



MONEY METALS INSIDER

An Insider Report for Clients of Money Metals Exchange

Contrarians See Opportunity in Negative Sentiment

BY STEFAN GLEASON
President, Money Metals

Gold and silver markets entered this summer with sentiment toward the metals in something of a deep freeze.

For several months, precious metals prices have gone essentially nowhere. No sustained rallies to attract momentum traders; no wash-out plunges to attract bargain hunters. The long, protracted stalemate between bulls and bears has frustrated metals investors and, frankly, bored the public.

As a consequence, bullion buying volumes dipped. The U.S. Mint's sales of gold and silver Eagles in the first half of the year lagged far behind the pace of 2017, when it sold 302,500 ounces of gold and 18 million ounces of silver.

As of this writing, the U.S. Mint sold just 6.5 million 1-ounce silver coins and 110,000 ounces of gold – a

collapse in sales from levels seen in recent years.

Another measure of the public's disinterest in owning precious metals is declining internet search volumes.

Google Trends data for May show the fewest searches for the phrase “buy gold” since July 2007. Back then, gold traded at around \$670/oz – a pretty good price at which to buy amidst public apathy.

Some beleaguered gold bugs are taking the lackluster market conditions as a sell signal. Bullion selling by the public has increased since the start of the year.

Money Metals Exchange saw a marked increase in customers wishing to sell, particularly since we offer the best “bid” prices in America.

The silver lining in a depressed bullion market is that buyers can obtain most popular products at low premiums. In some cases, premiums over spot prices have dropped to historically low levels.

We are happy to facilitate either sell or buy orders, but our experience is that when lots of people want to sell, it's an opportune time to buy – at least for those with a long-term perspective.

The futures market bears this out time and time again. When speculators are lopsidedly positioned



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There's Never Been a Better Time to Buy "Junk Silver"

By MIKE GLEASON
Director, Money Metals

Pre-1965 90% U.S. silver coinage, aka "junk silver," is one of the most interesting retail bullion products to follow in our industry.

The premium (the amount above or below the spot price one pays when buying or receives when selling) fluctuates more with this product than virtually any other in the physical silver market. Since these coins are no longer minted, 100% of dealers' inventory comes from existing stockpiles being resold by those who own it.

This dynamic is unique to 90% silver and has resulted in some wild swings in premiums over the past few years. And today we are seeing an extreme low in premiums for junk silver, making it a fantastic buy.

Less than three years ago, the situation was completely different.

Before silver bottomed in price at the end of 2015, inventories of 90% silver bags all but dried up completely, and we saw buy and sell premiums skyrocket. When silver dipped into the \$14 range around that time, premiums at Money Metals (and other national dealers) were in the \$5 to \$6/oz range over spot... meaning those who wished to purchase these coins were paying nearly \$20/oz to do so!

However, wise investors who recognized an opportunity for an arbitrage were selling their 90% silver at that time and using the funds to purchase items available for a fraction of the premium (such as 1-oz rounds or 100-oz bars). This little maneuver increased the total silver ounces they owned, dramatically in some cases.

Today, we are experiencing the exact opposite situation. Because of a glut of inventory being sold back into a soft U.S. retail market, it is a great time to be *buying* junk silver – which can be purchased for only pennies above spot per ounce at present.

Not only will you be buying silver at close to or below mine production cost, you will also get your metal at a price as close to spot as possible.

Additionally, we are near the absolute floor – a further drop in premiums will make it more economical to melt and refine junk silver rather than sell it at such a substantial discount.

There is also a fantastic opportunity to insulate yourself from a downside move in silver prices. If that happens, junk silver premiums will likely rise sharply, partially or even completely offsetting a drop in spot prices.

So it's really a win-win situation in "junk silver" right now! 📈



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PO Box 2599 • Eagle, ID 83616

Office: **1-800-800-1865**

Secure Fax: **1-866-861-5174**

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Stefan Gleason, *President*

Directors:

Clint Siegner – clint.siegner@MoneyMetals.com

Mike Gleason – mike.gleason@MoneyMetals.com

Monthly Program – monthly@MoneyMetals.com

www.MoneyMetals.com

Copper Is a Metal for the Era of Trump

Up 50% since January 2016

- A Metal for the Era of Trump – You Can't Build Infrastructure without Copper!
- You Can Still Buy Copper at Near Absolute Melt Value – Almost ZERO Over Spot
- PLUS Gleaming 1 oz. Copper Rounds – Any Design, Only One Buck Apiece

Did you know

copper is up 50 percent since January 2016?

Copper is essential in the modern economy. Electronics, automobiles, and utilities among other things can't function without it. Optimism surrounding the President's \$1 trillion dollar infrastructure spending proposal and his efforts to support U.S. manufacturing is driving copper prices higher.

