GoldCore

Review of 2013 and Outlook for 2014

TABLE *of* CONTENTS

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INTRODUCTION

Happy New Year! We would like to take this opportunity to wish our clients and subscribers a prosperous, healthy and happy 2014.

With 2013 having come to a close, it is important to take stock and review how various assets have performed in 2013, assess the outlook in 2014, and even more importantly, the outlook for the coming years.

2013 was the year of the speculator and the year of the risk asset, such as equities, with global stocks doing well in the sea of liquidity and cheap money created by central banks.

Surprisingly to many gold bulls, these favourable monetary conditions did not lead to higher precious metal prices. Gold and particularly silver had a torrid year and significantly underperformed the vast majority of equity and bond markets.

The MSCI World Index was up 23% and the S&P 500, the NASDAQ and the FTSE were up 32%, 35% and 14% respectively.

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MSCI World Index - 1970 to January 3, 2014 - Bloomberg

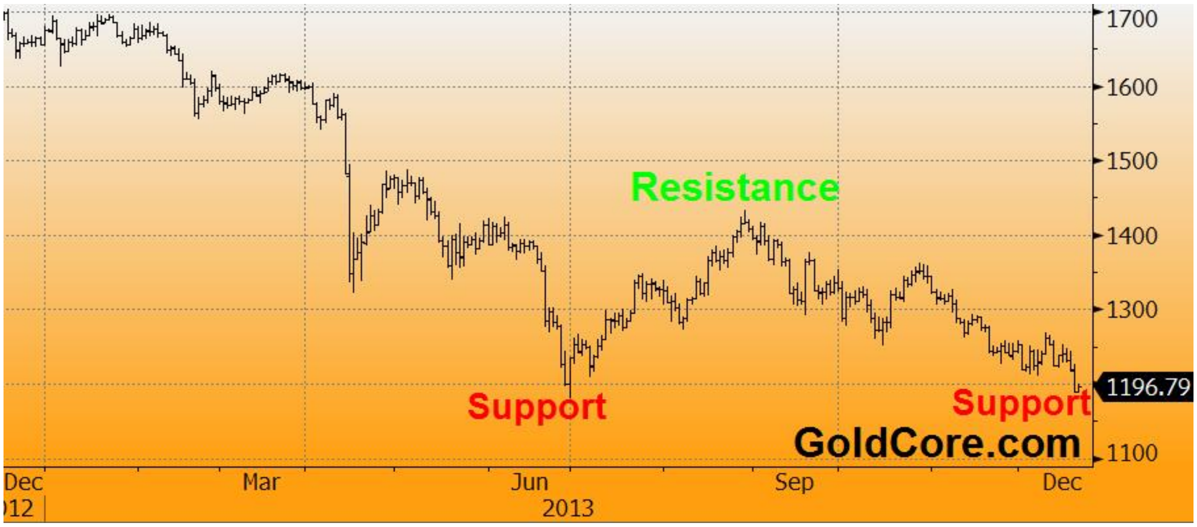
Bond investors did not fare as well as interest rates began to rise from all-time record lows. As bond prices fell, interest rates rose. The bellwether 10-year Treasury note closed the year at 3.028%, which was up from 1.76% at the start of 2013 and the highest since July 2011.

U.S. 10 Year Note - 1964 to January 3, 2014 - Bloomberg

The Barclays US Aggregate bond index, which is dominated by Treasury, mortgage and corporate bonds and is the leading benchmark followed by institutional money, is set to record its first negative year of total returns since 1999. The bond market's major benchmark registered a total return of minus 2.1% for 2013. It is only the benchmark's third annual negative total return since 1976, according to Barclays.

Gold and Silver Have Torrid Year - Fall 28% and 36% Respectively

Gold fell in all major currencies in 2013 and fell 28% in dollar terms for its first annual price fall since 2000. Gold fell 40% in pound terms, 45% in euro terms. Gold fell much less in Japanese yen terms and was 16% lower in yen as the yen continued to be devalued and debased.



Gold in US Dollars – 1 Year - Bloomberg

Silver was down by 36% in dollar terms and by more in the other currencies; silver had its poorest annual performance since 1984.

