

Alps Precious Metals Group

Monthly Commentary and Update

October 2019

Greatest Hits

For this month's update, we take a look back at 3 years of our Monthly updates and present a "Greatest Hits" of sorts. The charts and comments that follow are, for the most part, unaffected by the passage of time. As all of these vignettes make the case for owning Physical Precious Metals and storing them with a private, trusted partner, we are struck by the sustainable strength of the argument, as these somewhat "time inelastic" charts and thoughts attest.

Where apropos, we add some up-to-date comments. Since Alps opened up shop, Gold has risen from \$1256/oz. to \$1455/oz, with a range of \$1148-\$1552. Beginning on August 15, 1971, when the United States reneged on her promise to exchange dollars for Gold upon demand, Gold has rallied from \$32/oz to its current \$1455, for an increase of 4500%. Compare and contrast to the asset class of your choice.

April 2017 – Deutsche Bank

"...Speculation has been swirling around Deutsche Bank for some time. Note the following chart of its stock price:



From the lows of September 2016, DB nearly doubled by the end of January 2017. From that high, DB has methodically trended down to its current level of @\$16.25. At the very least, DB is at a critical technical level. If it cannot hold 16 - and then 15 - the stock is likely to revisit its lows.

“SIFI” is the new acronym for “Systemically Important Financial Institutions”. In these post-2008 days, a twist to the name results in the following: “SITUUBFI” or “Systemically Important and Therefore Unanswerable for Unconscionable Behavior Financial Institutions”. This also applies to their Central Bank enablers. “Caveat Emptor” when it comes to any dealings with the status quo financial system.

Update: Of course, DB did in fact fall through those support levels and hit a new low of \$6.40/sh. in August of 2019.

September 2017 – Goldman Sachs Report on Gold

When the “Vampire Squid” goes off the general script, one would be wise to sit up and pay attention. Goldman’s Chief Commodity Strategist Jeff Currie’s report of September 5, 2017 entitled “Gold – The Geopolitical Hedge of Last Resort”..., (he) stated the following:

“...The importance of liquidity was tested during the collapse of Lehman Brothers in September of 2008. Gold prices declined sharply as both traded volumes and open interest on the exchange plunged. After this liquidity event, investors became more conscious of the physical vs. futures market distinction.....The lesson learned was that if gold* liquidity dries up along with the broader market’s, so does your hedge – unless it is physical gold in a vault, the true ‘hedge of last resort’....” (JPH Note: “*” = Paper Gold)*

December 2017 – Silver beats Gold during Precious Metal Rallies

Period	Gold Low to High	Gold % Rise	Silver Low to High	Silver % Rise
2001-2008	\$256-\$1033	304%	\$4.07-\$21.37	425%
2008-2011	\$682-\$1921	182%	\$5.06-\$49.81	884%

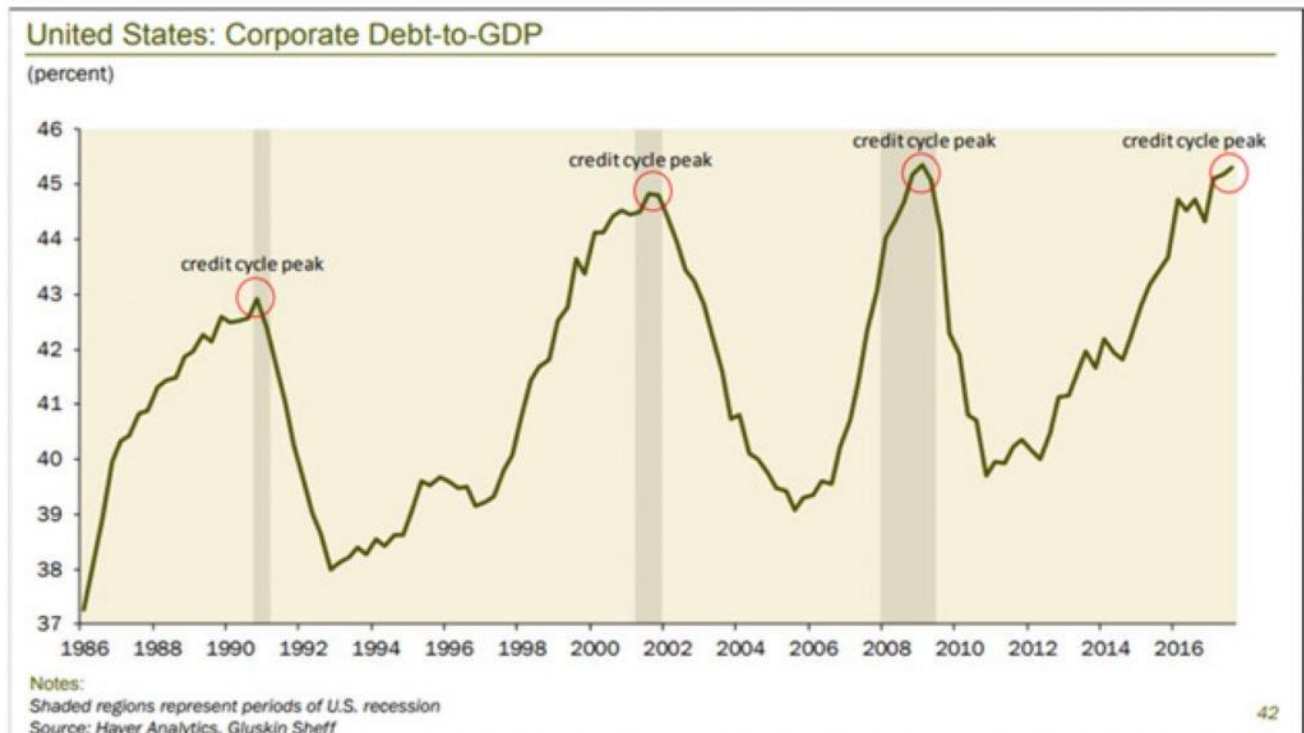
February 2018 – Highs of January 26 to the Lows of February 9

