

Alps Precious Metals Group

Monthly Commentary and Update

February 2020

Keeping Score

S&P 500 vs. Gold – 1971 to the Present & 2000 to the Present

	1971	2020	Dividends	Storage (0.5% p/a)	Total Return
Gold	32	1550	n/a	-134	4425%
S&P 500	98	3300	1281	n/a	4684%

	2000	2020	Dividends	Storage (0.5% p/a)	Total Return
Gold	280	1550	n/a	-89	522%
S&P 500	1469	3300	709	n/a	273%

Investors in Gold and other Precious Metals are often thought of as incredibly conservative due to their appetite for hard money, insurance and safety. To suggest that, as a result of employing this strategy, Precious Metals investors have enjoyed returns that have been equal to or wildly outperforming *STOCKS* (of all things!), would be met with a “you must have done something wrong in calculating the return”.

Nope, the math above is correct. If one is a long-term investor, he would have a hard time defending why he doesn't own a material position in this sector. And remember, the only reason that Gold is not beating the S&P 500 for the past 50 years is because of Global Central Banks, led by the U.S. Fed, creating Trillions in fake money over the last 12 years to goose the stock market.

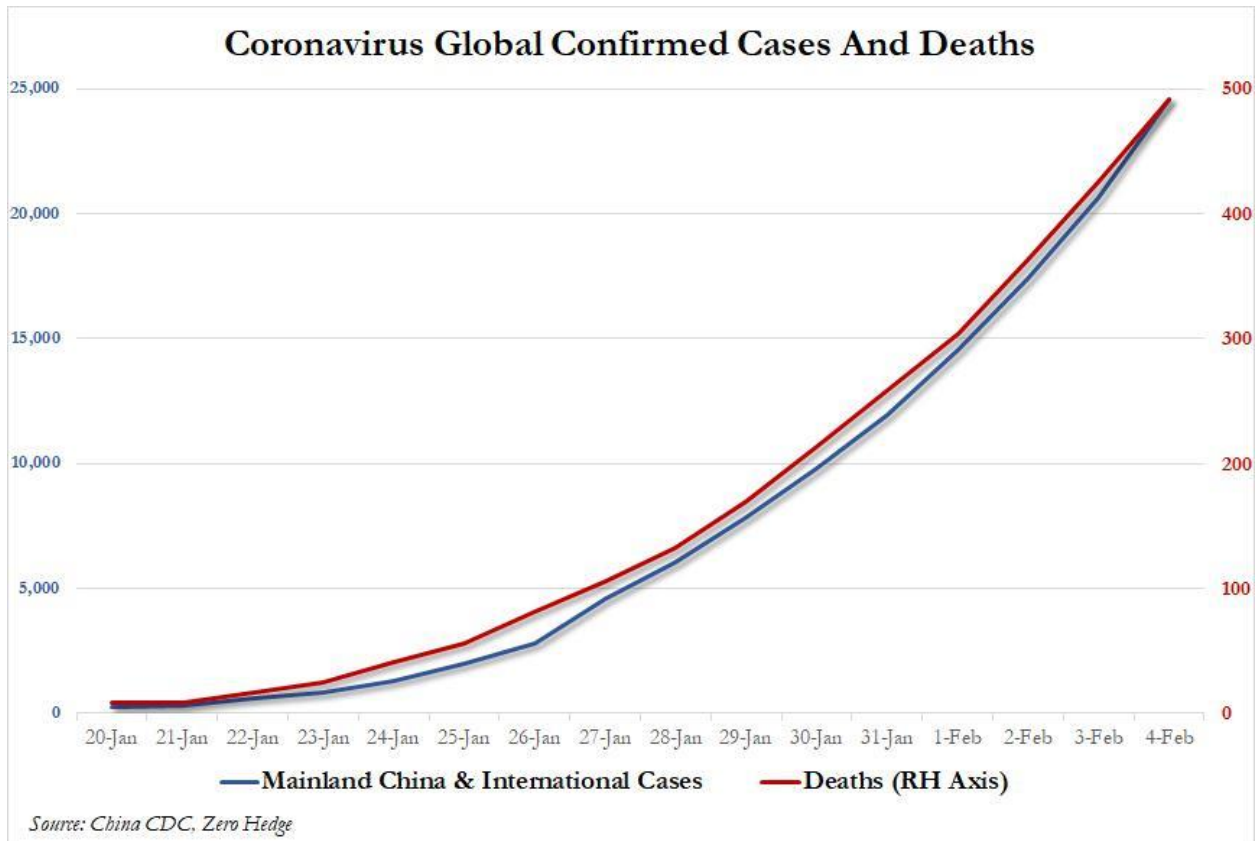
Note also that these results incorporate the dividends an investor would have received via his S&P 500 position, as well as the storage fees (INCLUSIVE of insurance costs) that an Institutional account would have paid to store physical bullion.