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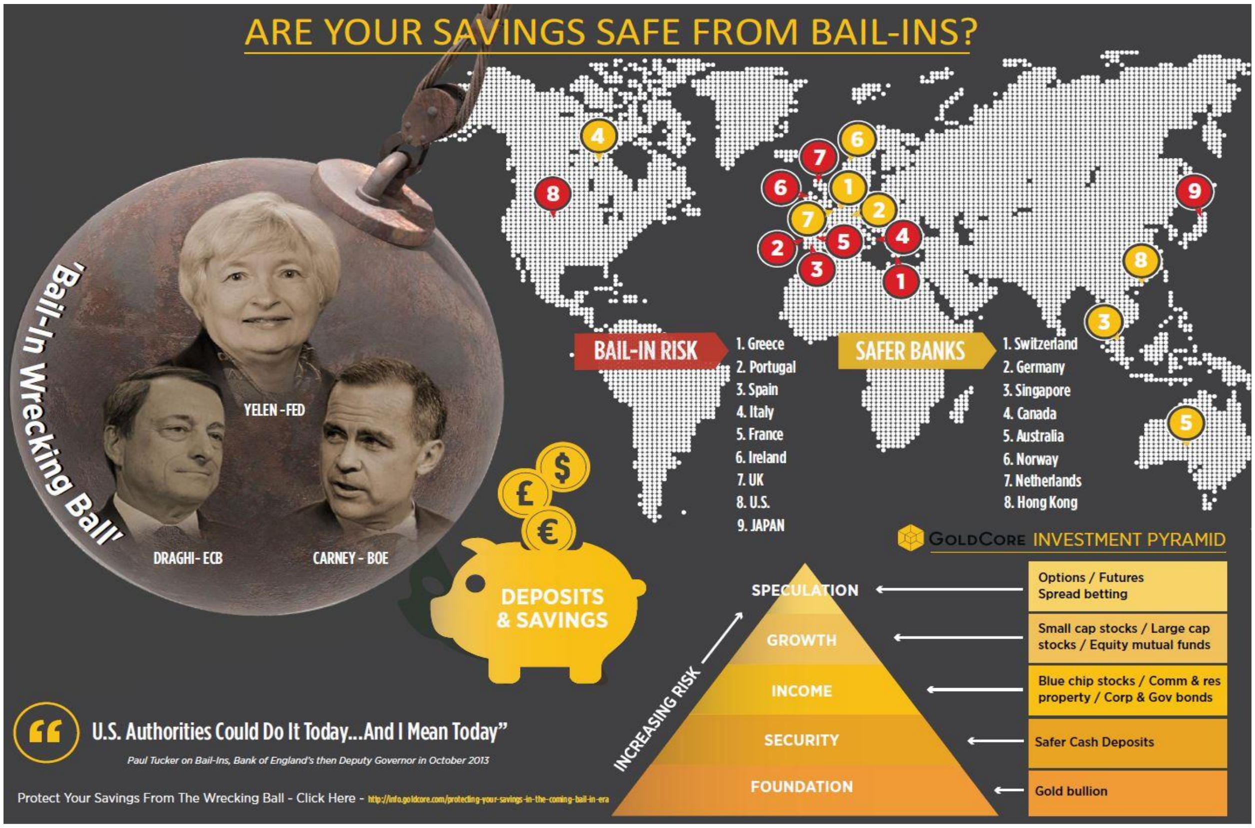
Gold came under pressure in the first half of 2013 and saw falls from near $1,700/oz at the start of the year to $1,180/oz by mid-year. Indeed, gold's low for the year took place on June 28th, which was the last day of trading in Q2, and an important time frame for those evaluating gold's longer term performance.

The price falls in the first half took place despite a positive fundamental backdrop and despite the risk of contagion in the Eurozone - especially from Spain, Italy and Greece. This risk was so great in the early part of the year that it led George Soros to warn in February that the Eurozone could collapse as the U.S.S.R. had.



Are Your Savings Safe From Bail-Ins?

In March, Cyprus was the first country to experience bail-ins where depositors, both individual and corporate, experienced capital controls and a confiscation of nearly 50% of their deposits. In June and then again two weeks ago, the EU confirmed that depositors will be bailed in when banks are insolvent.

International monetary and financial authorities globally, including the ECB, the Bank of England and the Federal Deposit Insurance Corporation (FDIC), have put in place the regulatory and legal framework for bail-in regimes in the event of banks failing again.

Gold saw a bit of a recovery in the third quarter and saw gains in July and August as gold interest rates went negative, bullion premiums in Asia surged and COMEX inventories continued to fall. Silver surged 12% in 5 trading days in mid-August due to record silver eagle coin demand and ETF demand.

UK gold 'exports' to Switzerland increased greatly during the year due to demand for allocated gold in Switzerland due to Switzerland's tradition of respecting private property throughout the centuries and its strong economy. However, more importantly, UK gold exports to Switzerland were due to the significant increase in store-of-wealth demand from China and many countries in Asia.

Institutional gold in the form of London gold delivery bars (400 oz) was exported to Swiss refineries in order to be recast into one kilogramme, 0.9999 gold bars used on the Shanghai Gold Exchange and in the Chinese market.

However, this was not enough to prevent further falls in the final quarter and in recent days when gold has again tested support at $1,200/oz.

YEAR OF TECHNICAL, PAPER SELLING BUT ROBUST PHYSICAL DEMAND

German Gold Repatriation

The year began with a bang, when news broke on January 17 that the German central bank was attempting to repatriate Germany's gold reserves. The Bundesbank announced that they will repatriate 674 metric tons of their total 3,391 metric ton gold reserves from vaults in Paris and New York to restore public confidence in the safety of Germany's gold reserves.

Bundesbank – Gold Bars

The repatriation of only some 20% of Germany's gold reserves from the Federal Reserve Bank of New York and the Banque of Paris back to Frankfurt was meant to allay increasing German concerns about their gold reserves. But the fact that the transfer from the Federal Reserve is set to take place slowly over a seven year period and will only be completed in 2020 actually led to increased concerns. It also fuelled concerns that the unaudited U.S. gold reserves may be less than what is officially recorded.

What was quite bullish news for the gold market saw gold quickly rise by some $30 to challenge $1,700/oz. The news was expected to help contribute to higher prices but determined selling saw gold capped at $1,700/oz prior to falls in price in February.

Paper Selling On COMEX

Gold's falls in 2013 can be attributed in large part to paper selling by more speculative players on the COMEX. This was graphically seen in April when there was a selling raid on the COMEX which led to a huge price fall of nearly 15% in two days prior to the emergence of "extraordinary" demand for gold internationally.

The sell off came as demand in Europe began to pick up due to concerns that the Cypriot deposit confiscation may be a precedent that could be seen in other EU countries.

The speed and scale of the sell off was incredible and even some of the bears were surprised by it. Many questioned the catalysts for the $150 two day sell off. The sell off was initially attributed to an unfounded rumour regarding Cyprus gold reserve sales - this was soon seen to be a non-story. The Cyprus rumour did not justify the scale of the unprecedented sell off.