Donald Trump's pro-business plans are very bullish for copper. This rally may just be getting started and savvy investors are taking notice.



Money Metals has added 6 new copper round and bar designs to meet rising copper demand.

• The spot price of copper is up 50% since January 2016.

• The copper contained in \$1,000 face value of pre-1983 pennies is now worth about \$2,200.

• Yet you can still buy these appreciating 95% pure copper U.S. legal tender coins at – or very near – absolute melt value.

Precious metals investors – and dealers – tend to overlook copper. We think that's a mistake; Money Metals is currently *stocking up* on copper pennies and rounds to meet new demands from our savvy customers. 📌

The Iconic "Walking Liberty"

Now In A Larger 2-Oz. Size!

We Took One of Our Most Loved Silver Rounds and Made It Twice As Nice

The **Walking Liberty** design has been one of the most iconic designs in precious metals since Adolph Weinman created it for the U.S. Mint nearly a century ago.

Though Weinman's original half-dollar coins have disappeared from circulation, his beautiful image of the walking Lady Liberty is still being admired and struck today on bullion rounds.

Money Metals is now proud to offer these pure silver rounds in a hefty 2 troy ounce size.

This means that due to popular demand, the **Walking Liberty** design is now available in a broad range of denominations, from fractional rounds (1/10, 1/4, and 1/2), to the classic one-oz. size, and now a multi-ounce size. And Money Metals has them all for you.

Order your two-oz **Walking Liberty** silver rounds securely today at www.MoneyMetals.com or call one of our precious metals specialists at 1-800-800-1865 for fast and courteous service.





Answering Your Questions

Client communications are a priority for us. If someone calls, we have live people answering the phone and ready to provide service. If you need support by email or by live chat, we respond promptly. This is, of course, good business as it makes for happy customers!

However, it is great for another reason. A big part of what we do is provide timely and useful articles and podcasts you can use to stay current on developments which impact the metals markets and your investments. It helps us immensely to know what our clients are thinking about and what questions they have...

Question: Why don't spot prices for gold and silver respond to bullish news events or fundamentals in the physical market?

Answer: Physical supply and demand don't necessarily impact the "spot" prices for gold and silver set in the futures markets on a day-to-day basis.

Take a hypothetical situation where some geopolitical event has investors running for safety. Lots of people decide to buy gold. Unfortunately, many of these investors will foolishly turn to gold futures.

As demand spikes in the futures markets, the bullion banks stand ready to meet the new demand with freshly printed digital contracts. This new supply of gold derivatives is scooped up by eager buyers even though not a single physical bar is added to any inventory. Their digital receipt which purports to represent gold is, in fact, almost completely unbacked.

The geopolitical event may drive plenty of demand, but the impact on price will be muted, and perhaps eliminated entirely.

Question: I noticed that premiums have fallen significantly compared to two years ago. Why has this occurred?

Answer: When demand for coins, rounds, and bars outstrips the physical inventory held by dealers, premiums will start rising as dealers bid aggressively for inventory.

This dynamic drove premiums sharply higher a number of times between 2008 and 2016. This part is telling; the futures markets can, and often do, signal the exact opposite of what is happening in the bullion markets where supply and demand are actually balanced through price. Between 2011 and 2015, spot prices declined, but that was a period of unprecedented demand for physical coins, rounds, and bars.

Today, this dynamic is working in reverse. Retail bullion investors in the U.S. (but not worldwide) have been more inclined to sell.

They seem optimistic that President Donald Trump and his policies will solve many problems. Some are frustrated by the returns in the metals markets and seek better performance elsewhere. Dealers are buying lots more inventory from the retail public than they did a couple years back, and this glut in supply has caused premiums to fall as a result.

We view this period of relatively low spot prices AND extraordinarily low premiums on physical gold and silver items as the best sort of environment to buy, not sell. But for those wishing to sell, Money Metals also offers the best prices.

Question: What is the Dow-to-gold ratio?

Answer: The Dow:gold ratio measures how highly valued the stock market is compared to gold.

The Dow:gold ratio tends to move lower during both deflationary depressions (as in the 1930s) and inflationary panics (as in the late 1970s). At the bottom of the Great

EXTREMELY LOW PRICES

See Answering Your Questions, next page



Answering Your Questions *(continued)*

Depression, Dow:gold reached a 1:1 ratio. That same 1:1 ratio was briefly reached again in January 1980 when both gold prices and the Dow Jones Industrials sported an 850 handle.

In 2017 and 2018, the Dow:gold multiple has ranged from 16 to 20. During the next financial crisis, that ratio is likely to collapse in favor of gold. Some gold bugs believe a return to 1:1 parity will happen again.

A 10,000 Dow and \$10,000 gold, for example, may seem farfetched today. But during a true panic in markets, one or the other price extremes – or both, simultaneously – could be realized.

Question: What is the best buy currently – bars or sovereign coins?

