



Analysis of Gold and Silver

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Introduction:

This is the first Analysis of Gold and Silver report since 19 June 2016. There has been no need to revise our assessment or our predictions as the Gold and Silver have performed within acceptable limits of our predictions. Most other markets have also performed as expected and clearly predicted. For what we believe to be very sound fundamental and technical reasons, we are still exceptionally bullish on Gold, Silver and other Precious Metals. The fundamentals affecting these important hard asset markets are also in-line with our comments and forecasts. We will now address the most significant fundamental and technical factors that are now influencing Gold and Silver and that should drive market action for the fourth quarter of 2016 and beyond.

The key feature of the past quarter is the lack of volatility in the Gold and Silver market. It was the same as well as many other markets. We see this as the "managed - manipulated" calm before the storm. The past quarter has extended a long period of massive intervention and market manipulation by the Central Planning Global Masters (the very dominant international Banking Cabal and their associated organisations) to fake-out investors by massive money printing designed to delay the day of reckoning. We estimate that this inevitable day of reckoning is now very close to erupting. This will happen when the free market forces will emphatically return the markets to real, market driven influencing processes that once again reflect true supply-demand ratios, honest true price discovery, and global liquidity. We predict that this will be a seismic shift of shuddering life changing proportions in wealth, prosperity and happiness for most of the global population. But there is a correspondingly serious upside to those strategically positioned in Gold, Silver and other Precious Metals stored fully insured outside the banking system and also have the optimum strategy for very independent Financial and Personal Sovereignty.

For many years we have been predicting the absolute inevitability for the return of the free market forces and the overwhelming of the wealth theft and enslaving forces of the very dominant Central Planning Global Masters that are above the law to which others are held accountable and judged in most nations. The deliberately deceptively named US Federal Reserve (most commonly known as the FED) is the most obvious point of power and control of the international Banking Cabal. The main stream media, with continuous hype and drum rolls, and incessant fanfare focuses the world on every piece of new policy, whispers, speculation, and indeed double speak by the Fed chairwoman and other members of the Fed's FOMC committee. Let's be clear, the FED only creates currency out of thin air that is converted into wealth for its shareholders and compliant organisations – not the 98% or so of the rest of the world's population. We believe the FED should be identified as the organisation for "Financial and Economic Destruction" – just need to include B for destruction of banking.

We believe that we are about to move irreversibly out of the eye of the storm and into the reality of game-changing buffering disturbances. As we have constantly forecast, this includes the collapse of the global economic, currency, banking and political systems.

The current defining indicators are the inability of the Banking Cabal to push financial assets such as stock markets and debt instrument markets such as bills and bonds higher and correspondingly Gold, Silver, other Precious Metals and the commodity indices much lower. Quantitative easing (massive money printing) is NOT boosting economic growth. It is just impoverishing the masses and increasing the unsustainable global debt bubble. As we have said continuously, wealth cannot be printed; it needs to be created through investment and commercial enterprise that constantly meets the needs of the market.

As we have predicted, we are in the zone for the acceleration of biggest and fastest transfer of wealth in the history of the world. It makes absolute sense, and indeed totally responsible, to be on the receiving side of this wealth transfer. We recommend to **Go Bold on Gold** as a matter of great and strategic urgency, and you should expect to be on the receiving side of a massive increase of wealth in absolute purchasing power terms as well as having a store of value immuned from expected bank failures and "bail-ins". We seriously expect that this insurance policy will turn into a bonanza of great and significant proportions for the wise investors.



Central Planning Global Masters:

On many occasions we have mentioned the role of the "Central Planning Global Masters" as a major force in the affairs of debt based currency creation, banking, market manipulation and its controlling influence over market cycles. Observing the policies and activities of their network of organisations is very important so we can make accurate predictions and execute the correct strategies for the wealth, prosperity and personal security of our friends, associates and clients.

It continues to be abundantly clear to us that the credibility of the Central Planning Global Masters and its network of compliant organisations are losing control. There are increasing signs of rebellion against the so called "establishment" across many nations. It is clear to us that the Banking Cabal controlled Globalist's New World Order doctrine continues to crumble morally, intellectually, financially and militarily.

In addition to the unfolding collapse to the world's economy, currency, banking and political systems, the real concern to us is the clear signs that the Banking Cabal controlled "western" military industrial complex is now engaged in the early phase of WW3 and is preparing to accelerate into an outright military conflict with the nations in the "Silk Road" development zone – but mainly China and Russia. The consequences for the world's stock, debt and currency markets from such a devastating happening will be massive in a negative way. However Gold and Silver should receive a massive boost to prices.