“...the stock and bond markets have experienced the first material downdraft in quite some time. The following chart details the price return of the various listed assets from the heights of 1/26 to the low ticks of 2/9:...”

Index	Price on 1/26	Price on 2/9	Return
S&P 500	2872	2532	-11.8%
Nasdaq	7505	6630	-11.7%
VNQ (Reit ETF)	79.69	74.70	-9.6%
Bitcoin	11000	6000	-45.5%
Ethereum	1050	566	-46.1%
Gold	1357	1313	-3.24%
Silver	17.39	16.58	-7.2%

May 2018 – U.S. Corporate Debt to GDP

Batting 1.000 for recessions when this ratio is reached:

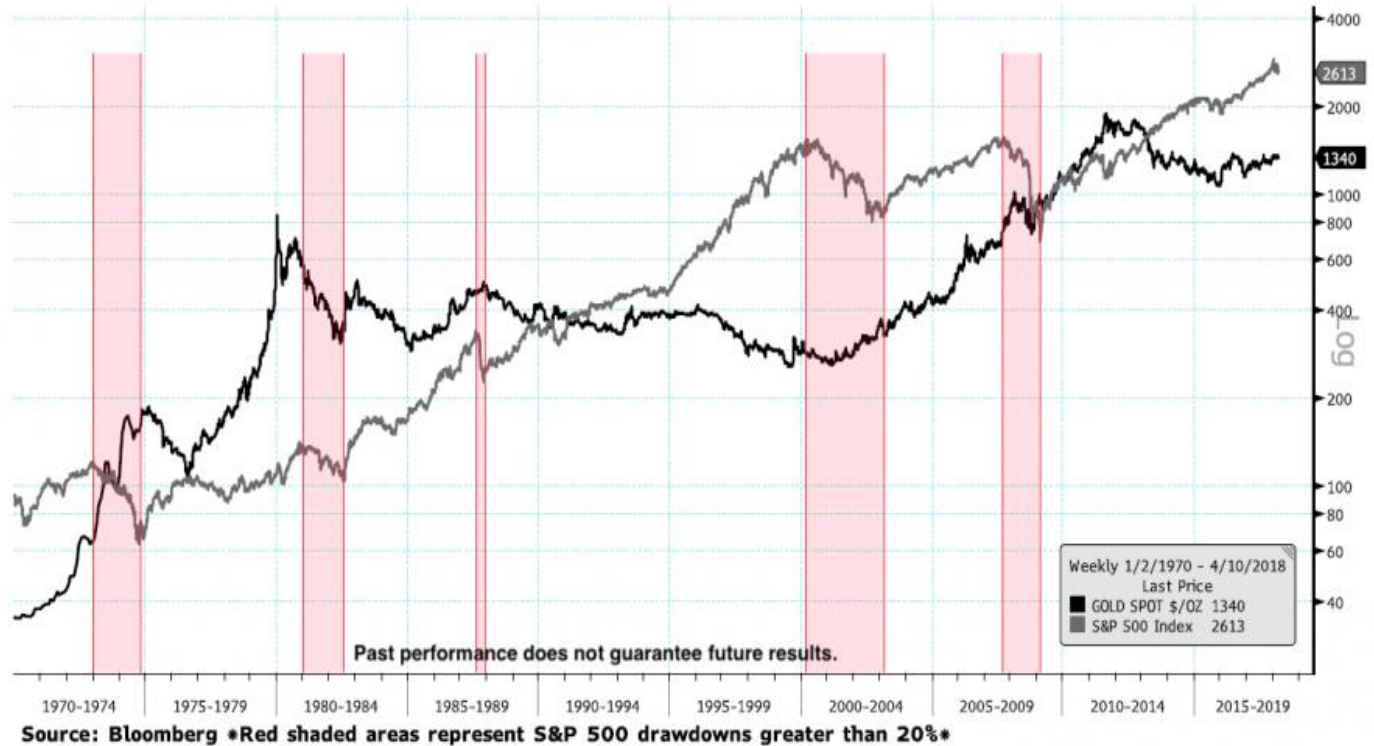


Source: David Rosenberg, Gluskin Sheff

August 2018 – Gold’s performance in Bear Markets

Aips' favorite chart. Have used this on innumerable occasions and will continue to do so:

Gold vs S&P 500 Bear Markets



December 2018 – Timeless quote on an intrinsic quality of Gold



