



MONEY METALS

INSIDER

An Insider Report for Clients of Money Metals Exchange

Mine Production Crashes as Silver Becomes “Most Undervalued Asset”

BY MIKE GLEASON

Director, Money Metals

With so many disruptions and dislocations now hitting the economy, investors have to ask themselves: What is truly sustainable?

A great many businesses won't be around after this global pandemic finally recedes. Entire industries will never be the same. And so many families will be financially wiped out.

Government “stimulus” may well prevent politically favored companies from going under. But at the cost of putting federal spending and borrowing on an even more unsustainably steep trajectory.

While there is no limit to how much currency the Federal Reserve can create to prop up the government and the entire financial system, there are limits to the U.S. dollar's credibility as a store of value. And they are likely to be tested as the currency supply accelerates upward.

At the same time, production of scarce assets such as

precious metals and an array of commodities is likely to fall off a cliff. The current supply and demand dynamic in most raw materials is both unprecedented and unsustainable.

The big story we have been told with regard to crude oil is pandemic-driven demand destruction. The global oil market has seen demand contract by up to 25 million barrels per day as economies remain virtually shut down.

To make matters worse for oil producers, Russia and Saudi Arabia had been flooding the world with more output. They drove crude prices down so low that the entire North American shale industry, which was already reeling, now faces the prospect of being driven out of business.

In the first quarter of 2020, oil prices suffered a 66% crash – a record drop for a single quarter – settling right around \$20 per barrel. At that price, nearly the entire energy sector is unsustainable. From the frackers to the deep-sea drillers to even the more conservatively positioned diversified energy giants, \$20 oil simply doesn't work.

Until oil prices get back above \$40, the only way some of these companies can hope to survive is by drastically shrinking their operations. Wells are being capped. Industry analysts anticipate a 70% drop in U.S. drilling over the coming months.

At the same time, demand is also expected to recover from current levels. Although energy use will increase gradually at first as sections of the economy reopen,



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Our minimum loan size is \$25,000, our rates are under 6%, and we loan up to 75% against the market value of your metals (not available in all states). For more information or to apply, call 1-800-800-1865 or visit at MoneyMetals.com/gold-loan. 



Mine Production Crashes as Silver Becomes “Most Undervalued Asset”

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demand can increase a lot faster than supply – especially when that demand is being accelerated by \$6 trillion in federal stimulus so far, and likely even more ahead.

Similar supply and demand pressures face the base metals and precious metals mining industries. Multiple mines around the world – from South Africa to South America – were shuttered due to the coronavirus.

Even before the pandemic, the mining industry was in distress due to low market prices for metals. First Majestic CEO Keith Neumeyer had determined it made more business sense for the company to hold onto its silver assets rather than sell them into the market at extremely depressed prices.

This year could see a record decline in mining supply for silver and other metals. And while the crude oil market entered the year with a supply glut that has only continued to grow, silver and palladium in particular were headed for supply deficits.

Although industrial demand is currently way down, when it does recover, it will be difficult to see how those deficits don't widen and perhaps lead to price spikes.

We expect investors will continue to seek precious metals for financial security during this pandemic and its aftermath. But there may simply not be enough gold and silver above ground to go around – not at current prices, anyway. 



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All of the Economic Recovery Models Will be Wrong Too

BY STEFAN GLEASON
President, Money Metals

“All of the projection models were wrong. All of them,” admitted New York Governor Andrew Cuomo in an April interview with MSNBC.

Governor Cuomo had been issuing frantic demands for tens of thousands of ventilators... that turned out not to be needed as the rate of new hospitalizations for COVID-19 infections in New York plunged with surprising speed.

Governor Cuomo had warned America that New York City was the canary in the coal mine, that other cities would soon suffer similar death rates.

And based on models cited by Dr. Anthony Fauci in early April, the United States was expected to rack up around 200,000 deaths from the virus – or more than 2 million if we failed to socially distance, according to other widely cited models.