One constantly proven and stunning fact, is that the "Western Alliance" and a number of other nations are controlled by the Central Planning Global Masters. The US Federal Reserve being the most obvious centre of power of the International Banking Cabal as it issues the debt based Federal Reserve Note called the US Dollar. However, but more secretive is the real controlling entity, the Bank of International Settlements located in Basel, Switzerland. The United States, dominated by the US Federal Reserve is clearly the "go-to" nation to enforce the strategic will of the Banking Cabal and to continuously protect their self-serving, self assumed power and hegemonic supranational sovereignty over the world.

As we have mentioned many times the Banking Cabal have secured a licence in many/most nations to create and manage a nation's currency and through this mechanism they control the banks, the politicians, governments, governmental organisations and strategic commercial corporations including the US military industrial complex, the US dominating health industrial complex and the US food industrial complex. Each national paper/fiat/digital currency unit is loaned into existence and has NO asset backing whatsoever and by definition has NO intrinsic value – just a perceived value guided by the force of government power mostly through legal tender laws. Because the United States has had the exorbitant privilege of having the US Dollar as the reserve currency of the world since 1944, the US Federal Reserve is the most watched power centre of the Banking Cabal's network.

As you can see from the following quotes this system of wealth theft and political control has been in existence for a long time:

1. The strategy of the Central Planning Global Masters (the International Banking Cabal) was masterfully created by the founder of the Rothschild family international banking dynasty, Mayer Amschel Rothschild in the late 18th Century and early 19th Century. At the heart of the strategy was his now famous quote in 1791 - "Permit me to issue and control the money of a nation and I care not who makes its laws."
2. When a government is dependent upon bankers for money, they and not the leaders of the government control the situation, since the hand that gives is above the hand that takes... Money has no motherland; financiers are without patriotism and without decency; their sole object is gain." – Napoleon Bonaparte, Emperor of France, 1815

The Currency and Market Manipulation Racket:

This currency creation racket of the Banking Cabal is an exceptionally simple concept but its affect is so dynamic in the wielding of power, influence, wealth creation and non-recourse wealth theft. Once you understand the basics of this currency creation racket, some clear questions come naturally to discerning minds - how has mankind been deceived to such a devastating extent for over two centuries. We also clearly understand how markets can be so easily manipulated by the Banking cabal for maximum financial "bonanza" level gains. It is now a regular occurrence. They have nearly unlimited financial capacity for the moment to achieve their objectives. They also are a law unto themselves and clearly free from prosecution for any market manipulation, insider trading and deceptive selling of investment products.

The answer to this question then activates further thoughts - most particularly, how to deal with this unacceptable issue and effect natural change to a sound money system. We will address this question in more detail and the strategy we recommended another time. In the meantime we continue our focus on the self interests of all our friends, associates, fund management and advisory clients and continue to provide analysis and strategies that actively support our strategies of Financial and Personal sovereignty.



Gold:

Gold finished the third quarter on 30 September 2016 trading at US\$1,316 per troy ounce. This is an excellent rise of \$270 per troy ounce or 25.81% since the Wave 2 corrective low price of \$1,046 on 3 December 2015.

Since the 3 December 2015 low of \$1,046 per troy ounce, Gold rallied strongly to reach a high of \$1,375 per troy ounce on 6 July 2016. We are now assuming that this completed the first minor upside leg of a powerful major Wave 3 advance in price/value. This represents a low to top advance of \$329 per troy ounce or 31.45%. Since then the market has been moving in a sideways choppy action but so far has not broken below \$1,300 per troy despite a few attempts within the highly over-leveraged paper futures markets.

The most important point is our analysis of the natural market wave counts is whether Gold is now in Wave 3 of this major bull market. In our 19 June 2016 Analysis of Gold and Silver, we advised that to absolutely confirm that Wave 2 is complete and an advancing Wave 3 is in process, we need a "sustainable upside break above the powerful inflection point of \$1307 for Gold". This in fact was achieved on 16 June 2016 and then rallied intra-day to \$1315.55. But this upside "breakout" could not be sustained and continuous selling pushed the market down as pre Brexit referendum vote increased market volatility. A corrective low of \$1,251 occurred as the referendum results started to emerge on 24 June 2016. When it became clear that the polls favouring remain got it wrong and the leave campaign was actually winning the vote, Gold thrust from the intra-day and corrective low of \$1,251 into a super rally intra-day high of \$1,358 per troy ounce. Since then and after a small correction the market later reached a leg 1 high of \$1,375 on 6 July 2016. This was the start of a leg 2 correction which is still in process.

