

Alps Precious Metals Group

Monthly Commentary and Update

June 2019

Break on through to the Other Side



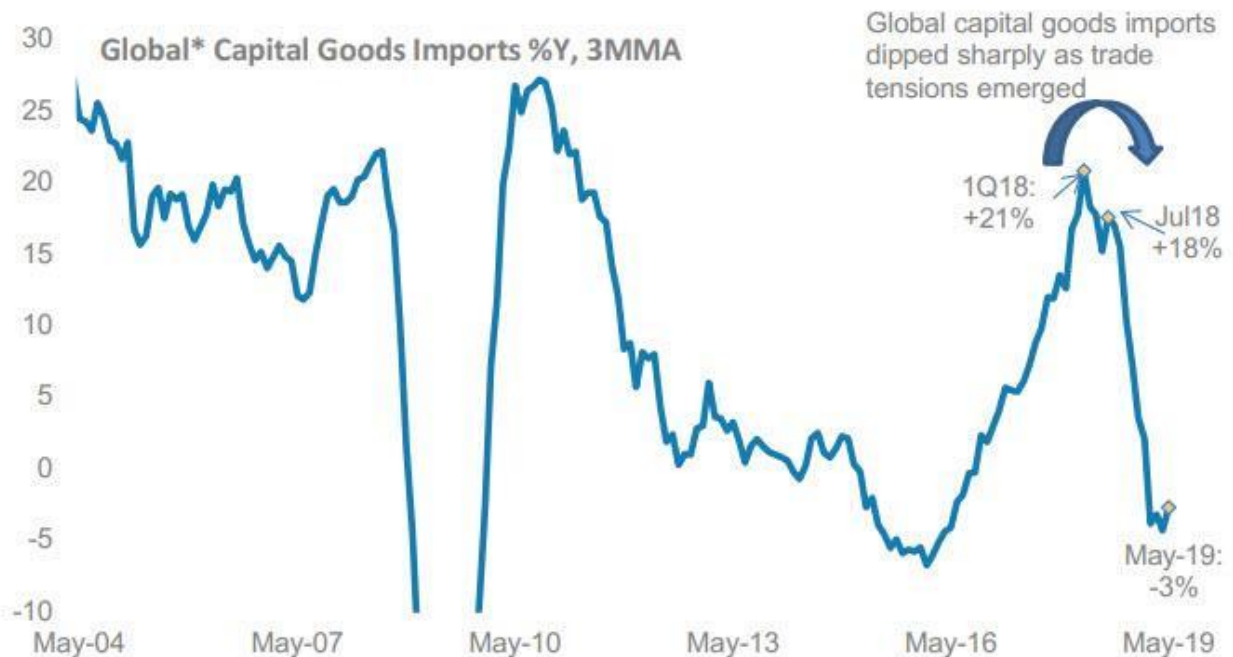
5 to 6 years in the making, Gold has broken out of an excruciatingly long period of dismal price action. The technical pattern you see above displays a deeply powerful upside-down head and shoulders pattern that could very well re-define this tortuous stretch as the strongest of bases from which Gold's price can *sustainably* climb. What the chart doesn't detail is the patience required by Precious Metals investors to persevere through a painful season of being skeptical of irrational "markets" which challenged their solvency and sanity.

The guaranteed retrace of Gold's price to test the former resistance as support is likely already upon as given the other "breakthrough" in U.S./China trade talks at the G-20 over the weekend just past. We believe that Gold's price will weather the storm and begin to head north where its relationship with the utterly massive un-backed credit expansion of the last 10 years will find a rational level.

Our view is that this grand announcement from Osaka and knee-jerk euphoria will be an instant replay of what happened in early December 2018 after a similar decree from Buenos Aires. A day or two of a rally followed by the realization that there's nothing really to celebrate and we're back to the same rendezvous with reality that we've been on since October of last year.

Meanwhile the hits keep coming in terms of the idiocy of equity markets at/near all-time highs based on the realities the following charts detail. As you review them, keep in the forefront of your mind that Gold and Silver are uncorrelated to general markets when the inevitable material downdrafts begin in living color.

Exhibit 1: The global capex cycle has ground to a halt: A sharp fall-off in nominal capital goods imports growth