Answer: Whether it is sovereign coins or bars that represent the “best buy” will depend on what is important to you.

In terms of silver, bars (and 1-ounce silver rounds) offer the lowest overall cost per ounce. If “best buy” means “lowest price,” these are the way to go. You can’t go wrong buying the maximum number of ounces for the least amount of money, provided you are getting a quality product made by reputable mints and refiners.

On the other hand, coin premiums are at cycle lows and there is a floor of sorts beneath them. Sovereign mints, unlike private mints and refiners, are not responding to weaker sales by reducing minting charges. Based on our experience, we do not expect them to change course. That likely means coin premiums aren’t headed much lower than they are right now.

People who prefer buying official, legal-tender coins for their recognizability and popularity should consider grabbing some now.



American Silver Eagles are currently selling at rock-bottom premiums.

Customers who want to speculate on coin premiums might also want to exploit today’s conditions. In recent years, we’ve seen premiums on the silver American Eagle at more than twice the current level. Chances are that will happen again the next time demand spikes, giving returns on those items an extra boost.

Some buyers will even choose a middle ground and opt for a lower premium sovereign coin such as the New Zealand Bounty. The Bounty costs about \$0.75 per ounce less than the Silver American Eagle and is also official legal tender. New Zealand coins are not as widely traded and therefore less likely to see their premiums spike, but they are more than popular enough to be easily sold or exchanged any time. ⓘ

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. Our premiums above the spot market price are minimal!

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



Huge Selection of Gold and Silver!

Money Metals Exchange Is Also Your Crypto/Metals HQ

Money Metals Exchange began accepting Bitcoin payments for gold and silver bullion over 4 years ago, putting us among the very first in our industry to do so.

Today, we are offering *expanded services* – both when buying and selling precious metals – using numerous crypto-currencies.

There can be no doubt that tangible, off-the-grid, gold and silver – which feature zero counterparty risk – will have a key role to play in the future, just as they have in the past. It may well be that crypto-currencies will also have a role to play.

Crypto-currencies provide a method of sending payments anywhere in the world, without permission and with little cost. It is possible to do so securely and privately, without relying upon bankers as middlemen.

Transact with Money Metals Using Bitcoin, Bitcoin Cash, Ethereum, Litecoin, and Dash!

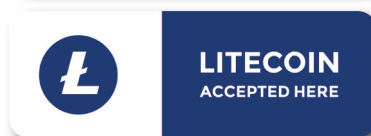
Our clients have long been able to make payment for precious metals using Bitcoin, as noted above. But that is just the start. We are now proud to accept and send payments for metals in Bitcoin Cash, Ethereum, Litecoin, and Dash as well.

Clients may enter into precious metals transactions with us – either online or over the phone – and choose Bitcoin, Bitcoin Cash, Ethereum, Litecoin, or Dash as the method of payment. (We may also engage in transactions with other coins and tokens if liquidity is sufficient; please just ask.)

People who wish to make purchases larger than our online maximum (meaning in excess of \$100,000) can also call for help with that. We can generally offer lower premiums on the metals and the process is easy.

Aside from our ability to accept payment in other

crypto-currencies besides Bitcoin, what further sets Money Metals Exchange apart from other merchants in our space is our ability to make payments TO clients using a variety of crypto-currencies.



We can purchase your metals and send you the digital coin of your choice as payment. This transaction can be done on our MoneyMetals.com website or over the phone.

If you choose to sell to us offline, then call 1-800-800-1865 or email inquiry@moneymetals.com and let us know you will be sending bullion you wish to exchange.

When we receive the metal, we will contact you to lock the exchange rate and get the wallet address for sending the payment. Fees for this service are generally 3% or less, and we can deliver a wide range of tokens and coins.

Money Metals is also a great platform for crypto-currency speculators who want to use precious metals as a safe haven.

Our customers can swap Bitcoin (and other coins) for gold and silver to be stored by Money Metals Depository. Storing with us makes it quicker to swap back into crypto-currency when the time comes, and avoid the cost and hassle associated with shipping metals.

Money Metals Depository provides fully segregated (and independently audited) storage in a state-of-the-art Class III vaulting facility located in Idaho. The cost of storage starts at just \$96 per year.

A few metals investors are excited by what is happening in the crypto sphere and are looking to join in. Others want nothing to do with digital currencies or are looking to get out. Regardless of what you are planning to do on the crypto-currency or hard currency front, Money Metals can help you do it! ⓘ

Money Metals Is the Best Place to Sell Your Metal

(Even If We Don't Think You Should)

BY CLINT SIEGNER
Director, Money Metals

We don't talk about it much, but Money Metals Exchange is literally the best in the nation when it comes to *buying* precious metals from clients who need to sell. We'll explain why that is in just a moment.

First, however, it's important to explain why we don't heavily promote our capabilities to buy your metals, despite having several competitive advantages.

