



# MONEY METALS INSIDER

An Insider Report for Clients of Money Metals Exchange

## Preparing for Post-Election Social Unrest

BY STEFAN GLEASON  
*President, Money Metals*

The 2016 election year brought out the worst among some elements of society. From vandalism to physical assaults to large scale race riots to terrorist bombings and mall stabbings, social disorder has become a more prominent feature of life in a polarized America.

It's easy (and politically convenient) for the establishment media to blame Donald Trump for inflaming the political divide. In reality, Trump supporters have far more often been the *victims* rather than the instigators of political violence.

Moreover, the forces driving social unrest have been building for years. And they are being encouraged and funded by far-left organizations. The riotous "Black Lives Matter"

movement has received more than \$100 million from leftist foundations including billionaire George Soros's Open Society Institute.

Surveys show that large numbers of Americans – including Republicans and Democrats, blacks and whites – agree that race relations have worsened under

President Obama's watch.

The nation's first half-African president has repeatedly sided with racial agitators and refused to denounce anti-police riots. His attorney general, Loretta Lynch, has given legal legitimacy to vicious racial narratives that have little to no basis in fact.



In addition to leaving the

country with fresh new racial wounds, the outgoing Obama administration will leave America with a doubling of the national debt to nearly \$20 trillion, a historically low rate of workforce participation, 20 million more people on food stamps, and a shrinking middle class whose earnings aren't keeping up with surging costs of things like health insurance.

People are frustrated, restless, angry. And officially, we aren't even in a recession yet. Officially, the inflation rate remains below 2%. What happens when the economy and stock market start tanking? Or when costs for fuel, food, and other consumer goods start taking off again?

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## Post-Election Social Unrest

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### Become More Resilient and Prepared for Any Circumstance

You won't want to be caught flat footed when the ugliness hits the fan. Now is the time to take steps to prepare yourself and your family to weather economic, political, and social unrest. Whether it's civil disorder or a terrorist attack or a natural disaster that knocks out the power grid, emergency preparedness can mean the difference between life and death.

Start with the basics. Make sure you have emergency backup supplies of bottled water and long-lasting foods. At **Survival-Goods.com**, you can buy easy-to-store boxes each containing a one-month emergency food supply for one adult. If martial law is declared or the streets become too dangerous, you'll be able to stay well-nourished at home for a protracted period.

Make sure you are able defend yourself and your family from threats. Upgraded locks, burglar alarms, and pepper sprays can help reduce your risk of being a victim. At some point, though, you may be confronted with the threat of lethal violence. You must be prepared to defend yourself using lethal force, if necessary. That means owning a firearm, being trained in its usage, and having ample supplies of ammunition on hand at all times.

### How Precious Metals Can Help You Survive a Financial Meltdown

Finally, make sure you are prepared for a financial

emergency. The banking system is fragile and vulnerable to any number of threats, including derivatives blow ups and cyber attacks. If banks close and ATMs become inaccessible, you'll be glad you kept an emergency cash stash.

But don't put your full faith in the value of the Federal Reserve Note (or any other fiat currency). It is sure to lose value over time and could one day suffer a massive

loss of confidence all at once. If top Treasury and Federal Reserve officials get their way, cash in the form of coins and bills will no longer even circulate in a future cashless economy. Their first priority is to get the \$100 bill banned to make it harder for people to hoard and move cash in large value.

The ultimate money in the event of a war on cash or in any type of crisis situation remains physical precious metals. If you need to use gold and silver for barter and trade, you'll want to have a variety of sizes for maximum flexibility. One ounce gold coins are great for storing large amounts of wealth, but they are not necessarily ideal for buying produce at a local farmer's market. Having gold in quarter ounce, tenth ounce, and even 1 gram denominations gives you more options.

Of course, silver is the more practical metal for smaller transactions. One-ounce silver coins/rounds will be widely useful. For smaller transactions and to make change, you'll also want to have some fractional sized silver.

Pre-1965 90% silver quarters and dimes are essential for any barter stash. During an economic panic or retail silver shortage, premiums on pre-1965 silver coins could surge. It's best to stock up on these historic, no-longer-minted coins while premiums are still low, as they are now. ⓘ



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# Exciting New Products Available from Money Metals Exchange

By MIKE GLEASON

Director, Money Metals

In recent months, **Money Metals** has substantially expanded the product lineup, giving our customers some great new choices of products in each of the precious metals. Below are just a few of the items added in recent months. For a full list of items please visit [www.MoneyMetals.com](http://www.MoneyMetals.com).

