



# MONEY METALS

## INSIDER

An Insider Report for Clients of Money Metals Exchange

# What Trump’s First 100 Days Portend for Precious Metals Investors

BY STEFAN GLEASON

*President, Money Metals*

The first 100 days of the Trump administration have brought some surprises and disappointments – as well as some new threats and new opportunities for precious metals investors.

Among the disappointments was President Trump’s inability to push Obamacare repeal through Congress. The White House intended for the GOP’s replacement to reduce the deficit and lay the groundwork for tax cuts. Now there is a very real chance that no tax reforms whatsoever will be passed this year. And that would be an even bigger disappointment to many investors.

Ideological divisions within the GOP may well lead to debt ceiling brinkmanship and a possible government shutdown.



Trump’s surprise about-face on foreign policy in ordering bombings in Syria could have far-reaching implications for U.S. relations with other problem

regimes including Iran, Russia, China, and North Korea. The geopolitical risks going forward are many and range from a new Cold War, to trade and currency wars, to the worst-case scenarios of a North Korean attack on Hawaii or an all-out nuclear war.

The debate over what to do about Assad’s regime in Syria is a sideshow compared to the looming conflict with China. Unlike Syria, China is a major world power that has the ability to hurt the U.S. economically and undermine its geostrategic position in the world.

The Chinese economy is drowning in debt that is tied to overvalued real estate and overbuilt infrastructure (including its infamous “ghost cities”). The only way to avert a crash may be for Chinese authorities to devalue their currency.

That’s exactly what Jim Rickards, author of *Currency Wars* and *The Death of Money*, thinks will happen. He told listeners of a recent Money Metals podcast that he expects the Chinese yuan to be devalued. That, in turn, could trigger turmoil in U.S. financial markets and an angry response from the Trump administration.

*See Trump’s First 100 Days, next page*

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### Gold and Silver Shine Despite Fed Rate Hikes

During times of rising geopolitical uncertainty, precious metals tend to benefit from safe-haven inflows. So far in 2017, gold and silver have been off the radar of most investors as global equity markets have remained stubbornly elevated – seemingly impervious to any bad economic news or troubling developments in international relations.

Maybe investors are willing to give President Trump an extended honeymoon period. But at some point, optimism toward the Trump economy will crack if he and the GOP Congress can't find a way to deliver on their core promises to voters.

At some point, tensions with foreign adversaries could escalate and blow back on markets.

At some point, the Federal Reserve could raise rates one too many times and trigger a stock market meltdown.

Of course, there is no guarantee that any of the extant threats to financial markets will redound to the benefit of precious metals markets. As long as the Fed remains committed to raising rates, the U.S. dollar stands to gain against foreign currencies – at least in theory.

So far in 2017, the Greenback has drifted slightly lower despite hawkish gestures from the Fed. Gold and silver, meanwhile, have performed well so far during Trump's presidency. In April, gold prices broke out above a resistance level near \$1,260/oz.

### A Contrarian Perspective

Markets don't always move in response to events – and when they do, sometimes it's in the opposite direction of popular expectations. Case in point: Trump's election win was supposed to be bad for the stock market. It turned out to be great for the stock market.



*Gold (and silver) have performed well so far during Trump's presidency.*

The Fed was supposed to be bullish for the dollar and bearish for precious metals this year. So far, that popular expectation has been proven wrong.

If you try to trade in and out of gold and silver positions based on what's in the news, you'll get constantly whipsawed. Sometimes events in the world that ought to be bullish for gold end up having no effect or a

negative effect on prices. And sometimes seemingly bearish headlines kick off rallies rather than price drops.

As we've advised before, investors should expect the unexpected. We live in an unpredictable world and are governed by an unpredictable White House. The best way to make sure you're never caught off guard is to always hold a core position in physical precious metals. 📌

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# It's a Buyer's Market in Bullion

BY CLINT SIEGNER  
*Director, Money Metals*

Physical rounds, coins, and bars often fell into short supply in recent years as nervous investors worked to build a stash. They paid steep premiums and, in many cases, waited for delivery as mints and refiners struggled to keep pace. During brief periods, items such as the Silver American Eagle were hard to get at any price.