Thankfully, all those models were dead wrong.

The new ones show daily death counts peaking out around now at dramatically lower than projected levels and new cases continuing to plunge, as is the typical seasonal pattern in April for cold and flu-like infections.

A sustained decline in coronavirus cases should mean the U.S. economy will fully reopen unless myopic medical experts continue to get their way.

However, a lifting of lockdowns doesn't mean things will return to normal anytime soon. The pre-virus economy as we knew it will likely never return.

Some businesses and business practices will be gone forever. Many consumer buying, saving, and investing habits will also likely change permanently and in ways nobody at this point can predict.

U.S. monetary policy certainly won't be able to “normalize” back to pre-virus practices.

The Federal Reserve's balance sheet has exploded, literally by the trillions, with purchases of government and corporate bonds. The Fed's once-pristine balance sheet now includes junk bonds.

We are in uncharted territory in terms of what assets the Fed can buy, and there are no limits on how

much cash it can create to buy them. Maybe next the central bank will buy up restaurants, casinos, cruise ships, farms and shopping malls. Maybe its next policy move will be to slash interest rates below zero.

No conventional economic models are able to account for the simultaneous collapse in economic demand to depression levels and the explosion in fiscal and monetary stimulus to hyperinflationary levels.

We could see GDP contract by 30% in the second quarter with unemployment spiking to 30% – a Great Depression scenario. But the metals markets could jump based on the artificial stimulus being pumped into the financial system that is debasing the dollar.

An inflationary depression would be a terrible environment for most investments in real terms. But it could potentially be a fantastic environment for gold and silver.

During most crisis investing environments – whether inflationary or deflationary – precious metals tend to outperform stocks.

Anyone who proffers a prediction on where the Dow Jones Industrials will be trading at the end of the year is just guessing. None of the so-called “experts” on Wall Street have a clue. The officials at the Fed who are trying to centrally manage a broken economy don't know what the ultimate consequences of their interventions will be either.



Deeply flawed infection models have led to economic and societal devastation.

See The “Experts” Were Dead Wrong, page 8

Frequently Asked Questions

About Gold and Silver Investing



The past two months have brought unprecedented volatility to the bullion market.

In addition to wild swings in spot prices, Money Metals has experienced a massive surge in demand and extreme strain on supply, leading to a spike in premiums (on both bids and asks).

These are stressful times for everyone, to be sure. But precious metals investors can rest assured physical bullion has always, and will continue to, represent real value during turbulent times.

Many longtime gold and silver holders – as well as potential new buyers seeking safe haven – have been reaching out to us with questions and concerns. Here we will answer a few of the most pressing ones for the benefit of a larger audience...

QUESTION: Will precious metals dealers be able to operate during this national emergency and remain in business throughout it?

ANSWER: Yes, but... sadly, not all dealers will make it through the crisis. Local coin shops have been ordered to shut down for weeks and possibly months in some states.

Meanwhile, national dealers that fail to properly hedge against extreme market volatility and/or secure enough inventory to fulfill orders could get into trouble. At times, some dealers stopped taking orders, limited orders, or quoted ridiculously long shipping delays.

To be fair, the last two months have been a challenging environment in which to operate, but it is especially critical during these times that you do your homework on any dealer before placing an order. Check out their reputation on the internet and with the Better Business Bureau.

Make sure a dealer has customer service available online and by phone. Also make sure their order delivery timeframe is reasonable. Delays of two or three weeks on many popular bullion products should not necessarily be cause for alarm until such time as market conditions normalize.

Money Metals Exchange has built an industry-leading reputation for customer service and satisfaction. We have made necessary adjustments to our business during this coronavirus crisis, including beefing up our customer support and order fulfillment infrastructure to handle surging order volumes (more than four-fold!)

Our company is already now stronger than ever and has been running circles around much of the competition!

QUESTION: How can I buy physical bullion without having to pay an elevated premium over spot prices?