Since the 6 July 2016 high of \$1,375 the market has been in a sideways choppy pattern as it unwinds its short term technical overbought status. During this healthy correction phase the pre-stated strategic break-out inflection point of \$1,307 has proven to be good support. In fact it has only been penetrated on the downside by \$5 per ounce on just one occasion. While the market is showing exceptional resilience in this sideways corrective phase, we would not be surprised if the Banking Cabal can manage one more "rigging" in the paper market to trigger stops under \$1,300 and unwind some of their massive "market manipulating" short positions in the market. We have covered this market manipulation many times. For more detail please read previous analysis reports. Many are included in the Appendices.

One very important point is that the clear and relatively determined focus of this powerful international Banking Cabal is to try and maintain public trust in the debt based paper/fiat/digital currency system for as long as possible. This means suppressing as much as possible the price of Gold and Silver. As they are finding, there are limits – even for this very powerful debt based currency creating Cabal.

Let's look for positives. There are some clear benefits to price suppression. In fact, the Gold price setback of the naturally advancing bull market from 6 July 2016 just provides more time for the astute investors to accumulate more Gold at very reasonable prices.

The Aurian proprietary technical analysis systems are long term bullish with short term slightly bearish. However, the market has and is still showing great support above the very significant inflection point of \$1,307. Most of the over-bought technical status is now being unwound in the corrective phase of the past 3 months. The important question is when this downside correction, which we are classifying as minor leg 2, is complete and an advancing minor leg 3 of Wave 3 becomes active. The real confirmation of this will come when the market thrusts through \$1,375 per troy ounce. Positive cyclic influences are now in play so we expect some increasing volatility with a strong upside bias starting early in October and continuing over the next few months.

Gold - Expected Returns:

Despite the main stream media's constant negative reporting on Gold, the reality is that since the start of present Gold bull market in March 2001 at \$257 per troy ounce, the price of Gold which traded at \$1316 per troy ounce on 30 September 2016, has gained \$1059 per troy ounce or a gain of 412%. **This represents an average annual gain of 27.46% over 15 years.** This is a return on investment that very few investors and fund managers can claim in any one year let alone for a 15 year period. Assuming our forecast that this Gold bull market will endure for at least another 12-20 years, and that our assessment confirming the market is now into Wave 3 is correct, then we expect the average annual gains in US Dollar priced Gold will be closer to 50%.

Since we called the start of this Gold bull market in 2001 we have continuously stated that our price targets for the top are within the range of \$10,000 to \$15,000 per troy ounce. However, our analysis has indicated for a few years that there is a strong chance that much higher prices will be reached – possibly as high as \$25,000 or more per ounce in an extreme hyperinflationary blow-off. Naturally, if/when such targets are reached the average annual gains in price will be in excess of 50% per annum.

Silver:

Silver finished the third quarter on 30 September 2016 trading at US\$19.15 per troy ounce. This is a rise of \$5.55 per troy ounce or 40.8% since the price low of \$13.60 on 14 December 2015.

Silver is trading generally in line with Gold. The varying influencing factor of the Silver market is the natural bull market dynamic to reducing the Silver/Gold ratio from 68.72 at 30 September 2016 to the long term ratio of 15 or 16-1.

While we believe that Silver is also in the very early stages of a Wave 3 advance, Silver still needs to power emphatically through \$20.20 and then \$21.10 per troy ounce to give absolute confirmation of this important technical point. When this happens, some explosive advances can be expected to follow most short term downside corrective moves. Silver should then gain more in percentage terms than Gold as the Silver/Gold heads towards 15 or 16-1 over time.

Silver - Expected Returns:

Since the present bull market in Silver started in August 2001 at \$4.04 per troy ounce, the value of Silver has risen to \$19.15 per troy ounce at the end of quarter close on 30 September 2016. This is a gain of \$15.11 or 374%. This represents an average annual gain of 24.9% over nearly 15 years. This is slightly below the performance of Gold which averaged 27.46% per annum. One key point to always remember is that compared to Gold, Silver trades with much greater price volatility.

Based on our long term forecasts for Gold of \$10,000 to \$15,000 per ounce, and assuming the long term Silver to Gold ratio will return to its long term average of between 15/1 and 16/1, we are expecting Silver to trade at \$666 to \$1,000 based on a 15/1 Silver/Gold ratio. This is a huge increase of 3,378% to 5,221% from the present price of approximately \$19.15 per ounce. More optimistically, if Gold reaches our higher target of \$25,000 per troy ounce Silver could trade at a high point of \$1,666 if a 15/1 Silver/Gold ratio is achieved. This would represent a 8,700% gain from \$19.15.