That changed with the end of the Obama administration and the election of Donald Trump. Suddenly more optimistic U.S. bullion investors slowed their buying and ratcheted up selling. Mints and refiners – who shed their backlogs in 2016 – have been lowering prices on silver rounds and bars. Premiums for those products have fallen roughly \$0.10/oz since January 1.

Secondary market metal (metal re-sold by investors back into dealer inventories) is also more plentiful.

Pre-1965 90% silver – aka junk silver – premiums are the lowest they have been in years. Those coins come exclusively from the secondary market. And there are no hard costs underpinning premiums as there is with newly fabricated bars and rounds. Mints and refiners making new silver products must cover the cost of labor and equipment.

The uptick in selling and downtick in buying quickly showed up in lower junk silver premiums. And there are deals to be had in other precious metals formats as well. Investors who don't care about getting the current year on Silver Eagles can save a few cents per ounce buying random-dated coins which have been readily available in recent weeks.

## More Product Choices than Ever

Buyers today also have a lot more choice when it

comes to inexpensive bullion coins than even 3 years ago. The enormous appetite for silver coins in the U.S. over the past several years, coupled with the U.S. Mint's inability to keep up, led a handful of other sovereign mints to jump into the American bullion coin market.



*Super-low premiums on our exclusive New Zealand Bounty*

Australia's Perth Mint now offers the Kangaroo; the British Royal Mint launched the Britannia; and Money Metals is proud to offer the Bounty – a super low premium coin from the New Zealand Mint in both the 1-oz and 1/2-oz sizes.

The wider selection, low premiums, ample inventories, and metals spot prices which remain relatively low make it a buyer's market in bullion. That is something which cannot be said for most other assets. It looks a lot more like a seller's market in stocks, bonds, real estate, and even the U.S. dollar!

## Receding Optimism or Higher Prices Could Trigger Frenzy

At what point will higher gold and silver spot prices translate into a buying frenzy from folks who see the train leaving the station? And how long will investors remain optimistic toward financial assets and uninterested in safe havens?

The answer to the latter question is a function of Trump's success in delivering on his agenda, geopolitical events in the U.S. and around the world, and the length of time left in the uptrend for U.S. stocks and real estate.

We see the current buyer's market conditions in bullion lasting weeks or months, but almost certainly not years. 🕒



# Our Readers Want to Know



At **Money Metals Exchange**, an important part of our mission is to educate you, our customers, and the public at large about the many aspects of the precious metals market.

We cater to clients who range from experienced bullion investors to those buying their first coins. All of them have questions from time to time, and we do our best to provide straightforward answers. We like to publish some of those questions and our responses when we know other readers will be interested.

## **QUESTION:** How much retail demand are you seeing for bullion these days?

**ANSWER:** Although gold and silver demand continues to be strong globally and among financial market participants, retail physical buying demand in the U.S. is significantly below levels seen prior to Donald Trump's election. There is also a big increase in customer selling. There are three main factors driving the shift in activity:

- The end of the Obama administration, the defeat of Hillary Clinton, and the election of Trump made investors generally more optimistic. They see less reason to seek safe haven in bullion.
- Buyer fatigue is playing a role. Demand for coins, rounds, and bars had been running at extraordinarily high levels since the 2008 financial crisis.
- Investment returns in the stock market have been strong since last November, keeping momentum-oriented hedge funds and institutions in "risk on" mode.

Buyer fatigue, by its nature, is a temporary phenomenon. The same can be said for bear market cycles – they don't last forever. The 2011-2015 downturn in metals appears to have run its course.

Time will tell, but we may already be seeing the start of a new multi-year uptrend. Gold and silver prices have enjoyed a good run since the first of the year.

## **QUESTION:** Is investor optimism toward Trump's policies justified at this point?

**ANSWER:** Our view is that Congress is unlikely to support both huge spending on infrastructure and tax reduction. Frankly, we expect very little from Congress when it comes to delivering any sort of meaningful

reforms. The effort to repeal Obamacare failed. And Trump himself has disappointed many supporters in recent weeks.

"Making America Great Again" is a lot easier said than done.

## **QUESTION:** What can you tell me about the troubles at Elemetal? I have some of their bars, should I be concerned?

**ANSWER:** Elemetal is an integrated precious metals company. They are perhaps best known as a major U.S. refiner and manufacturer of bars and rounds. In recent years, the company acquired NTR (North Texas Refinery) and OPM (Ohio Precious Metals) whose bars and rounds have been sold widely.