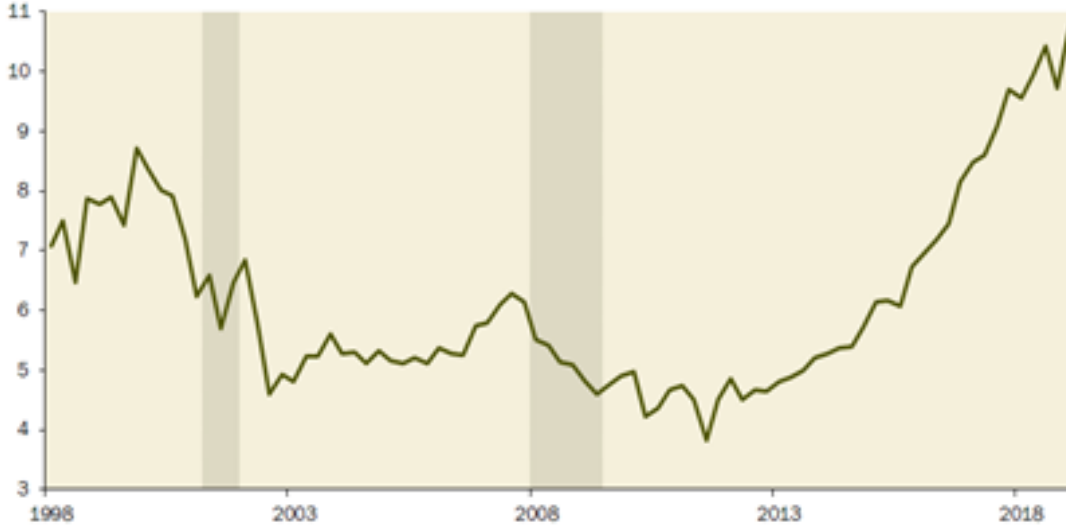


Source: CEIC, Haver Analytics, IMF, Morgan Stanley Research; *Global includes G4 and BRIC.

CHART 2: S&P 500 PRICE-TO-TANGIBLE BOOK VALUE PER SHARE

United States

(ratio)