Reports suggested that a single futures sell order worth $6 billion, equal to 4 million ounces or 124.4 tonnes of gold, by a large investment bank sent prices plummeting. The futures market then saw a further wave of selling of contracts worth some $15 billion, equivalent to 10 million ounces of selling or 300 tonnes, in just 35 minutes.

Gold futures with a value of over 400 tonnes were sold in a handful of trades in minutes. This was equal to 15% of annual gold mine production. The scale of the selling was massive and again underlines how one or two large banks or hedge funds can completely distort the market by aggressive, concentrated leveraged short positions.

Investment banks and hedge fund speculators can manipulate the paper or futures gold price in whichever direction they want in the short term due to the massive leverage they can utilise. The events in April further bolstered the allegations of manipulation by the Gold Anti-Trust Action Committee (GATA).

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Significant Demand For Physical Globally

Gold prices fell very sharply despite very high demand. However, the gold price decline was arrested by the scale of physical demand globally. This demand was particularly strong in the Middle East and in Asia, particularly China but was also seen in western markets with government mints reporting a surge in demand in 2013.

This demand for physical gold was seen in western markets throughout the year. In April, the US Mint had to suspend sales of small gold coins; premiums for coins and bars surged in western markets due to high demand.

Mints, refineries and bullion brokerages were quickly cleared out of stock in April and COMEX gold inventories plummeted. There were gold and silver coin and bar shortages globally.

This continued into May as investors and savers globally digested the ramifications of the Cypriot deposit confiscation. The crash of the Nikkei in May also added to physical demand in Japan and by nervous investors internationally.

This led to all time record gold transactions being reported by the LBMA at the end of May.

Chinese demand remained very robust and Shanghai Gold Exchange volumes surged 55% in one day at the end of May - from 10,094 kilograms to 15,641 kilograms. There were “supply constraints” for gold bars in Singapore and bullion brokers in Singapore and India became sold out of bullion product at the end of May.

This, and concerns about a very poor current account deficit and a possible run on the Indian rupee, prompted the Indian government to bring in quasi capital controls and punitive taxes on gold in June. Ironically, this led to even higher demand for gold in the short term and much higher premiums in India. Longer term, it has led to a massive surge in black market gold buying with thousands of Indians smuggling in gold from Bangkok, Dubai and elsewhere in Asia.

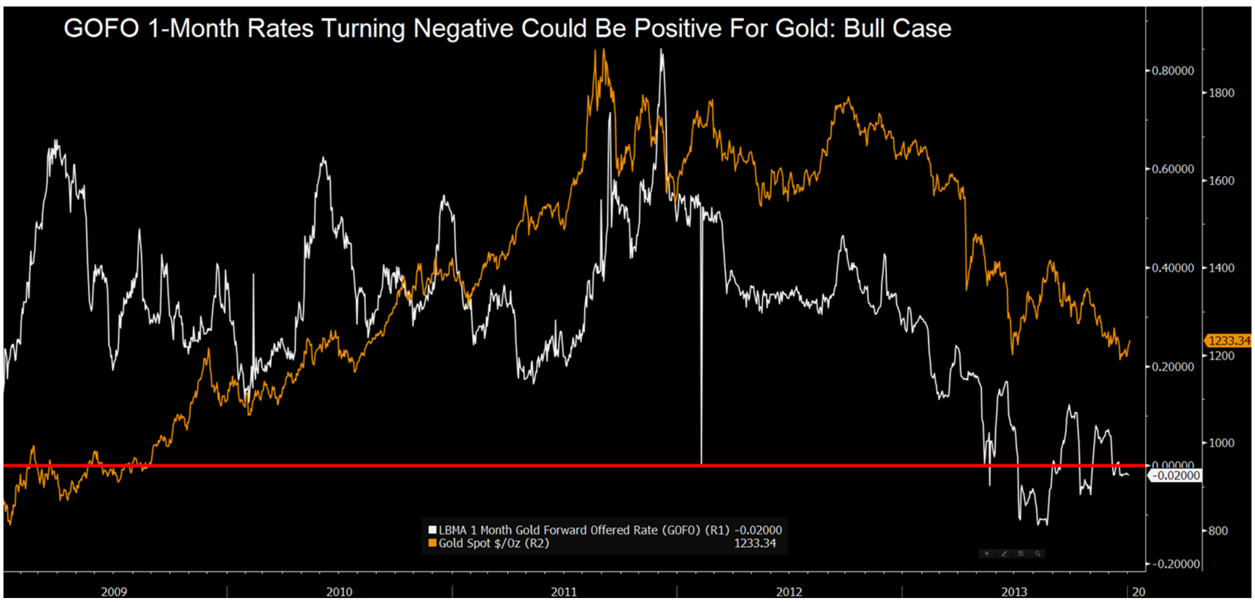
June saw another peculiar sudden 6% price fall in less than 24 hours. This again contributed to increased and very robust physical demand. U.S. Mint sales of silver coins reached a record in the first half of 2013 at 4,651,429 ounces and the UK’s Royal Mint saw a demand surge continuing in June after demand had trebled in April.

Asian markets continued to see elevated levels of gold buying. Gold demand in Vietnam was so high that buyers were paying a $217 premium over spot gold at $1,390/oz. Premiums surged again in China as the wise Chinese ‘aunties’ and wealthy Chinese continued to buy gold as a store of wealth.

Despite very high levels of demand for gold, in Asia especially, gold languished and sentiment in western markets continued to be very poor with gold falling to the lows of the year on June 28th.

July saw continuing strong demand for gold internationally as volumes surged to records on the Shanghai Gold Exchange (SGE). Premiums rose and feverish buying left many of Hong Kong's banks, jewellers and even its gold exchange without enough gold bullion to meet demand.