ANSWER: All gold and silver bullion products, except in some cases very large bars, have seen premiums spike due to rising demand and insufficient production from mints.

To reduce the premium you pay over spot, normally you would opt for bars or rounds over American Eagles. However, the U.S. Mint temporarily suspended production on these popular coins, and private mints have also sold out of bars and rounds, resulting in shortages across the board.

To obtain physical metal at the absolute lowest cost currently available, consider Vault Gold and Vault Silver (see page 7).

Through our new Vault Metals storage program, you can obtain ounces of .999+ pure silver or gold stored securely in your name. (We have an order minimum size of 100 silver ounces or one gold ounce.)

QUESTION: What if I need to sell my coins, bars, or rounds?

ANSWER: The bullion market remains liquid. In fact, precious metals dealers are now desperate to acquire inventory and will be happier than ever to buy from customers actually willing to sell.

In recent weeks, Money Metals has repeatedly raised its buyback prices versus spot prices as a reflection of

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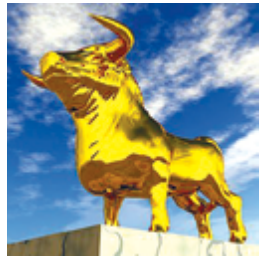


Frequently Asked Questions *(continued)*

scarcity-driven premiums on coins, bars, and rounds. So please go to any product page at MoneyMetals.com and sell us your items if you wish – or call 1-800-800-1865.

QUESTION: With assets subject to being liquidated during panic selling sprees, why should we expect precious metals to perform any better than the stock market?

ANSWER: Let's take a step back and review where stocks and metals stood before the coronavirus crisis got us to this point.



In February, the S&P 500 was trading at a record high in one of the longest bull markets on record.

Valuations had gotten extremely stretched and stocks were priced for perfection. When the economy suddenly ground to a halt, stocks were bound to crash.

Gold and silver, on the other hand, haven't traded at record highs since 2011. Silver in particular was already extremely depressed in price as the stock market began to nose-dive.

After the indiscriminate forced selling of March subsided, silver quickly snapped back and gold surged to an 8-year high.

QUESTION: Will the Federal Reserve be able to rescue the economy?

ANSWER: No amount of money printing can rescue an economy that remains shuttered due to an exogenous threat outside of the financial system. But that won't stop the central bankers from trying!



The real unknown is what happens when the economy finally does restart with trillions of newly printed dollars having just been pumped into the financial system.

We have never seen a Quantitative Easing this fast and this furious attempted before.

The potential exists for a massive demand surge, with too many dollars chasing too few goods. In other words, the recent deflation scare could reverse violently and leave the economy with a massive inflation problem.

But until we get the world working, traveling, and consuming again, the inflation created by the Fed will stay mostly bottled up in government and now also corporate bond markets.

Precious metals are a leading indicator of future inflation. Gold and silver prices usually rise well ahead of a recovery in the real economy. ⓘ

Special Discounts for Monthly Silver and Gold Savers!

Money Metals Exchange's monthly gold and silver savings program is extremely popular with customers, especially because they get access to lower premiums than the general public. The minimum purchase is only \$100! A program description and enrollment form is posted at 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.

Call 1-800-800-1865 or visit www.MoneyMetals.com today.



Huge Selection of Gold and Silver!

Federal Reserve Notes Are Now “Backed” by Junk Bonds

BY MIKE GLEASON

Director, Money Metals

During mass liquidation episodes like we experienced in March, cash was king. But such status is temporary and fleeting – lasting only as long as it takes the Fed to implement novel and previously unimaginable schemes to print and depreciate the currency.

In the long run under our monetary system, cash is something to avoid like the plague.

That’s what the founder of the world’s largest hedge fund believes. In January, billionaire hedge fund king Ray Dalio made a strong declaration about paper money in a CNBC interview.

Ray Dalio:

What do you jump into when you jump off the train? And the issue is you can’t jump into cash. Cash is trash, because they’re going to print money. What do you do? You get out.