In addition, the firm offers financing and liquidity to bullion dealers via Elemetal Capital, secure vaulting services, precious metal scrap collection, and more. Elemetal is also behind Provident Metals, a national bullion dealer.

The company's recent troubles relate to criminal charges against one of its executives. U.S. authorities arrested Juan Pablo Granda, the company's operations manager responsible for sourcing unrefined metal in South America. The charges allege Granda helped launder billions of dollars for criminal organizations, including drug traffickers, who operate illegal gold mines. Elemetal purchased the mine output and imported it through Miami, FL.

Based on those charges, the COMEX has temporarily suspended the company's registration. Elemetal bars cannot be used for delivery against gold and silver futures contracts on the exchange.

Allegations are yet to be proven. It is impossible to say what lies ahead for the company. Our goal is to alert



# Our Readers Want to Know



our customers to what is happening so they can make informed choices about how to react.

For those who already own bars made by Elemetal, NTR or OPM, we suggest there isn't much to worry about. There are hundreds of millions of ounces of those bars circulating, and they are well regarded in terms of quality. As it happens, Money Metals Exchange is not currently sourcing any products or services – including financing – from Elemetal.

**QUESTION:** President Franklin Roosevelt ordered Americans to turn in their gold in 1933. How come there are so many Pre-1933 gold coins available today?

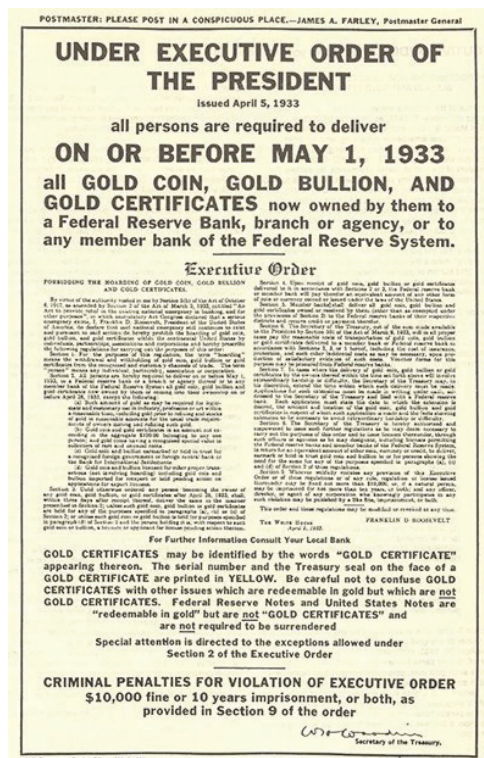
**ANSWER:** There are a handful of factors involved in the answer to your question. The first is that Roosevelt's executive order allowed for citizens to keep \$100 face value in gold coins. The second factor is the order "exempted gold coins having a recognized special value to collectors of rare and unusual coins."

There was also plenty of non-cooperation. Many Americans held on to their coins for various reasons. Perhaps they did not consider Roosevelt's order to be legal, or they distrusted the president and his motives.

It turned out there was good reason for any mistrust.

Americans who dutifully turned in their gold coins received \$20.67 per ounce. In 1934, once the roundup was largely completed, gold was revalued to \$35 per ounce. People who cooperated - traded their gold for paper dollars - were "rewarded" with a 41% haircut on the value of those dollars.

In our estimation, trust in the federal government is much lower now than it was in 1933. That is one reason why we question whether officials would once again attempt to compel citizens to turn in their gold for dollars. ①



## Stock Up on Silver and Gold Automatically!

Money Metals Exchange's monthly gold and silver savings program is extremely popular with customers. The minimum purchase is only \$100! A program description and enrollment form is posted at [www.MoneyMetals.com](http://www.MoneyMetals.com). Monthly accumulation is a savvy, no-hassle way to protect and save your money. We can even set up bank debiting, so you never need to write a check. Whether or not you sign up for the monthly plan, you may make individual silver and gold purchases whenever you wish. Our premiums above the spot market price are minimal!