In August, demand remained elevated and gold forward offered rates (GOFO) remained negative and became more negative. This showed that physical demand was leading to supply issues in the highly leveraged LBMA gold market or the institutional gold bar market.



GOFO and Gold Spot Price - 5 Years - Bloomberg

Today, as we enter the New Year gold, forward offered rates (GOFO) remain negative, meaning banks, which had lent their customers gold to obtain a positive return, and therefore increase the "paper" gold supply, will take the gold back. This should limit the amount of gold on the market and increase the gold price.

Chinese buyers are of increasing importance but it is important to note that physical demand rose significantly throughout the world in 2013 despite falling prices. This is seen in the levels of demand experienced by leading bullion dealers, refiners and government mints. This is clearly seen in the data released by the Perth Mint and the U.S. Mint which both saw increased demand for physical gold coins and bars in 2013. Other mints have yet to report their numbers.

The Perth Mint of Western Australia reported yesterday that they saw a very significant increase in sales in 2013 despite the falling prices. Gold sales from the Perth Mint, which refines most of the bullion from the world's second-biggest producer Australia, climbed 41% last year.

Sales of gold coins and minted bars totalled 754,635 ounces in 2013 from 533,333 ounces a year earlier, according to data from the mint.

Silver coin sales surged 33% to about 8.6 million ounces from 6.5 million ounces in 2012, according to the Perth Mint.

Gold bullion sales expanded 12% to 58,944 ounces in December from 52,700 in November and about 51,778 ounces in December 2012, according to data from the mint. Gold sales fell to as low as 30,430 ounces in August and peaked at about 112,575 in April, when gold was hammered 14% lower on the COMEX in just two days.

Silver coin sales were 845,941 ounces last month from 807,246 in November and 452,389 a year earlier, it said.

The U.S. Mint also saw an increase in physical gold sales and sold 14% more American Eagle gold coins last year and sales climbed 17% to 56,000 ounces in December from November, according to data on the mint's website as reported by Bloomberg.

Syria and the Middle East

Even bullish developments such as the prospect of war in Syria at the end of August, only led to small, short term price gains. War in Syria and in the Middle East, pitching the U.S. and western allies against China and Russia was expected by many to lead to "market panic" and to propel gold "much, much higher," in the words of astute investor Jim Rogers.

Only the fact that President Obama and the U.S. were confronted with opposition by people internationally against another war and were outmanoeuvred diplomatically prevented the war with Syria.

The war had the potential to destabilise the region with ramifications for oil prices and the global economy.

U.S. Government Shutdown and $12 Trillion Default Risk

Another very bullish development for gold came in late September and early October with the U.S. budget negotiations and government shutdown.

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They highlighted the dire U.S. fiscal position and the complete failure of the American political and economic class to deal with their extremely precarious financial position in any meaningful way. The U.S. government is essentially bankrupt with a national debt of over $17 trillion and unfunded liabilities of between $100 trillion and $200 trillion.

In the coming months and years, it will lead to a lower dollar and much higher gold and silver prices.

However, in the year of paper gold selling that was 2013, even this did not lead to higher gold prices.

Continuing Central Bank Gold Demand

All year, central banks continued to accumulate gold with Russia, Kazakhstan, Azerbaijan, Kyrgyz Republic, Turkey and other central banks continuing to diversify their foreign exchange reserves.

Central banks continued to be strong buyers of gold in 2013, albeit the full year data may show demand was at a slightly slower rate than the record levels seen in recent years. Q4 2013 will be the 12th consecutive quarter of net purchases of gold by central banks.

U.S. Federal Reserve employees in underground vault holding monetary gold

Total official central bank demand continued at roughly 100 tonnes every single quarter. However, this does not include the ongoing clandestine and undeclared purchases of gold by the People's Bank of China. Conservative estimates put PBOC demand at 100 tonnes a quarter or at over 400 tonnes for the year. More radical projections are of demand of over 1,000 tonnes from the PBOC in 2013.

Regulatory Authorities Investigate Gold Rigging

Peculiar, single trade or handful of trades leading to sudden gold price falls were common in 2013 and contributed to the 28% price fall.

Therefore, those who have diversified into physical gold will welcome the move by the German financial regulator BaFin to widen their investigation into manipulation by banks of benchmark gold and silver prices. In December, the German banking regulator BaFin demanded documents from Germany's largest bank, Deutsche Bank, as part of a probe into suspected manipulation of the gold and silver markets.

BaFin, German Financial Regulator

The German regulator has been interrogating the bank's staff over the past several months. Since November, when the probe was first mentioned, similar audits in the U.S. and UK are also commencing.

Precious metal investors live in hope but their experience of such investigations is that they are often very lengthy affairs with little in the way of outcome, disclosure or sanction. The forces of global supply and demand, one anaemic, the other very high, are likely to be more important and a valuable aid to gold and silver owners in 2014 and in the coming years. As ultimately, the price of all commodities, currencies and assets is determined by supply and demand.

Janet Yellen Becomes Fed Chair

Janet Yellen, Chair of Federal Reserve

At year end came confirmation that cheap money uber dove Janet Yellen was set to take over from Ben Bernanke as Chair of the Federal Reserve. Gold bulls cheered loudly at her appointment thinking that Yellen's appointment would lead to a recovery in oversold gold prices. However, even this bullish development did not help embattled gold prices.

OUTLOOK FOR 2014

Introduction

2013 was a year of calm in the world of finance. **2014** may not be so calm and there is a risk of renewed turbulence on global financial markets. There are many unresolved risks which were present in 2013 but did not come to the fore and impact markets as they could have.

The Eurozone debt crisis is far from resolved and there remains an underappreciated risk of sovereign crises in other major industrial nations.