Simon Mikhailovich

If one offered investors a fat tail put option that never decays or expires, costs about -1% pa to carry, has no counter party risk & no chance of ever becoming worthless, there would be a line out the door. But when one explains that this option is physical gold... no interest.

3:01 PM · Dec 5, 2018 · [Twitter Web Client](#)

This has been a common reaction we have experienced. JPH

January 2019 – Gold during recessions in the last 50 years

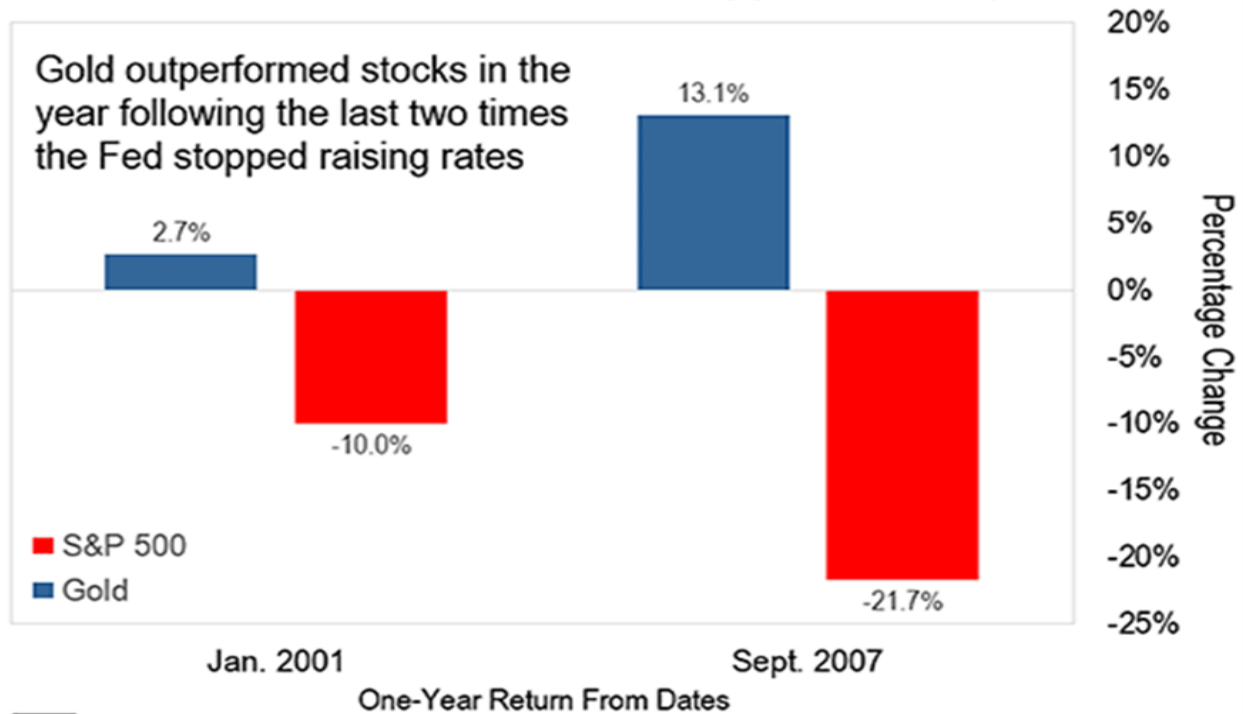
During six recessions since the 1970s, gold increased on average 20.8%:

Decade	Gold Start (USD/oz)	Gold End (USD/oz)	Change (%)
11/1973 – 03/1975	100	178	78.0
01/1980 – 07/1980	512	614	20.0
07/1981 – 11/1982	422	436	3.3
07/1990 – 03/1991	352	356	1.0
03/2001 – 11/2001	266	275	3.5
12/2007 – 06/2009	783	930	18.8
Mean			20.8