The Powerful Potential of a Wave 3 Advance:

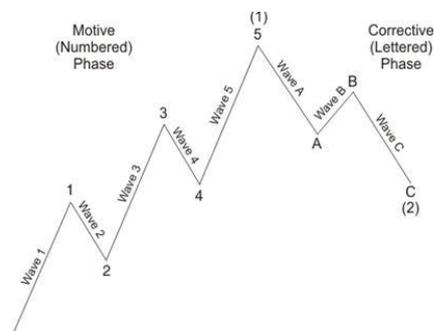
As we have explained over the years, Wave 3 generates the most powerfully explosive advance in any bull market. In brief, if the upside-break above \$1,375 in Gold can be sustained in a powerful advance then we can confirm with an absolute degree of certainty that Wave 3 is well underway. As mentioned, for Silver a sustained upside thrust above \$21.10 per troy ounce will also confirm Wave 3 for Silver.

Please keep in mind that based on real inflation adjusted terms; Gold and Silver are still close to the lows of 1970 in real purchasing power terms. This means that both Gold and Silver are still exceptionally cheap in terms of true value - so a massive upside potential in line with a traditional Wave advance is in line with our analysis.

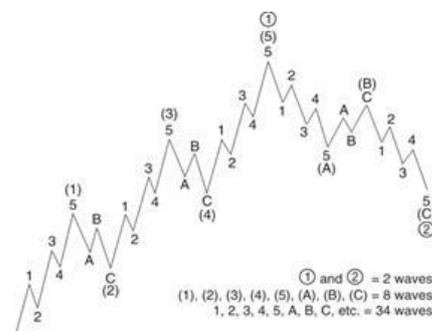
Graphics of Natural Market Rhythm:

As we know, a picture is worth a thousand words. To give a clear dimension to our wave analysis we are pleased to provide a key to the basic natural market form of wave analysis as discovered and defined by R.N. Elliott over 70 years ago. A graphic image of the wave analysis is like a "road map" on an investment journey. Most important at this time is to focus on how Wave 2 (down) and Wave 3 (up) fit into our analysis.

A- The basic wave form:



B – The more complex (subdivided) basic wave and internal leg form:



As you can see particularly clearly in the basic wave form (A) above, the low of Wave 2 is probably the lowest risk buying point of any bull market. It is the first correction to a well defined long term uptrend. As discussed above, we believe that based on technical analysis and indeed many fundamental considerations there is good supporting evidence that minor leg 1 of Wave 3 has indeed completed.



Based on previous market performance, we also believe that proportions presented in Wave 3 above will be extended in magnitude and percentage terms to Wave 1 compared to the figurative illustrations above.

However, we are clearly not living in normal times. Widespread manipulation of all markets starting with interest rates and money supply has distorted the pricing and natural rhythm of all markets.

Gold and Silver Summary:

It is a clear benefit for the long term investor in Gold and Silver, that the longer the Gold and Silver market is suppressed in the present three months long sideways consolidation, the more time there is to buy relatively cheap Gold and Silver.

We confirm our belief that the weight in Gold held by an investor is the key measure of real financial worth and the key to personal and financial independence. Our long term strategy to "Go Bold on Gold" is still very much in play.

Other Markets:

As previously advised, the Aurian proprietary technical system is the optimum trading resource for the predictions and timing of any market across the globe. Based on this we now share our findings on other markets we are following. This broad spectrum analysis gives us a wider spectrums understanding of the global economy, markets, banking and political influences. This extensive research also supports our understanding and ability to predict the performance of Gold and Silver.

A: Rising Commodity Prices:

While we were predicting the bottoming of Gold and Silver in Wave 2 during December 2015 and January 2016, we also clearly called the bottom of the commodity indices. In the January 2016 Analysis of Gold and Silver report we stated "*the whole commodity index is in the process of making a major bottom*". Since then, and as of 30 September 2016 close, crude oil is up 85%; the Goldman Sachs Commodity Index is up 35.47%, and the wider spectrums Thomson Reuters Jeffries CRB Index is up 20.29%.

This commodity sector has also been in a sideways corrective phase in a similar way to Gold and Silver. These indices have now turned up again and confirm the move out of national currencies into a wide spectrum of commodities. In fact the trend is out of debt based nation paper/flat/digital currencies and into real assets which also have strong monetary value during times of accelerated loss of purchasing power of national currencies.