CNBC Interviewer #1:

So what do you do?

Ray Dalio:

So what you have to do is you have to have a well-diversified portfolio. I think that you have to have a certain amount of gold in your portfolio, or you have to have something that’s hard. I know I’m going to come out of here (and everyone will be) like “Ray Dalio’s wild on gold.”

CNBC Interviewer #2:

I’m going to say “cash is trash” is your headline.

Ray Dalio:

But cash is trash.

Admittedly, Dalio’s January call on cash looked terrible during the depths of March’s market crash. But a mere two weeks into April, his call on gold

looked brilliant. Gold has outperformed all forms of paper cash this year and rose by double digits versus the U.S. dollar.

The Federal Reserve is now adding junk bonds – the riskiest, lowest quality corporate debt instruments – to its balance sheet.

Such a move by the custodian of the world’s reserve currency would have previously been unthinkable. It may even be illegal, but the central bank has long since strayed from its original Congressional mandate

and nobody in Washington seems to care.

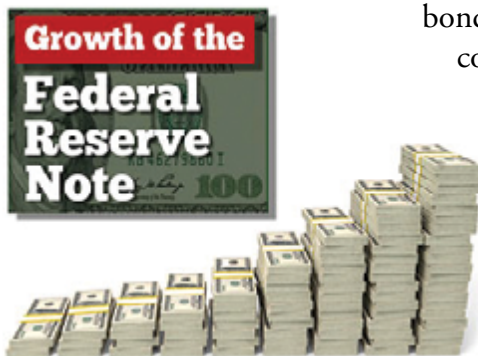
Previously in our history, the U.S. dollar was backed by gold and silver and could not be inflated to serve any purpose, let alone to bail out banks and private corporations.

Then after the Federal Reserve was created in 1913 and President Richard Nixon closed the international gold window in 1971, fiat Federal Reserve Notes were backed only by “the full faith and credit of the United States.”

After 2008, the era of Quantitative Easing began as the Fed ballooned its balance sheet with Treasury and agency bonds. In 2020, we are entering a new monetary era – the era of Unlimited Easing, the era of Federal Reserve Notes attaining the status of junk.

How rapidly the downgrading of the U.S. dollar translates into real losses of purchasing power remains to be seen.

But we could certainly see price spikes across an array of raw materials and consumer goods once economic lockdowns are fully lifted and pent-up demand is released with trillions of newly created junk dollars circulating in the financial system. 🕒



Easily Switch Some of Your Savings to a Low-Cost Gold and Silver Account

Trade In Some of Your Federal Reserve Notes Held In At-Risk Banks and Brokerages for the Money of Kings

MONEY METALS – Dollar devaluation rolls on unabated in the current global crisis.

Meanwhile, real gold and silver maintain their traditional places as the currency of kings.

Stefan Gleason here for Money Metals, where recent months have brought us a deluge of *4 times our normal volume of inquiries and orders* from investors seeking the best options for buying precious metals at a great price – *and storing them securely for an uncertain future.*

In the months ahead, banks face major solvency questions as their commercial and personal customers struggle with costly business closures, devastating unemployment, and a recession (or depression) of unknown duration.

How soon banks will start to reach a tipping point is anyone's guess.

It's no wonder wise investors are rushing to swap out more of their devaluing Federal Reserve Notes

See Low-Cost Gold and Silver Accounts, next page



Money Metals Depository

State-of-the-Art Security to Store Your Gold & Silver

Money Metals customers know the importance of protecting their wealth from inflation and financial turmoil. Building a precious metals holding is one vital step. Securing that holding is quite another.

Storing your precious metals in the ultra-secure Money Metals Depository is prudent and affordable. Store with us and you'll find convenience, security, and savings on shipping and insurance – at a bargain price.