## New Silver Items

**1-oz New Zealand Bounty Coin** – Our exclusive new coin! See the full write-up on page 7.

**British Queen's Beast 2-Oz Silver Coin** – First in a 10-coin series from the UK's Royal Mint. Unique design with striking detail and one of very few 2-oz coins minted in the world.



## Morgan/Peace Dollar

**Culls** – Own a piece of history with these circulated silver dollars but only pay slightly over their melt value. While **Money Metals Exchange** doesn't deal in high priced "collectible" coins, these silver coins are available in raw and circulated condition at way lower premiums than you will find elsewhere.

**1-Oz and 10-Oz Silver Bullets** – Perhaps the most unique items in our ever-growing product lineup. The 1-oz is modeled after a real .45 caliber bullet while the 10-oz is a replica of a 50 caliber Browning Machine Gun (BMG) round.



## New Gold Items

**8-gram and 15-gram Gold Chinese Panda Coins** – Lower premium alternatives to the North American fractional coins. The 8-gram Panda is just over a quarter of an ounce, while the 15-gram Panda is just less than half an ounce.

**2017 "Year of the Rooster" 1-Oz Gold Coin** – From the prestigious Perth Mint of Australia. Limited mintage coin commemorating the Chinese Lunar calendar.

**MapleGram25™ Gold Coins** – Own 25 individual 1-gram gold Maple Leaf coins in a single product. Each section can be easily separated while remaining in the packaging with assay.



## New Platinum And Rhodium Items

**1/10-oz Platinum Noble Coin** – Minted by the Isle of Man, the tenth-ounce Noble is the only fractional platinum coin currently being minted in the world today.

**MultiGram+25 Platinum Bars** – Unique PAMP Suisse product offers 25 individual 1-gram platinum bars in a single product. Each section can be easily separated while remaining in the packaging with assay.

**1-oz Rhodium Bar** – Rhodium, one of the lesser known precious metals, is currently under \$1,000 an ounce but was \$10,000 an ounce as recently as 2011 – meaning there may be significant upside potential in this industrial precious metal. ⓘ





# 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.

**Money Metals** customers have questions from all over the spectrum. We see questions about the basics of bullion investing from people just getting started with their first purchases. We receive detailed inquiries about IRS rules or other facets of the markets from folks who have been at it for a while. And many want to know how current events impact the precious metals. From time to time, we publish these questions and answers...

**Question:** What was behind the early October sell-off in precious metals? It looked like the worst was behind us, but now I am not sure.

**Answer:** Gold and silver had an extraordinary run during the first 6 months of the year, but they fell into a rut over the summer and then hit the skids as the 4th quarter began. There are 3 primary factors driving the most recent price correction.

The first is the strength in the Federal Reserve Note, commonly referred to as the U.S. dollar. The DXY index, which measures the dollar against other major world currencies, hit its highest levels since July. This surge, however, is not driven by safe-haven buying as it was immediately following Brexit. Rather, investors are looking forward to the Fed tightening monetary policy.

Despite slowing GDP growth and other weak economic data, the consensus for a rate hike by year's end is growing. This sentiment is boosting the dollar and undermining metals.

The second factor is related to the first. Real interest rates are rising. The yield on 10-year Treasury bonds recently hit the highest levels since June. The bond markets largely ignored Fed jawboning in regards to higher rates during the late spring and summer, but now they are behaving as if a rate hike is a real threat. Higher real interest rates create headwinds for gold which does not offer a yield.

The last factor is (or was) the extraordinarily high

speculative interest in metals. Open interest in both gold and silver futures soared as metals ran higher and then peaked following Brexit. That speculative interest fell slightly as prices stalled during the summer, but less than expected. The markets entered October with lots of traders still hoping for higher prices as long as prices weren't breaking down.

Across the table from them sat the bullion banks, heavily short and pushing for prices to fall. The impasse broke when the stronger dollar and higher rates pushed metals below technical support and speculators ran for the exits.