There are far more positives for gold than negatives and the positives include ultra-loose monetary policies, risk of sovereign and banking debt crises and systemic or contagion risk, the increasingly uncertain political and military situation globally and of course increased demand for gold from the Middle East, much of Asia and particularly China.

Ultra Loose Monetary Policies Set To Continue with Yellen

The U.S. economy is in worse shape than is realised. Irrationally exuberant, liquidity-driven stock markets and manipulated bond markets are giving false signals. While the Fed reduced its bond buying programme by a very small $10 billion just before Christmas, it is continuing to create $75 billion every single month or some $0.9 trillion per annum.

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The weak recovery of the U.S. economy and strong possibility of a recession may result in a reversal of the so called taper in the coming months and an increase in the debt monetisation programme in the U.S.

Federal Reserve Balance Sheet and S&P 500

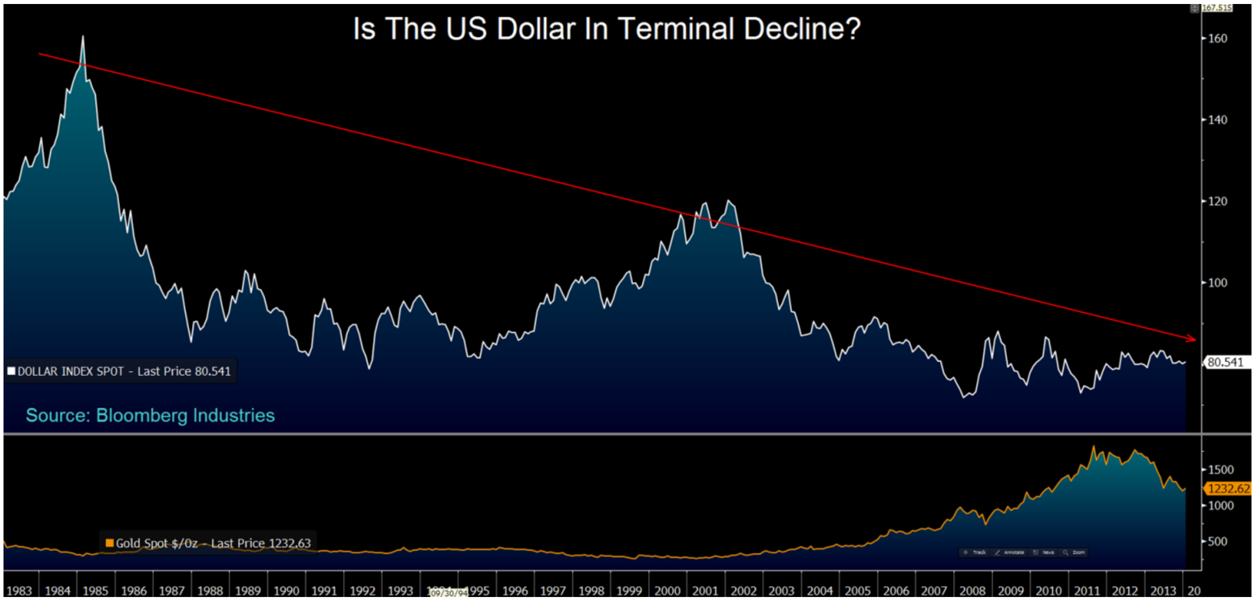
Far more important than any potential further 'tapering' is the fact that the new Fed Chairperson is Janet Yellen. Yellen is known to be very dovish - meaning she favours very easy monetary policies and is even more dovish than Bernanke.

Her appointment will be gold and silver bullish as ultra-loose monetary policies and currency debasement are almost certain to continue.

Near zero interest rates and the huge bond buying programme are set to continue for the foreseeable future. Precious metals will only be threatened if there is a sustained period of rising interest rates which lead to positive real interest rates.

This is not going to happen anytime soon as it would lead to an economic recession and possibly another economic depression.

Since the 2008 crash, the Federal Reserve has created almost $4 trillion out of thin air to prop up banks and the wider economy. Thus, the Federal Reserve's balance sheet has deteriorated significantly. At some stage this will lead the dollar having a sustained period of weakness; a monetary crisis centring on the dollar remains a possibility.



US Dollar Spot and Gold Spot 1983-2013 - BLOOMBERG

Quantitative easing or money printing and ultra-loose monetary policies have again aided hedge funds, banks, speculators and the very wealthy. However, "Main Street" and everyday citizens have seen little benefits from the radical monetary policies.

America, and indeed the world, is now dangerously addicted to cheap money and the attendant debasement of the dollar and all paper currencies. Yellen will continue pushing the drug of cheap money, much of which ends up on Wall Street and in frothy global markets.

Indeed, she may be even more generous in doling out wads of electronic currency, than her predecessor Bernanke.

This may lead to continuing irrational exuberance and levitating asset prices and von Mises' classic cheap money "crack up boom". Alas, such policies will end in financial tears as they have done throughout history. The question is not if, rather when.

Geopolitical Tensions - The Middle East, Russia, China, Japan and the U.S.

Geopolitical tensions in the Middle East and rising tensions between Russia and China and the U.S. are set to continue in 2014 and may escalate.

The international crisis regarding Syria abated after the U.S. backed down from military action after the Russian diplomatic offensive and due to strong political and public resistance internationally.

However, the Middle East remains a powder keg and the risk of a wider conflict in the region centring on Israel and Iran or Syria remains real.

Risk Of Debt Crisis In Eurozone - UK, U.S. Japan and China Also Vulnerable

The total debt to GDP ratios, household, corporate, financial and sovereign debt in the Eurozone, Japan, the UK and the U.S. are all at very high levels. All have large banks whose outlook is far from positive and some of which are vulnerable to bail-ins.