State-of-the-art physical security

- Money Metals Depository is custom-built to our specifications, armored in thick steel and hardened concrete.
- Money Metals Depository uses only top-of-the-line UL Class 3 vaults.
- Our facility uses 24-hour monitoring and the latest security protocols.
- Located in low-crime Eagle, Idaho, with the county sheriff's office located in the same building.

Zero cost to ship and insure

- You'll never pay a dime to ship and insure when you order from Money Metals Exchange and elect to store your metal with Money Metals Depository.
- Nor is there any cost to ship and insure when you sell precious metals stored with Money Metals Depository to Money Metals Exchange.

Contents fully insured by Lloyd's of London

- Metals stored in a standard account are fully segregated and are never commingled with any other customer's holding or our own.
- Depository holdings are totally independent from any bank, Wall Street, and Washington, DC.

Access to Cash Loans If Desired

If you need storage for any portion of your metals stockpile, take advantage of the most secure, convenient, and affordable option available anywhere. Just call us at 1-800-800-1865 or visit MoneyMetals.com/depositary to get started.



Low-Cost Gold and Silver Accounts

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(US Dollars) for the time-honored security of physical gold and silver – *Precious metals buyers are calling us for our best prices on legal tender coins, rounds, and bars – and now our latest options, Vault Silver and Vault Gold.*

Demand for hold-in-your-hand forms of silver and gold has eclipsed historic levels, resulting in short supplies, high premiums, and unwelcome shipping delays... particularly at Money Metals' competitors.

Vault Silver and Vault Gold, in contrast, are in ample supply, are still available at super-low premiums, and are not impacted by delays in processing or shipping.

Your own Vault Metals storage account with Money Metals is secured by large “bricks” of very pure gold and silver – think of a poundcake but made from solid gold or silver.

Ownership of gold and silver in this highly efficient form has long been the hands-down preference of institutional investors – such as royalty, billionaires, national reserves, and very large banks (in New York, London, Hong Kong).

Until now, ownership of large commercial bars has been unachievable to the individual investor (unless your name is Goldfinger, or begins with King, Prince, or Sheik).

The unit cost a single 1,000 oz bar of silver is over \$16,000; for a 400 oz bar of gold, \$700,000. You'd need your own vault, and your own armed guard, to take possession of these!


But now, Money Metals is offering you a way to

take ownership of portions of these large, cost-efficient bars, selling full legal ownership of as many ounces as you wish (minimum purchase is one ounce of gold and 100 oz of silver).

You won't need to install a safe in your home or arrange for an armored car. We hold your gold and silver in a very secure vault (modest storage charge applies), and we deliver your proportional interest into your own Money Metals Depository storage account.

Your Vault Silver and Vault Gold ounces can be liquidated 24/7 at the spot price – you can always cash out quickly, with no shipping hassles.

Your holdings of physical precious metals are guaranteed and insured, held in your very own Vault Metals account at Money Metals Depository. You'll have a real savings account, one that cannot default and that maintains purchasing power forever – huge advantages over paper investments and electronic digits!

Learn more about Vault Silver and Vault Gold at MoneyMetals.com or by calling 1-800-800-1865. 



Lowest Cost Way to Get Gold & Silver...

Vault Metals!

- ✓ Gold & Silver Ounces, Stored Securely
- ✓ Super-Low Premiums, Just over Spot
- ✓ Easy to Acquire and Liquidate

Visit MoneyMetals.com
or call 1-800-800-1865

The “Experts” Were Dead Wrong

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After the initial outbreak of the Wuhan coronavirus, neither the World Health Organization nor our own Surgeon General had any idea of the global threat it posed.

They initially downplayed it, repeated false Chinese propaganda that it wasn't transmissible from human to human, and then falsely (and selfishly) told us medical masks were ineffective when worn by the general public.

All of their projection models were wrong. And investors should be skeptical of any particular projection models for the economy or financial markets. They will all be wrong to some extent.

But investors can be confident that a portfolio diversified into gold and silver will mitigate downside risk in stocks and other paper assets – while also providing added upside potential, especially as inflationary pressures build. 