B: Rising Gold and Silver Mining Stocks:

Also in line with our forecasts, publically listed Gold and Silver mining companies have also performed brilliantly. To reflect this, while also in a sideways corrective phase for the past six weeks, the Gold Bug Index (HUI) as of 30 September 2016 is up 133% and the Gold and Silver Mining Index (XAU) is up 145% since January. We see this as just the first advancing leg in this market complex. We also believe the upside is exceptional and will reap returns far in excess of Gold and Silver in percentage terms, but at much higher risk. In addition to market volatility, the biggest risk to an investor is the liquidity and or failure of stock broking firms and banks holding investors cash and other assets. The security of share scripts in some market centres is also a potential risk to investors.

C: Western Stocks Markets:

Following the sharp sell-off in all western stock markets in January 2016, the Central Planning Global Masters came in to "pump up" the markets with free money and strategic buying. However, this push could not achieve new all time highs in the US markets. All major western stock markets were trending down at the time of our 19 June Analysis of Gold and Silver. We also advised the possibility of another "managed" attempt by the Central Planning Global Masters to lift the market to new highs. This happened but the upside momentum died quickly into suspended animation after this recent advance to slightly new all time highs. Because US Stocks are more overvalued than at the top in 2008, we believe that there is little scope for any successful Banking Cabal managed attempts to keep any meaningful upside momentum. We believe that to invest for such a potential outcome is a very high risk trade.

The recent gain of some of the US stock markets to slightly new all time highs is not convincing. For instance the Dow Jones Industrial traded at 18,308 on 30 September 2016 slightly below the high of 18,351 on 15 June 2015 following a recent high of 18,588. The S&P closed at 2168 on 30 September 2016. This is slightly above the high of 2134 on 22 May 2015 and below the recent new all time high of 2,193. The NASDAQ index is also only at slightly above the all time highs of 2015 and is also finding it difficult to advance further – even will all the quantitative easing (purchasing power destructive currency printing). Diverging from these indices is a reliable early indicator, the Dow Jones Transport indices. As of the 30 September 2016 this represents a 17.6% decline from the November 2014 top. Not surprising, the Banking Indices is also trending down strongly.



The UK market FTSE is close to 7,070 high of June 2015 and is now trading at 6,900 at the 30 September 2016 close. Although NOT at a new all time high there has been a gain of 19.21% from the low of 5,788 on 24 June 2016 following the successful BREXIT referendum.

In comparison to the UK FTSE, the German DAX, the French CAC 40, the Italian FTSEMIB, the Euronext 100 and the Swiss Stock Index are quite some ways off their all time highs. The Greece Stock Market is rock bottom. This is an early indicator confirming the financial fragility of the European banking system, including the all powerful European Central Bank (modelled on the US FED). It also supports our prediction of the past 15 years that the European Union would eventually disintegrate and nations will progressively regain their full sovereignty.

D: Bubble in Debt Instruments:

The practice of Central Bank Zero Interest Rate Policy (ZIRP) and now Negative Interest Rate Policy (NIRP) is very clearly a devastating policy for savers, and we seriously believe is devastating to the world economy and the already fragile banking industry. It is also a Clarian call for all investors to heed the unfolding extreme financial, monetary, banking and political disaster that we have been clearly predicting for many years. Hence our continued advice is to **"Go Bold on Gold"**.

As presented in some detail in our Gold and Silver Analysis of 30 January 2016 there is a "checkmate" against the Western Central Banks. The Central Bank as well as the national governments massive debt is so high that even a low, but more reasonably fair than ZIRP or NIRP at 2% would bankrupt both sets of controlling organisations.

The real question now is how long the Western Central Banks can extend their ZIRP and NIRP Policy?

This ZIRP and NIRP enforced policy pushed the US 10 Year Bond to a slightly new high in June 2016. Just like some (but not all) of the US Stock indices that have gone to slightly new all time highs, there has been little follow through on the upside for US 10 Year Bonds.

The reality is that the unprecedented global debt bubble supported financial instrument market appears ready to be the next market to go "offered and no bid". It is clear that the liquidity in the banking and investor world is drying up just as it did prior to all major market crashes.

As we forecast, government's fatal dilemma is a free market driven increase in interest rates. We still expect that rising interest rates will create the bankruptcy of central banks and many governments. This will send government bills and bonds into a long term downtrend and a massive loss in price and purchasing power.

E: Downwards Pressure on the US Dollar:

Also as predicted, the downtrend in US Dollar index since December 2015 continues to be under pressure and has not followed some US Stock Indices and 10 Year Bonds to slightly new all time highs. This could be another pointer to the weak structure of the US Stock and debt instrument market.

As we have regularly re-affirmed, we expect all national currencies to continue to lose purchasing power at increasing rates as the vortex of destruction gathers momentum. The real measure of loss of purchasing power is against most stable and consistent store of value and unit of global exchange over 5,000 years – **GOLD.**

04.10.2016