The good news, if any, is that flushing weak hands and reducing open interest will put markets in a better position to bottom and start a new leg higher. Of course, much will depend on what happens in the dollar and in interest rates.

Our view remains unchanged. The Fed is going to find it near impossible to normalize interest rates, and eventually markets will figure that out. The last rate hike, a measly quarter percent in December 2015, cratered the stock markets and immediately had officials back pedaling. Gold and silver prices soared. We expect history to repeat.

**Question:** What do you think the presidential election will mean for precious metals?

**Answer:** The short answer is we don't expect either candidate to change the fundamentals which drive these markets over the long haul. We expect metals prices to be

*Continued on next page*



# Our Readers Want to Know



dramatically higher 4 years from now, regardless of what happens on November 8th.

Neither candidate is making any sort of promise to address the basic problems of too much debt and crushing entitlement commitments – Social Security, Medicare, Medicaid etc. And the completely unaccountable Congress who has final responsibility for these problems isn't going anywhere.

Hillary Clinton is nothing if not perfectly predictable with regards to the policies she will promote. Count on more of the same:

- Making America safe (and profitable) for cheating banksters
- Central planning of markets via Fed policy
- The war on cash
- Invading your privacy and taxing you more
- Waging hideously expensive and deadly wars

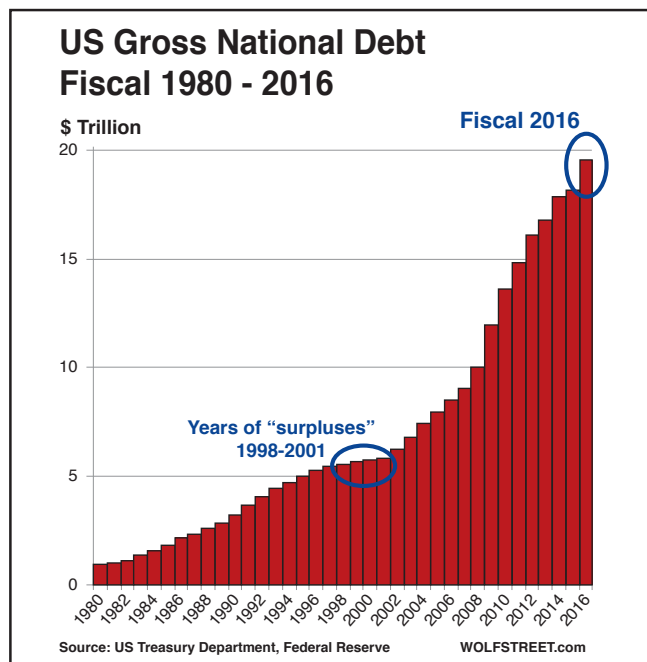
Donald Trump made a lot of hay campaigning as an agent of change. But he hasn't made any bold promises to dramatically reduce spending and entitlements. He wants Americans to believe he would promote enough economic growth to make these burdens bearable. Is there still anyone who believes this tired old political promise?

For anyone inclined to believe that promise, we'd point out that strong growth does not translate to reduced debt and deficits. Just look at the chart to the right which shows the shocking growth in debt during both the Ronald Reagan years and the Bill Clinton years – both periods known for economic growth.

Another problem (among many) with the notion of strong growth is that it would be accompanied by much higher interest rates. Do the math on what happens to the federal budget when interest rates return to levels closer to what we had in the 1980's and 90's. It isn't pretty. Borrowing costs of 5% translate to an interest expense of a trillion dollars per year.

Tax receipts will need to grow enough to wipe out the current deficits, plus cover the additional borrowing expense. We believe growing our way out of the current

mess is impossible. A default is coming – almost certainly via massive devaluation of the dollar.



**Question:** I recently saw an ad from another coin dealer about a self-storage IRA. Do you think that is a good idea?

**Answer:** We strongly recommend investors tread with caution when it comes to “self-storage” or “home-storage” IRAs. The IRS frowns on people taking personal possession of IRA assets, providing personal services involving their IRAs, and/or commingling IRA assets with personal assets. The work-around being promoted for such IRAs has not been tested in court, but it seems likely to fail.

Laura Saunders of the *Wall Street Journal* recently covered this topic. She wrote “The Internal Revenue Service says it ‘warns taxpayers to be wary of anyone claiming that precious metals held in your IRA can be stored at home or in a safe-deposit box.’”