Another interesting “scoreboard” is that of Copper. Known as “Dr. Copper” given its ability to correctly forecast where the global economy is headed, copper’s price behavior is observed the world over by traders and investors. The Doc’s current advice is stark and sober as indicated by the following graph:



13 straight down days, and down 13% - arguably the worst 13 day stretch in the history of the commodity. If Copper’s diagnosis is correct, one of the most challenging economic and market environments ever seen may lie before us.

Oh, yeah, and there’s this lovely “Black Swan” that no one was discussing 6 months ago as a factor in the risk management of financial portfolios:



The above graph represents “official numbers”. However, many are the whispers that the actual number of confirmed cases and death toll are far greater. Behold below this slip from Tencent as reported in the Taiwan News yesterday. Due to the omnipresent nature and implications of this suddenly known “Unknown/Unknown” event, we list a lengthy portion of the story (highlights in the news story below are ours):

Tencent may have accidentally leaked real data on Wuhan virus deaths

Tencent briefly lists 154,023 infections and 24,589 deaths from Wuhan coronavirus

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By [Keoni Everington](#), Taiwan News, Staff Writer
2020/02/05 18:59



Left to right are "nationally confirmed cases," "suspected cases," "cured," and "deaths."
(Internet photo)

TAIPEI (Taiwan News) — As many experts question the veracity of China's statistics for the Wuhan coronavirus outbreak, Tencent over the weekend seems to have inadvertently released what is potentially the actual number of infections and deaths, which were astronomically higher than official figures, but are eerily in line with predictions from a respected scientific journal.

As early as Jan. 26, netizens were reporting that Tencent, on its webpage titled "Epidemic Situation Tracker" was briefly showing data on the novel coronavirus (2019nCoV) in China that was much higher than official estimates, before suddenly switching to lower numbers. Taiwanese netizen Hiroki Lo that day reported that Tencent and NetEase were both posting "unmodified statistics," before switching to official numbers in short order.

On late Saturday evening (Feb. 1), the Tencent webpage showed confirmed cases of the Wuhan virus in China as standing at 154,023, 10 times the official figure at the time. It listed the number of suspected cases as 79,808, four times the official figure.

The number of cured cases was only 269, well below the official number that day of 300. Most ominously, the death toll listed was 24,589, vastly higher than the 300 officially listed that day.

Moments later, Tencent updated the numbers to reflect the government's "official" numbers that day. Netizens noticed that Tencent has on at least three occasions posted extremely high numbers, only to quickly lower them to government-approved statistics.



Feb. 1 chart showing higher numbers (left), chart showing "official" numbers (right). (Internet image)

Netizens also noticed that each time the screen with the large numbers appears, a comparison with the previous day's data appears above which demonstrates a "reasonable" incremental increase, much like comparisons of official numbers. **This has led some netizens to speculate that Tencent has two sets of data, the real data and "processed" data.**

What is truly frightening about the figures that were whisked away by Tencent (tap on the shoulder by a CCP censor, perhaps?!?) is that they are right in line with predictions from UK medical research. The link to the report is here:

<https://www.medrxiv.org/content/10.1101/2020.01.23.20018549v1.full.pdf>

A grinding-to-a-halt world economy would lead to a tumbling stock market, and/or even more fake money madness from global Central Banks. As discussed in past Commentaries, the evidence is clear that Gold receives its heartiest bid when disbelief in the ability of the status quo to be an on-going entity becomes the norm. If Dr. Copper turns out to be correct, a material position in Gold will be imperative. If not, the long-term performance track record of Gold would also suggest a material position in Physical Precious Metals to be equally imperative.

Alps, LPMG, St. Joseph Partners and Monetary Metals

Alps Precious Metals Group via our partnerships with Liechtenstein Precious Metals Group (Global and Offshore clients) and St. Joseph Partners (U.S./Canadian focused clients) is dedicated to providing the global standard for the finest and most secure storage and trading of Physical Precious Metals. Our Vaults have some of the highest security standards in the world (“Class 10” at LPMG) and, via our insurance partners, each client’s specie is insured at 100% of its market value. Our trading desks provide liquidity on each and every business day with as little as next day settlement. All of these benefits are enjoyed while simultaneously being freed from the status quo global financial system.

We have an additional partnership with Monetary Metals (“MM”). MM has a unique niche in the Precious Metals markets, which is summarized in their motto: “A Yield on Gold, Paid in Gold”. For investors who would like exposure to the Precious Metals sector but require an income flow from the investment, our partnership with MM can provide the same.

Contact us (www.alpspmg.com) to discuss how Alps can become a trusted partner in the creation, protection and utilization of the hard money portion of your portfolio.

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