Many analysts warn that many Wall Street and City of London banks are bigger now than they were prior to the collapse of Lehman Brothers and the shadow banking system is of a greater size now.

Thus, the global financial system remains far from safe.

The Eurozone debt crisis has abated in recent months but many analysts and economists are concerned that it is only a matter of time before the debt crisis returns. Greece, Portugal, Spain, Italy, Ireland and indeed France remain vulnerable.

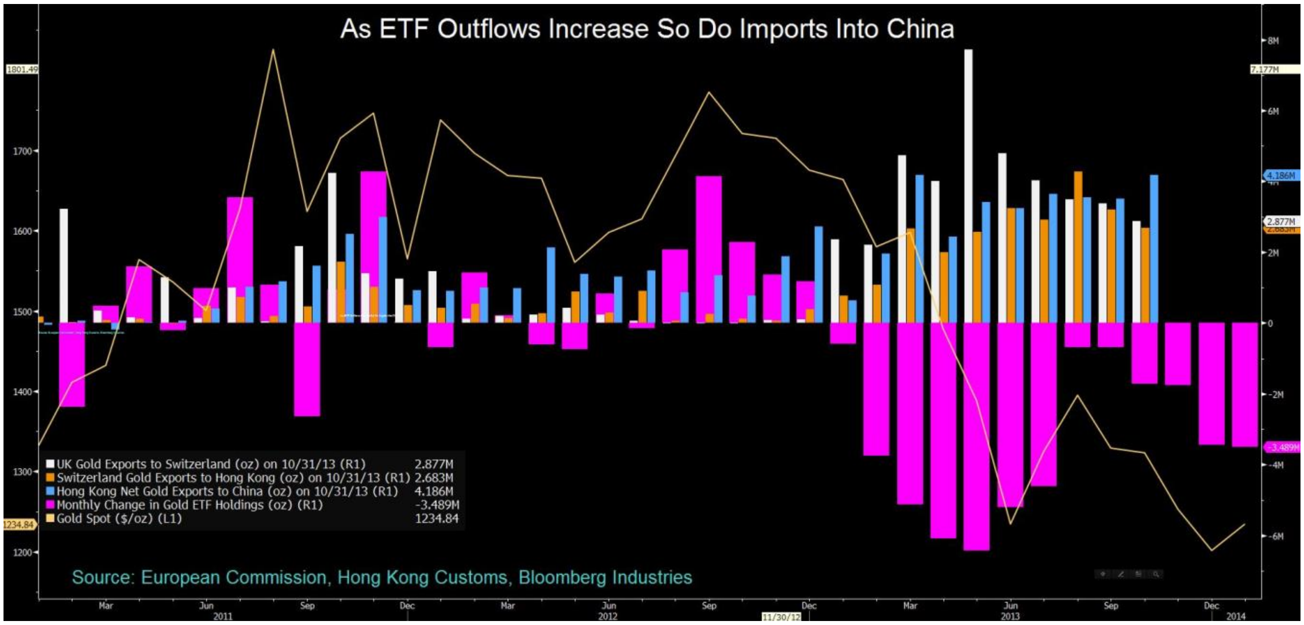
Chinese Gold Demand Paradigm Shift To Continue

The ongoing paradigm shift that is China's gradual move to become a dominant player, if not the dominant player, in the global gold market continues.

Chinese demand for gold bullion has fallen month on month recently but full year 2013 saw a huge leap in demand for physical gold and massive demand from the 1.3 billion people in China and the People's Bank of China.

It was yet another record year for Chinese gold demand with some estimates suggesting that full year 2013 demand will be as high as a whopping 2,000 tonnes. China's net gold imports through Hong Kong alone remain on track to reach well over 1,100 tonnes in 2013 – almost double the amount imported in 2012.

In the first half of 2013 alone, China gold purchases surged 54% to 706.4 metric tons from the first half of 2012 - a year of record demand in China. Demand surged 87% for bars and 44% for jewelry.



EFT Outflows and Chinese Imports 2011-2013 - Bloomberg

This is just the data for Hong Kong and there were also imports of gold into other Chinese cities especially Shanghai. According to Shanghai Gold Exchange (SGE) figures total Chinese gold purchases in 2013 is likely to have been well above 2,000 tonnes.

Thus, China jumped past India as the world's largest buyer of gold by a huge margin. Therefore, it looks set to exert an increasingly important role in determining the price of gold in the coming years.

The People's Bank of China is almost certainly continuing to quietly accumulate gold bullion reserves.

As was the case previously, they will not announce their gold bullion purchases to the market in order to ensure they accumulate sizeable reserves at more competitive prices. They also do not wish to create a run on the dollar – thereby devaluing their sizeable reserves. Expect an announcement from the PBOC, sometime in 2014, that they have doubled or even trebled their reserves to over 2,500 or 3,000 tonnes.

The ramifications of China's huge demand for physical gold, both from the Chinese people and the People's Bank of China is yet to be realised and factored into prices.

The emergence of China as a type of buyer of last resort in the physical gold market could not have come at a better time for the gold market due to the recent slight fall in Indian demand.

Death Of Indian Gold Market Greatly Exaggerated

However, the death of the Indian gold market is greatly exaggerated and hundreds of years of tradition will not be ended by bureaucratic government meddling.

Indian demand has fallen somewhat in 2013 due to the recent tariffs but looks set to be well over 800 tonnes for 2013. This is still a lot of gold and the equivalent of more than 30% of global mining supply of some 2,700 tonnes.

There is now also huge unrecorded smuggling of gold into India from Bangkok, Dubai and other cities in Asia. It is quite possible that the law of unintended consequences kicks in and the government meddling may lead to even higher demand for gold.