The scheme is on the federal government's radar. Unless you are prepared for the IRS to disqualify your IRA and declare income tax and penalty be immediately due on the entire amount, we would steer clear and instead hold IRA metals in a third-party depository. ⓘ

# Smashed Silver Snaps Back into Its Bull Market

BY STEFAN GLEASON  
*President, Money Metals*

The silver bull is back. After five long, frustrating years of price smashes followed by one failed rally attempt after another, silver prices have decisively broken out to the upside.

The question facing precious metals investors now is: *How sustainable is the uptrend?*



*Silver broke above its 5-year downtrend early this year in bullish pattern.*

A major breakout doesn't necessarily portend any particular duration or price objective to follow. The silver market is notorious for producing price swings that befuddle forecasters. Nevertheless, the birth of a new cyclical bull market suggests the potential for a multi-year up move to come. Before it's over, we are likely to see new all-time highs.

The good news for those not yet invested in silver is that even after the gains so far in 2016, prices remain relatively depressed. Silver still trades at way less than half its former high mark.

In order for silver to match its all-time high of around \$49.50/oz, prices would have to advance another 190% from recent levels. A return on investment of nearly triple is a pretty good proposition. Such a return would likely best any gains from stocks, bonds, or other conventional financial assets.

But in the silver market, a doubling or tripling of prices is far from unheard of. This is a metal that went

up 10x from 2003-2011. And First Majestic Silver (AG) CEO Keith Neumeyer stated his belief on the **Money Metals** podcast that this new silver bull will take the price from its recent low of \$13.50 to \$135.

Indeed, the most explosive gains in the bull market that began this year may occur *after* silver breaks out to new record highs. From a technical standpoint, there is no telling how far silver prices could launch as prices will literally be in uncharted territory. Not only that, but silver would be breaking a double-top resistance level that stretches all the way back to January 1980, when silver spiked briefly to over \$49/oz. A new high would mean 36+ years of accumulated selling pressure is no longer a factor.

Silver naysayers can point to the potential for weak industrial demand for the metal and few signs of a rebound out of China, whose economic ebbs and flows have lately been a primary driver of base metals

*See Silver Bull Market Returns, page 8*

## STORE YOUR METALS:

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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.

## **Announcing the Lowest-Priced Legal Tender Silver Coin in the World**

### ***NEW! Legal Tender .999 Silver 1-Oz Coin HMS Bounty from the New Zealand Mint***

**Money Metals** is pleased to announce that we have just been designated as the only dealer worldwide for a stunning new 1-oz .999 silver coin, the New Zealand Mint's 2017 "*HMS Bounty*." Even more exciting, this beautiful addition is the *lowest priced 1-oz legal tender silver coin in the world, period!*

The silver content and purity of the NZ *Bounty* are identical to that of silver American Eagles, yet premiums on this exciting new issue are far lower. The NZ *Bounty* is also priced lower than the Australian Kangaroo, Austrian Philharmonic, British Britannia, Canadian Maple Leaf, Chinese Panda, or any other 1-oz legal tender coin you've ever seen.

You already know **Money Metals** as America's most trusted source of low-premium precious metals with over \$120 million in annual sales. More than 100,000 customers have trusted **Money Metals** to bring them the most metal for their money in a wide range of legal tender as well as privately minted options. *Now we're proud to serve our customers as the exclusive dealer for this ultra-low premium legal tender coin.*

The NZ *Bounty* is not only an outstanding value in legal tender silver, it's also a spectacular coin. The obverse depicts Her Majesty's Ship *Bounty* under sail, circumscribed by an eight-point compass. The reverse features Queen Elizabeth II and bears the coin's \$2 legal tender denomination.

**The HMS Bounty:** A three-masted merchant vessel built in England in 1784, the HMS *Bounty* was purchased by the Royal Navy in 1787. She was sent to the Pacific under command of William Bligh to

acquire breadfruit plants from Tahiti and transport them to the British West Indies in hopes of producing edible harvests. In September 1788, the ship sailed past the southern tip of New Zealand on its long and arduous voyage. The mission was aborted in April 1789 following a mutiny led by Acting Lieutenant

Fletcher Christian. This was the famous Mutiny on the *Bounty*, subject of three films including the 1935 classic starring Charles Laughton and Clark Gable.