We just don't think, generally speaking, people should be selling precious metals, at least not now.

In fact, holding a position in physical bullion is, we believe, more important than ever. Our position on that hasn't changed, even though the sideways action in the metals markets in recent years has sometimes been frustrating and difficult to watch.

The dollar's future is more bleak than ever. The U.S. borrows too much, spends too much, and promises too much.

A national bankruptcy is coming and it will destroy confidence, the ephemeral foundation underpinning the Federal Reserve Note dollar.

That said, it has always been a priority for us to make an honest and fair two-way market for our clients. We're committed to supporting them whether they need to buy OR sell.

And there are, of course, plenty of prudent reasons to sell metal. Sometimes folks simply need cash for some other purpose – and gold and silver are highly liquid assets. Or maybe they simply disagree with our take on where the precious metals markets are headed.

Our “Sell to Us” Pricing Is the Best in America, Fully Transparent, and with No Minimums

For starters, anyone can easily find exactly what our bid price is online, day or night. We publish a “sell to us” price for virtually all of our products – even as our competitors don't (assuming they'll buy customer metals at all).

To see our current “sell to us” price, just find the coin, round, or bar in question at MoneyMetals.com and look below the product photo.

These offer prices happen to be some of the highest in the nation, which is why we are especially proud to publish them live – and shame our competitors for failing to doing so.

And unlike other dealers, there is no minimum quantity requirement, and it does not matter where the metal was originally purchased. Anyone can get the published “sell to us” price, even if they have only a few ounces of silver to sell.

You Can Sell to Us Instantly Online or By Phone

But our competitive advantages don't stop there. Your sell price can be locked in a matter of seconds, either online (24/7) or by phone.

Checkout online is easy. The process is very similar to buying an item at MoneyMetals.com – meaning straightforward and simple.

Or give us a call at 1-800-800-1865 to lock pricing with one of our knowledgeable specialists. Either way, clients will get immediate confirmation by email, including shipping instructions.



See Best Place to Sell Your Metal, next page

Best Place to Sell Your Metal

continued from previous page

Every confirmation includes a link to a quick video with tips on how to package and ship the metals securely.

Clients get their choice of how they will be paid. They can select payment by check or by electronic credit to a checking or savings account via direct deposit.

Or they may even choose to receive payment in Bitcoin, Bitcoin Cash, Ethereum, Litecoin and Dash. Money Metals Exchange is *the* Crypto/Metals HQ in

Opportunity in Negative Sentiment

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on the short side, that usually serves as a contrarian indicator that the market is close to bottoming. By May, speculators had piled in on the short side in the silver futures market in a bigger way than they had in several years.

Sentiment turned extremely negative in both the paper and physical markets even as gold and silver prices maintained their trading ranges.

Although both gold and silver came close to suffering major technical breakdowns this spring, no long-term damage was done.

Given the negative sentiment and the strength of the U.S. dollar in the spring, the downside in metals markets could have been far worse. The fact that it was minimal suggests underlying technical strength.


It appears that growing demand among the world's central banks is helping to put a floor underneath prices. In recent years, Russia and China have been steadily accumulating gold. Over the past decade, Russia has more than tripled its gold reserves from 600 tons to nearly 2,000 tons.

China's gold reserves have also grown dramatically. It's difficult to get exact numbers, as the Chinese

the United States (see page 6).

For those who want to swap gold and silver for the most popular cryptocurrencies, or vice versa, there is nowhere better. Not even close.

We make all payments *promptly* following receipt of the metals. Customers can lock pricing today and have funds in 3-4 days, even sooner if the metals shipment to us is expedited.

The services above are why Money Metals Exchange is the best and most convenient place to sell your precious metals. No one else offers the tools for sellers that we do, and that is not hyperbole. It's a fact. 

government has acquired much of its gold in secret. But it could be as high as 4,000 tons.

Smaller players on the global stage are accumulating physical gold as a way of countering U.S. sanctions and U.S. dollar dominance in global trade. In the

first quarter, Iran's gold bullion purchases surged.

Iran's Islamic neighbor Turkey, surprisingly, was the second largest state buyer of gold for the first quarter.

Investors in the Far East aren't worried about the ups and downs on the charts. They are concerned with acquiring more ounces.

Clearly, many countries that count the United States as an adversary are turning to gold as a means of gaining greater independence and leverage in international trade. The ultimate goal of the emerging Russia-China-Middle East economic alliance may be to dethrone King Dollar.

It won't happen overnight. But gold is gradually rising as a credible counterweight to the U.S. dollar and other fiat currencies.

Far East countries like China are known for their long-term time horizons. They aren't worried about the ups and downs on the charts. They are concerned with acquiring more ounces. They are happy to buy on price dips when they come. Disciplined long-term investors should be as well. 