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LONG TERM (2014-2020) MSGM FUNDAMENTALS

The long term case for having an allocation to precious metals is due to the still positive fundamentals:

1. Macroeconomic risk

Macroeconomic risk is high as there is a serious risk of recessions in major industrial nations with negative data emanating from the debt laden Eurozone, Japan and China. Even the recoveries in the UK and the U.S. are tentative at best. Issues with banks, a la Lehman, or a major terrorist incident or another war could badly impact fragile consumer and investor sentiment.

2. Systemic risk

Systemic risk remains high as little of the problems in the banking and financial system have been addressed and there is a real risk of another 'Lehman Brothers' moment and seizing up of the global financial system. The massive risk from the unregulated "shadow banking system" continues to be significantly underappreciated. There are many potential Lehman Brothers out there both in the Eurozone but also in the UK and the U.S. and this is increasing the risk of bail-ins and deposit confiscation.

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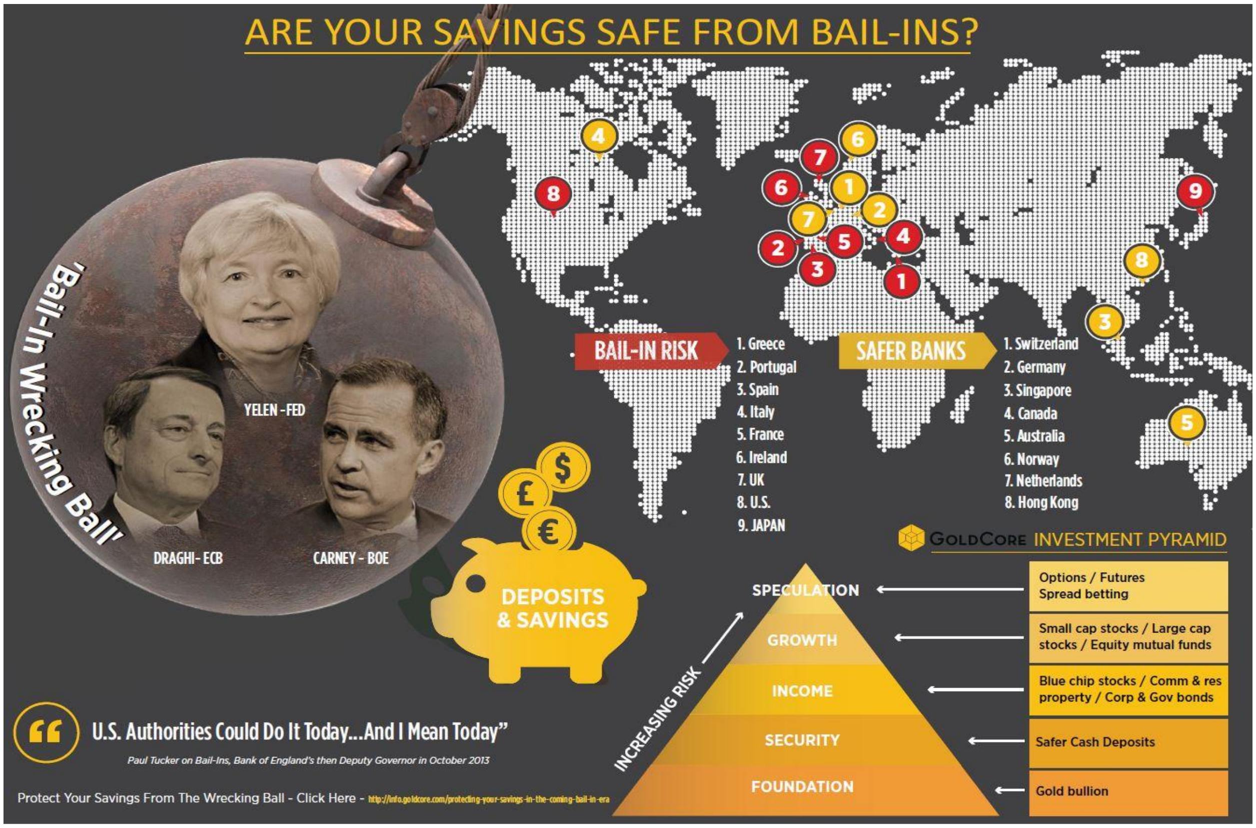


Are Your Savings Safe From Bail-Ins?