The mutineers burned the ship on Pitcairn Island in 1780

in order to avoid detection by the

Royal Navy, which sought to return them to England for trial. The remains of the *Bounty* were discovered in 1957, and various parts have been salvaged. Though its service was short and its end tragic, the *Bounty* remains a bold symbol of the global quest for wealth and prosperity.

**The New Zealand Mint:** Tucked away on the south Pacific island of Niue (NEW-ay), the New Zealand Mint has been producing legal tender coins, bullion, and collectible medallions for more than four decades. New Zealand's only precious metals mint, it prides itself on high quality design and production.

**Money Metals** is offering the beautiful 2017 1-oz NZ *Bounty* for as little as \$1.69 over spot, our lowest price on any 1-oz legal tender coin. Its weight, purity, and legal tender status are backed by the Reserve Bank of New Zealand, the official bank of New Zealand.

In addition to their primary value as a store of wealth

*See Lowest-Priced Silver Coin, next page*





## Lowest-Priced Silver Coin

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against the fickle nature and uncertain future of fiat currency, these beautiful coins will make outstanding Christmas gifts and stocking stuffers, helping to instruct others on the wisdom of owning sound money and investing in precious metals.

Since its inception, **Money Metals** has offered privately minted silver rounds to precious metals buyers seeking the most metal for their money. Now the *NZ Bounty*

offers the added benefit of legal tender status at prices very comparable to privately issued rounds.

This new product offering is your opportunity to load up your vault at significant savings compared to American Eagles and other government-issued silver. Call **1-800-800-1865** now for a free expert consultation or to place your order, or simply shop online at [www.MoneyMetals.com](http://www.MoneyMetals.com).

And in November, all orders over \$500 ship free at **Money Metals** – that's only about 25 1 oz NZ Bounty coins. There is no limit, buy as many as you want!! ⓘ

## Silver Bull Market Returns

*continued from page 6*

markets. Silver is not merely a base metal, though.

It is a precious metal with a history (and likely a future) of being used as money. Although silver is no longer treated as a monetary asset by central banks, that could change.

There has been a push in Mexico and elsewhere to re-introduce silver into the monetary system. The advantage of silver is that it can be minted into coins and circulated into the economy much more readily than gold, which is too dear in price for most everyday transactions.

In the meantime, investment demand for silver is surging dramatically. Sales of U.S. Silver Eagles hit an annual record last year and may set another record in 2016. Over the summer, total holdings in silver exchange-traded funds set a record high.

Investment demand alone is putting silver back in supply deficit. New supply from North American mines totaled just 49 million ounces last year. That's not even enough to cover the amount of silver needed by the U.S. Mint to satisfy investor demand for coins!

## Escape from the \$15 Trillion Negative Yield Black Hole

Despite growing investment demand, silver remains a relatively tiny area of the investment universe. All the silver bullion products in existence amount to a few billion dollars. A few billion barely registers in a sea of more than \$100 *trillion* in global financial assets. If investors collectively tried to move just 0.1% of their

assets into physical silver, the market would explode.

Right now some \$15 trillion is parked in debt instruments around the world with negative yields. In other words, "investors" are holding onto \$15 trillion in paper issued by governments and banks that is *guaranteed* to return a loss! It's perhaps history's most unfathomably dumb – and now dangerously large – asset bubble.

It's gotten so insane that Switzerland was recently able to sell 50-year bonds with a negative yield attached to them. Who in their right mind would want to own an asset that promises to return paper losses for the next five decades?

Eventually, this madness will end. It doesn't take a great deal of financial sophistication to see the benefits of holding cash in the form of precious metals instead of negative yielding IOUs. The upside potential of precious metals is far superior to any fixed-rate bond, let alone one with a negative return built in.

A flight from negative returns could be a windfall to gold and silver markets. It could be a catalyst for a mania phase in precious metals. That hasn't happened since the late 1970s.

In order for silver to match its January 1980 peak in CPI-adjusted terms (which arguably understates real-world inflation), prices would have to climb to \$144/oz. The upshot is that even if inflation doesn't pick up from here, triple-digit silver is well within reach during this bull market. ⓘ