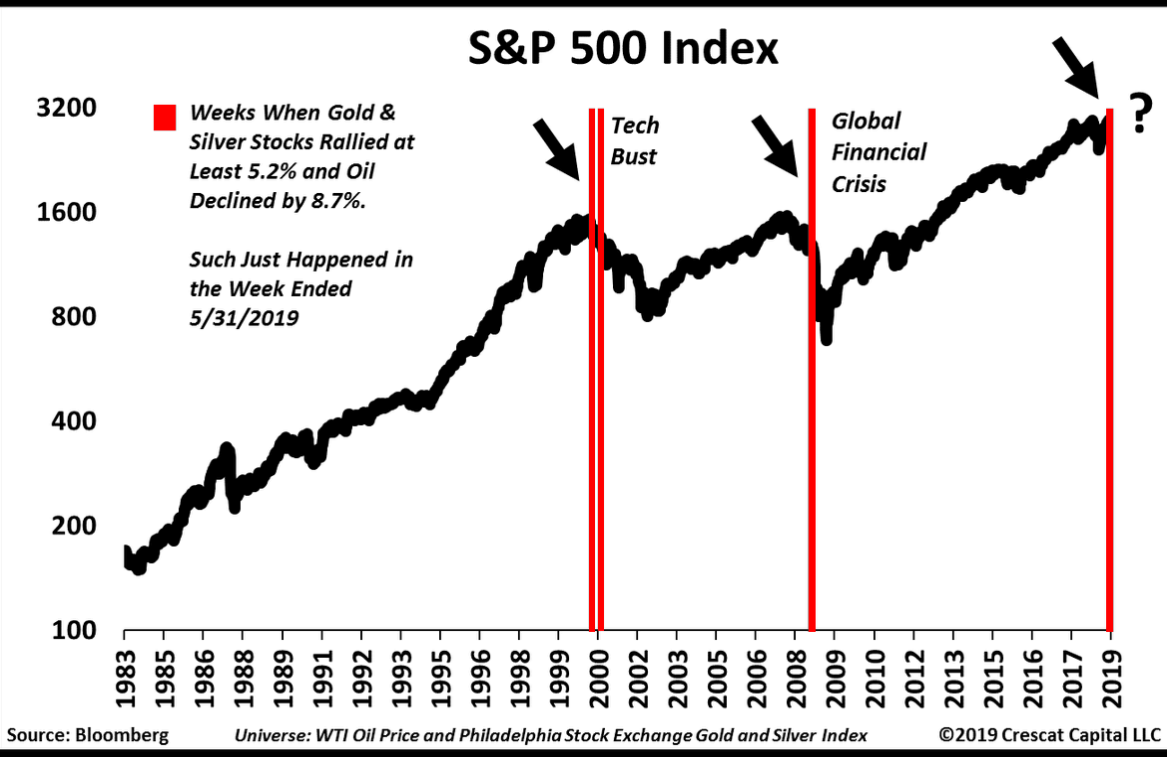


Shaded regions represent periods of U.S. recession

Source: Bloomberg, Gluskin Sheff

Source: David Rosenberg

Times When Precious Metals Stocks Surged While Oil Plunged



Source: Bloomberg

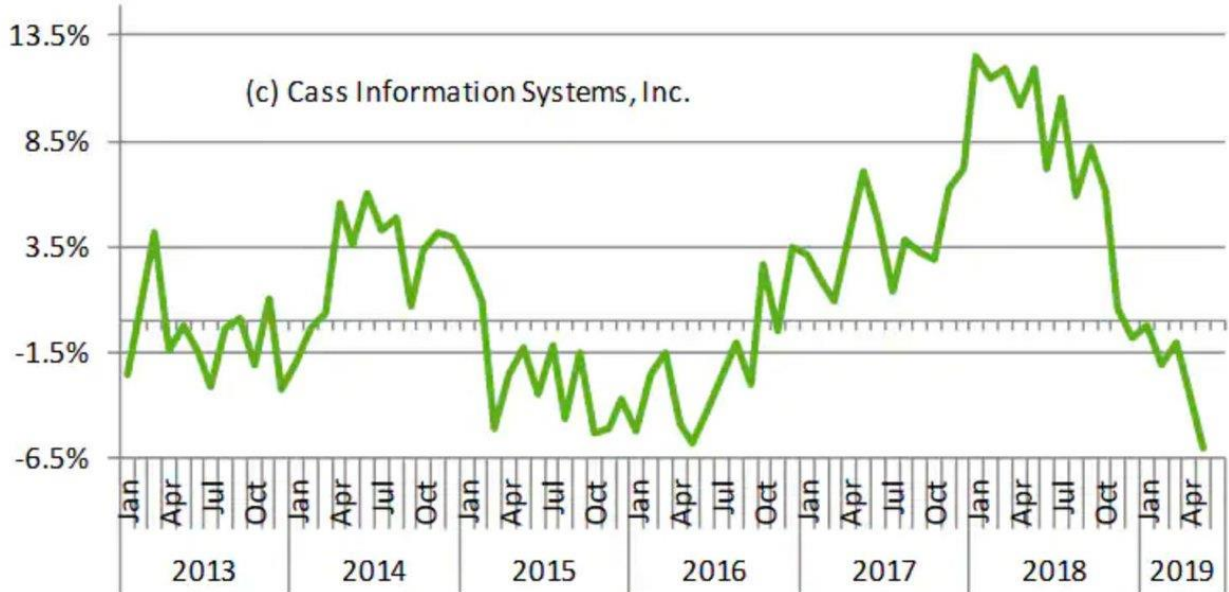
Universe: WTI Oil Price and Philadelphia Stock Exchange Gold and Silver Index

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Source: Crescat Capital LLC/Twitter

Cass Freight Index™ - Shipments

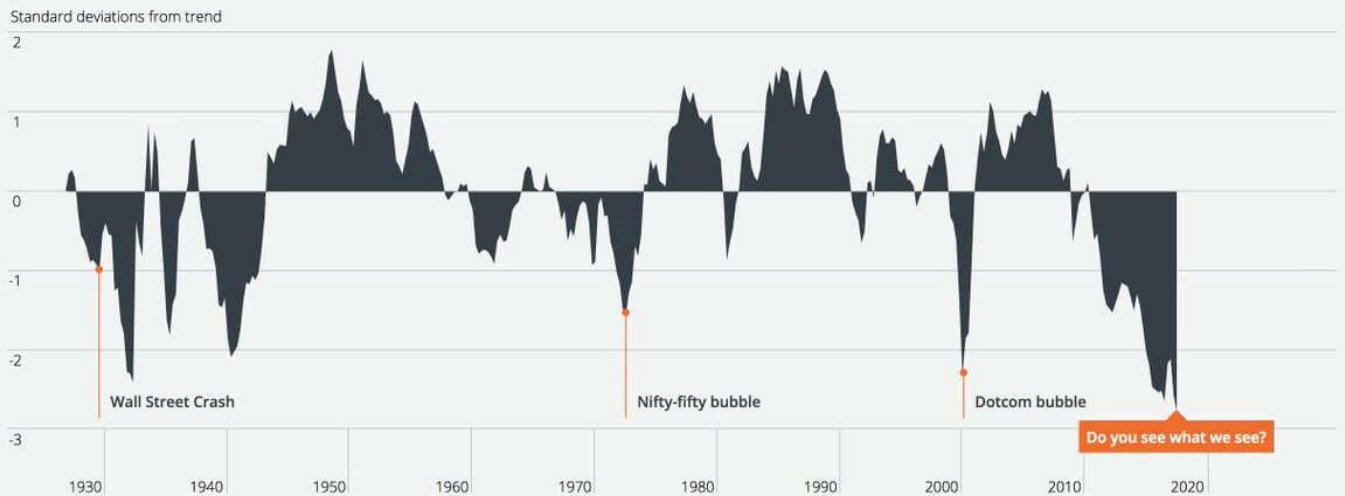
YOY Percentage Change



Source: Washington Post/Jesse Felder/Twitter

US equities - value vs growth differential has never been this extreme

Source: Woodford, based on Fama and French data



Source: Isabelnet/Jesse Felder/Twitter

We continue to be amazed at the lack of Institutional memory; it's as if the stratospheric pricing of 1929, 2000 and 2008 never occurred. Jim Morrison may have been on to something when he penned these lyrics:

*"...We chased our pleasures here
Dug our treasures there
But can't you still recall
The time we cried?
Break on through to the Other Side...."*

APMG, LPMG and St. Joseph Partners

Alps Precious Metals Group via our partnerships with Liechtenstein Precious Metals Group (Global and Offshore clients) and St. Joseph Partners (U.S. 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. 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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