3. Geopolitical risk

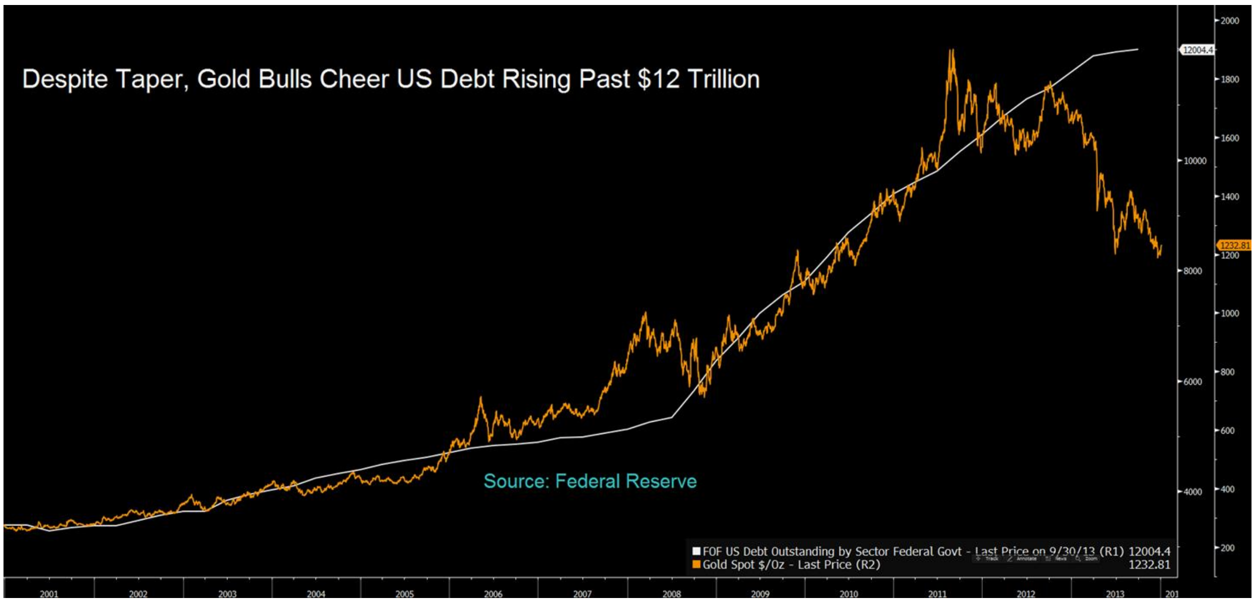
Geopolitical risk remains elevated - particularly in the Middle East. This is seen in the continuing significant tensions in Lebanon, Syria etc. and between Iran and Israel. There is the real risk of conflict and the consequent effect on oil prices and the global economy.

Many analysts believe that the deepening economic, political and military tensions between Japan and China could devolve into an actual war.

There are also simmering tensions between the U.S. and its western allies primarily the UK and the resurgent and increasingly powerful Russia and China.

4. Monetary Risk

Monetary risk is high as the policy response of the Federal Reserve, the ECB, the Bank of England and the majority of central banks to the risks mentioned above continues to be ultra-loose monetary policies, zero interest rate policies (ZIRP), negative interest rate policies (NIRP), the printing and electronic creation of a tsunami of currency and the debasement of paper and electronic currencies.



U.S. Debt and Gold Spot 2001-2013 - Bloomberg

Should the macroeconomic, systemic and geopolitical risks increase even further in the coming months, then the central banks' response will likely again be more cheap money policies. This will lead to further currency debasement and there is a risk of currency wars deepening.

CONCLUSION

The short term outlook for the precious metals is, as ever, uncertain.

Gold has fallen from $1,900/oz in August 2011 to just over $1,200/oz today - a fall of 37%. Further weakness is possible although there is strong support for gold at the $1,180/oz to 1,200/oz level from a technical and fundamental perspective.

Below that the Fibonacci 50% retracement is at the $950/oz to $1,000/oz level and there is the historical precedent of the 1970s for a 50% correction in gold's last bull market.

Indeed, since 2003, we warned that gold would likely experience a sharp correction akin to the 50% correction seen in the 1970's. See Market Update from September 2008 (Gold Fell Some 50% in Middle of 1970s Bull Market, Prior to Rising 800%) when gold was trading at $803/oz and an interview on Bloomberg TV (Video: Gold Price at $2400 `Quite Likely' in Coming Years) from January 2012 when gold was trading at $1,604/oz.

However, there is robust international demand for gold at these levels. Gold is becoming increasingly uneconomical to mine at today's depressed prices. This should support prices and suggests that if gold is to test the lower levels of support, it may be only briefly prior to bouncing higher again.

Sentiment is as bad as we have seen it in the gold market and is worse than even in the early days of the bull market from 2001 to 2005. We believe that we have seen 'capitulation' and speculators and weak hands have liquidated positions and been cleared out of the market.

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Cycle of Market Emotions

We are now likely in the 'despondency' and 'depression' phase. Contrarian investors and long term value buyers are again positioning themselves for gains in the coming years. What little 'hope' that was out there has been vanquished by the most recent year end price falls.

The man and woman in the street remain far from the gold market in the UK, U.S. and most European countries. The majority of buyers today are in Asia and the small minority of western buyers who already own bullion and are adding to positions.

The investment public does not have the stomach to buy into markets that have fallen in the way gold has fallen in 2013 and have such negative sentiment.

Pound, euro and dollar cost averaging into a physical gold position can help in this regard as it protects from volatility and from short term price risk.

Longer term we continue to believe that gold is in a secular bull market which will continue from 2014 to 2020. We continue to believe that gold should double in price from today's levels and reach and surpass its inflation adjusted high of $2,400/oz in the coming years.

Ignore the noise and some of the somewhat alarmist and ill-informed articles of today. Always focus on the fundamentals, on the importance of gold as financial insurance and as diversification and most importantly always have a long term perspective.

Gold's value for investors and those with pensions is as safe haven assets that will in the long term reduce volatility in a portfolio and enhance returns. This was seen again in 2013, when safe haven gold fell as risk assets such as equities rose.

Given the variety of macroeconomic, systemic, geo-political and monetary risks in the world today, owning an internationally diversified portfolio with healthy allocations to gold and silver bullion has never been more prudent.

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Mark O'Byrne is the Research Director at GoldCore. Mark is recognised globally as a leading analyst on the precious metals market and his daily Market Update is quoted and reported on and he has appeared on in Dow Jones MarketWatch, Bloomberg, CNBC and other financial media.

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About GoldCore

GoldCore are respected international bullion dealers who are experts in the execution and logistics of the highly specialised precious metals market.

GoldCore have been providing precious metal investment solutions for an International client base since 2003. Today, our team of experts service all investor classes from private individuals to companies and institutional investors. Whether you are a small or large investor looking to take delivery or arrange for secure, trusted insured storage, GoldCore has a solution to suit your needs.

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