**Call 1-800-800-1865 or visit [www.MoneyMetals.com](http://www.MoneyMetals.com) today.**



**Huge Selection of Gold and Silver!**

# Use Your IRA to Protect Yourself from the Next Wall Street Crisis

Few U.S. investors own even an ounce of gold or silver bullion, so it should come as no surprise that almost none of them know of the various options to hold bullion in an IRA. It doesn't help that financial professionals who coach people on what to hold in their retirement accounts typically aren't much better educated than their clients when it comes to gold.

Most investment advisers tout "diversification" as a key investment strategy. But they limit their clients to IRAs stuffed full of nothing but paper assets – stocks, bonds, and mutual funds. Wall Street pays them handsomely for it. Brokers are not eager to promote true diversification away from paper assets, as they would lose out on commissions and fees.

The 2008 crisis on Wall Street was an eye opener for Americans. A lethal combination of fraud, interdependence, and massive leverage nearly collapsed the entire global financial system. It didn't matter much how "diversified" an investor's portfolio of securities was. The losses were staggering, and it took years to recover.

Today the financial system is even more fragile.

Mega banks are larger than ever. They remain completely interdependent thanks to even larger bets on CDOs (collateralized debt obligations) and other complex derivatives. And there is plenty of evidence of massive ongoing fraud. The next time crisis hits, there may not be any bailouts, and many financial institutions may not recover at all.

An investment strategy that includes total dependence on Wall Street banks and brokerages isn't safe, regardless of what your broker might tell you.

For investors concerned about a portfolio filled with nothing but intangible securities, there is a much better option – the self-directed IRA. By giving yourself direct control over your portfolio, you can then invest directly

in tangible assets instead of whatever the Wall Street paper pushers would like you to buy. You can own real estate, privately held companies, and physical precious metals, to name a few.

## Precious Metals IRAs Are Still Largely Unknown

In it, you can purchase qualifying gold or silver bullion rounds, coins, or bars and get immediate protection from the risks associated with all forms of paper assets. Owning real, tangible metal is a great way to eliminate dependence on Wall Street. And if the aftermath of the last financial crisis is any guide, gold and silver will be a great way to profit.

Investors who hold metals in their IRA need never take on exposure to the dollar or other paper assets. They can actually take physical possession of their metal through in-kind distributions from the IRA, when the time comes.

Right now swapping high-priced stocks for gold and silver which look cheap by comparison could be a very good move – particularly if it is done inside a tax-advantaged retirement account.

The U.S. is not *currently* "winning" the global currency race to the bottom, but no one should count Fed officials out! Fed officials have been hard at work devaluing the dollar for more than 100 years. Your dollars will buy less a few years from now than they do today. Count on it!

Meanwhile, precious metal prices have fallen versus the general stock market in recent years. Anyone looking for an opportunity to switch paper assets for physical metal should find the current set-up in markets very compelling.

For more information about owning physical gold or silver in your retirement account, call 1-800-800-1865. 



## New Products:

# Wearable Gold Bullion and the “Magnificent Maple” 10 Oz Coin

Our quest to provide investors with the very best precious metals products is never-ending. This spring Money Metals is introducing many new products. There are two in particular we want to bring to your attention.

First is the new one-ounce pure gold bracelet – also known as “wearable bullion” – offering the ultimate in portability. Each bracelet is crafted from 1 troy ounce of .9999 fine (or 24 karat) gold, with a beautiful hammered finish. The bracelets are manufactured with care here in the U.S. and stamped with its .9999 purity on the inside ring.

Give one of these bracelets as a gift, put one on your own wrist or simply add them to your holding. They are shipped in a gift style box with a certificate of authenticity. The classic and simple design is suitable for either a man or a woman.



*Wearable pure gold at just over spot.*

The best part is that you can obtain this beautiful and stunning bracelet **without the jewelry mark-ups!** Premiums range between 7% and 9% over the melt value, meaning investors can buy with confidence as these bracelets are competitive with the premiums found on one-ounce gold bullion coins, such as the American Eagle. It is a great and inexpensive way to diversify any holding.

And since it is “just” jewelry, these bracelets also provide a vehicle for discretely transporting significant amounts of wealth when traveling.

## Introducing the Stunning 10 oz Silver Maple Leaf Coin

When it comes to silver, the new Canadian Maple Leaf has just been released in a striking 10-oz coin size. This bullion coin has been dubbed the “Magnificent Maple.”

You are welcome to buy in any quantity. Full mint boxes include 24 of these monster sized coins.



