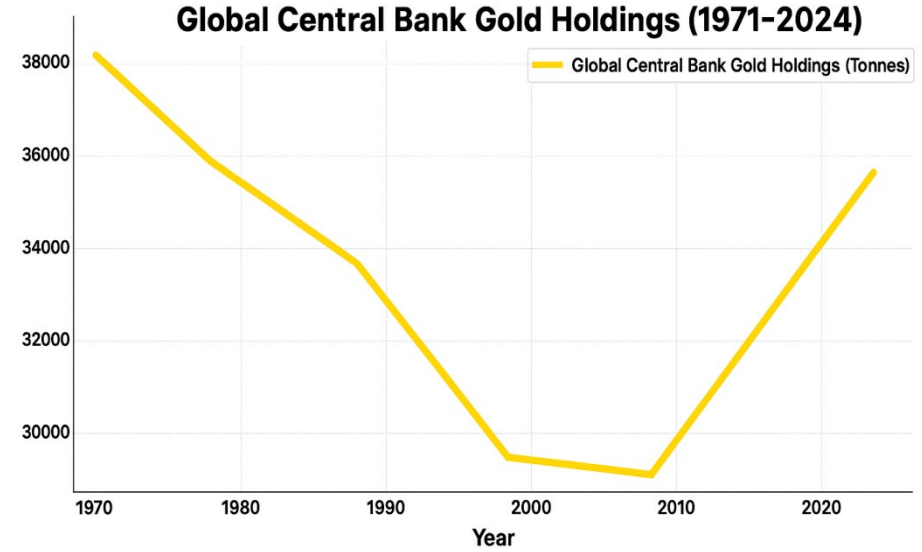
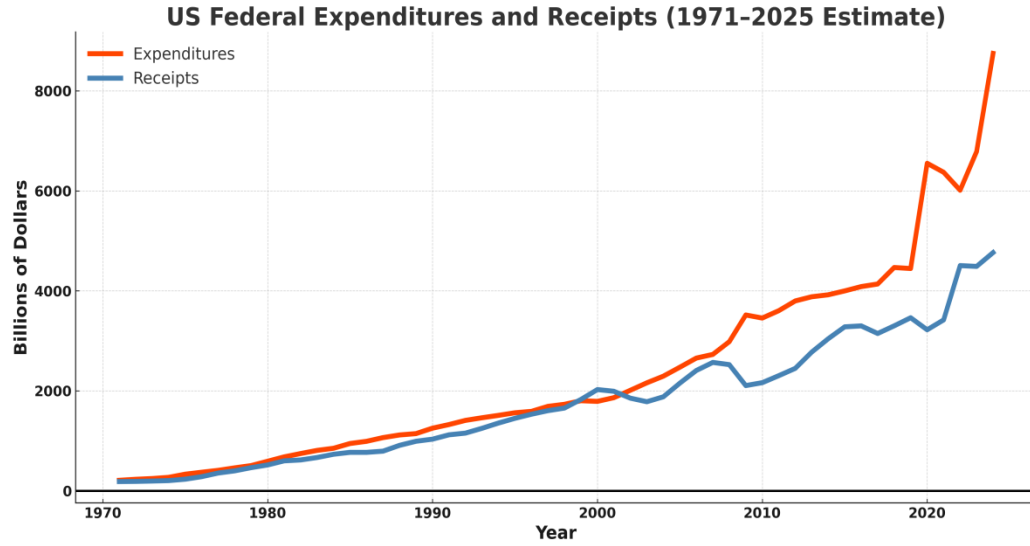


GOLD RETURNS TO THE CENTRE

- ▶ BRICS oil trade
- ▶ GFC, QE, ZIRP, COVID devalue the dollar
- ▶ Sanctions diminish dollar confidence
- ▶ U.S. deficits/debt go exponential
- ▶ Central banks replace dollar reserves with gold
- ▶ Basel 3 (US implementation July 1, 2025)



FISCAL INCONTINENCE DRIVES CENTRAL BANK GOLD HOLDINGS



CONCLUSION: GOLD IS UNDERVAUED VS PAPER

- ▶ Last June we predicted US\$3,000/oz gold price within a year
- ▶ We now predict a reset of the gold market
- ▶ Only US\$20 trillion in gold backs over US\$400 trillion in financial assets
- ▶ Gold catches up to financial asset inflation
- ▶ **Over US\$12,000/oz gold price within three years**