(Source: Incrementum AG, Deutsche Bank)

April 2019 – Gold’s performance when the Fed begins easing again

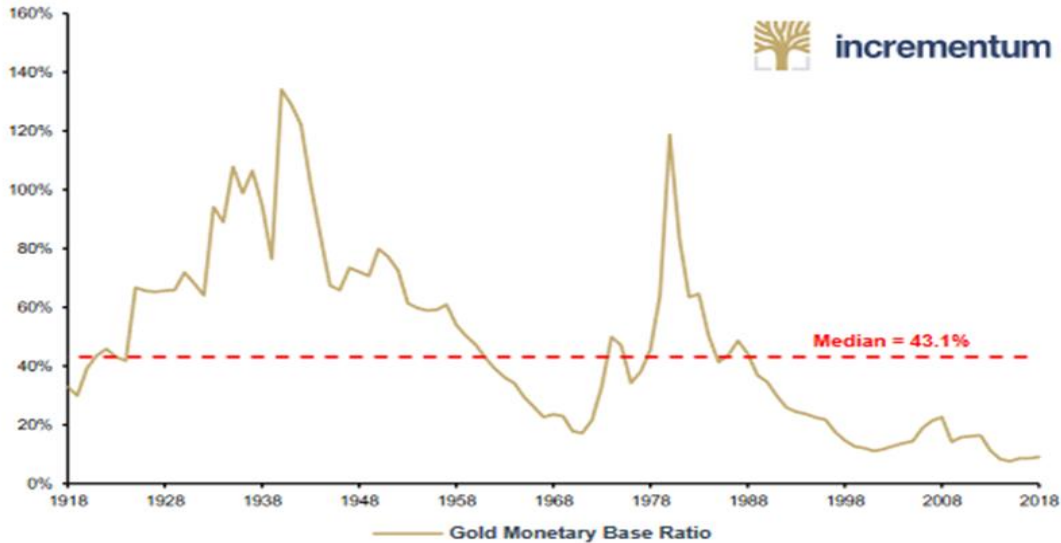
Gold vs. Stocks After the Fed Stopped Raising Rates



May 2019 – Two key charts

Gold – To return to the 100-year median, Gold would have to rally about 6 to 7x:

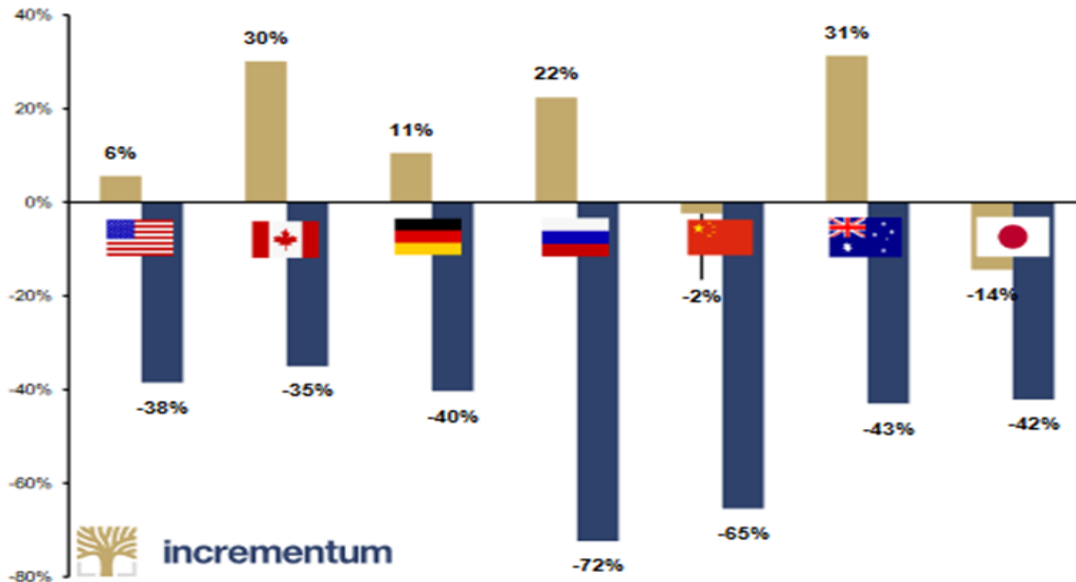
US gold reserves at market prices/M0, 1918-2018



Source: Federal Reserve St. Louis, World Gold Council, Incrementum AG

Gold – Performance in 2008 = Non-Correlated, Liquid Asset when most needed:

Annual performance of gold in local currencies vs. domestic equity markets, in %, 2008



Source: goldprice.org, Yahoo.finance, BGMI Bullion, Incrementum AG

June 2019 – The Breakout



Alps, 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./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. 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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