As is the case with other Royal Canadian Mint bullion coins, the purity of the Silver Maple Leaf is .9999. Furthermore, the face value of the Silver Maple Leaf is fifty Canadian dollars. Each coin is encased in a clear hard plastic coin capsule, meaning it will be protected and remain in pristine condition. The premium is slightly less than the 1-oz Maple Leaf, making it *the first* attractively priced legal tender silver coin in the unique 10-oz size... not to mention the first such coin we have ever offered in this size.

These and other exciting new product offerings are available from Money Metals either by calling 1-800-800-1865 or visiting us online at [www.MoneyMetals.com](http://www.MoneyMetals.com). 

## STORE YOUR METALS:

### Open a Money Metals Depository Account

Our **Money Metals Depository** service is raising the bar in the industry – offering you affordable, convenient, maximum security, and *fully segregated* storage so you can have total peace of mind.

On top of all that, your metals are insured by Lloyds of London. And you avoid all shipping costs whenever you buy or sell.

If you own \$5,000 or more in precious metals and prefer not to store them in your home or bank, call our team at 1-800-800-1865 for options and pricing.

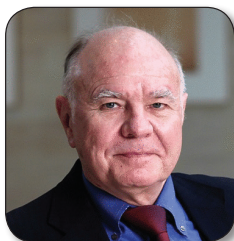


# Profitable Insights from Money Metals' Exclusive Podcast Interviews

## Highly Regarded Precious Metals Analysts Weigh In

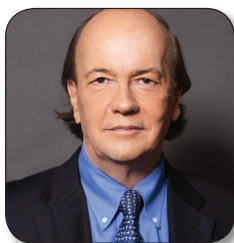
Each Friday, **Money Metals** Director Mike Gleason hosts a discussion with a leading expert of interest to our customers. Subscribe to these fascinating podcasts for free on iTunes or listen to the audio or read the transcripts at [MoneyMetals.com/podcasts](http://MoneyMetals.com/podcasts). Here are some pithy insights from recent podcasts...

**Dr. Marc Faber**,  
editor and publisher, *The Gloom,  
Boom & Doom Report* (4/7/17):



- “I think that the economy is not going to do as well as people expect... My sense is that the economy in the U.S. is weakening and not strengthening.”
- “Hard assets such as precious metals are at the historical low point compared to financial assets, so I think going forward there’s a huge discrepancy in performance between financial assets and gold. Hard assets will come back into favor.”
- “For the rest of 2017, I think that gold shares are an attractive asset class. Precious metals can easily move up another 20, 30 percent, possibly 100 percent or so.”

**Jim Rickards**, author, *The Road To Ruin*, editor *Jim Rickards' Strategic Intelligence* newsletter (3/24/17):



- On China devaluing its currency: “What’s that going to do? That’s going to inflame Trump and he’s going to come down on them with hammer and tongs and tariffs, and we’re going to have a trade war with China ... We’re looking at a train wreck.”
- On Janet Yellen’s clout and Donald Trump’s upcoming Federal Reserve Board appointments: “She’s going to be outvoted, outgunned, outmanned almost immediately once the President makes these announcements.”

**Michael Pento**, author, *The Coming Bond Market Collapse*, editor, *PentoPort.com* (3/3/17):



- “You should always have, in my opinion, 10-20% of your money in precious metals and mining shares. Always. That minimal level could be increased to as high as 80-90% of your assets once this helicopter money and next depression hits.”
- “The enthusiasm over Donald Trump is surely key to the success in the stock market. If you look at the stock market’s valuation, it’s absolutely off the charts. If you look at the total market value of stocks in relation to GDP, it has never been higher than it is today. If Donald Trump cannot push through [his agenda], the stock market is going to roll over ... you’re going to have a recession and then all hell and chaos is going to break loose on a global scale.”

**David Morgan**, author, *Second Chance: How to Make and Keep Big Money During the Coming Gold Silver Shock Wave*, publisher of *The Morgan Report* (2/24/17):



- “We are in a situation where I do believe with everything I learned and know, that we are not in a bear trap. We are in a new bull market [for precious metals], and I’m putting pretty much my reputation on the line.”
- “Regardless of economic condition, regardless of what’s going on in the debt markets or the equity markets, having precious metals in your portfolio will give you better overall performance.”