



MONEY METALS INSIDER

An Insider Report for Clients of Money Metals Exchange

Precious Metals Have a Promising Future Under Trumponomics

BY STEFAN GLEASON
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The year 2017 began on a near euphoric note for stock market bulls and optimists on the Trump economy. President Donald Trump has been moving markets and driving growth expectations based on his much-vaunted policies.

With so much “good news” already priced in, investors would be wise to hedge themselves against the risk of an eventual disappointment.

As Americans, we certainly should give the new president and the Republican Congress an opportunity to make good on their promises. But as investors, we need to prepare for a variety of economic scenarios – not just the ones that we hope will come true, and not just the ones that align with what GOP pundits are now spinning.

Of course, gold bugs have a reputation for being

pessimistic. It's true that gold tends to thrive more on fear than hope. However, you need not hold a doom and gloom view of the economy to appreciate the value of including gold, silver, and other hard assets in a portfolio.



Trump Is Calling for a Weaker Dollar

If the economy picks up speed in 2017, then inflation should as well. That, in turn, could cause investors to flee bonds and other

interest-rate-sensitive financial assets. The flight from bonds has actually been well underway since the third quarter of 2016.

Could a flight from the U.S. dollar now be underway? Both the U.S. Dollar Index and the S&P 500 finished 2016 near multi-year highs, respectively. With the Federal Reserve telegraphing up to three rate hikes in 2017, the conventional wisdom is for continued dollar strength.

A stronger dollar could throw Trumponomics off course. A rising U.S. currency versus the rest of the world makes it harder for exporters to compete in the global marketplace. Mr. Trump campaigned on promises to revive manufacturing jobs. He has repeatedly called for China to let its currency appreciate versus the dollar in order to help U.S.

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manufacturers.

The big surprise for 2017 could be that Trump actually gets what he wants: a weaker dollar. His tax cutting and \$1 trillion in infrastructure spending agendas will (absent a surge in federal revenues) expand the \$20 trillion national debt he inherits from President Obama and predecessors.

Trumponomics figures to be an expansionary ideology. Don't expect the term "austerity" to be part of the Trump administration's working vocabulary!

Trump will inherit an economy that by many measures has been underperforming, but that has nevertheless continued to expand month after month. The current expansion is now into its 92nd month. The average length of a GDP growth cycle is about 60 months. History suggests we may be overdue for a recession.

The surge in GDP the second half of 2016 may be just a statistical blip. In late December, the government revised third quarter GDP growth upward to 3.5%. Few economists expect that to be sustained. Forecasting firm Macroeconomic Advisers estimates the economy is actually growing at only a 1.7% rate. Federal Reserve economists forecast 2.1% GDP growth for 2017 – well below the growth rates Trump says he can achieve.

Trump May Embrace Fiscal and Monetary Stimulus

If the economy should falter on Trump's watch, get ready for a Trumpflationary flood of stimulus measures. Candidate Trump may have taken stabs at Janet Yellen and her compatriots at the Fed, but

President Trump will need the central bank's easy money policies to persist in order to implement his spending plans and keep the stock market afloat.

With official inflation rates still below the Fed's 2% target and oil prices finding a happy equilibrium in the \$50s per barrel, a little extra shot of Trumpflation won't hurt – at least not initially. It's when oil prices hit \$100 per barrel that consumers start feeling the pain and investors start worrying about inflation.

When inflation concerns start making headlines, you can bet gold and silver prices will have already made huge advances. Contrarians who position themselves early stand to reap the biggest profits when the bull market in hard assets resumes in earnest.

In the meantime, we as metals investors need to be patient and resilient in the face of any adverse market machinations. There will at times be orchestrated takedowns in the futures markets that test your mettle.

How the economy and currency markets respond to Trump's policies remains uncertain. "Uncertainty" was one of the big themes in Fed chair Janet Yellen's remarks following her December rate hike. Fed policymakers don't actually know what's coming politically or economically – or how they'll respond. Maybe they'll raise interest rates three or four times in 2017. Maybe they won't hike at all.

Too many investors have a false sense of certainty about an invincible and ever-rising stock market. Stocks are now historically expensive. Precious metals may not be historically cheap *per se*, but they are cheap relative to stocks and most other asset classes. A sizeable allocation to gold and silver behooves anyone who wants to survive the uncertain times ahead. 📌

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Deutsche Bank Turns Over Proof of Metals Price Rigging

BY CLINT SIEGNER

Director, Money Metals

Some say there is honor among thieves. Perhaps, but apparently not among the banking class of criminals when they are under serious legal and regulatory pressure.

German behemoth Deutsche Bank agreed last spring to assist plaintiffs and regulators by ratting out their co-conspirator banks in a wide-ranging scheme to rig prices and cheat clients.

They cut a deal to avoid even larger monetary damages and criminal prosecution. Executives there agreed to pay nearly \$100 million to settle their legal troubles and share information.

In return, the bank gets to deny wrongdoing and keep its license to trade in markets. The other alleged cheaters, including the Bank of Nova Scotia, UBS, Barclays, HSBC, Fortis, Standard Chartered, and Bank of America, may not get off as easy.

More details are now emerging as to exactly what kind of evidence Deutsche provided, and it is indeed damning. Plaintiffs in a class-action suit looked it over and just filed an amendment with broader allegations of wrongdoing implicating more banks. The revised complaint describes what they found in the Deutsch materials this way:

Plaintiffs incorporate factual allegations based on the more than 350,000 pages of documents and 75 audio tapes that Deutsche Bank produced as part of the cooperation provisions of its Settlement Agreement with Plaintiffs (collectively, the “DB Cooperation Materials”). The DB Cooperation Materials provide direct, “smoking gun” evidence of a conspiracy among the Fixing Members and several other silver market makers, including at least UBS, Barclays, Standard Chartered, Fortis, and Merrill Lynch, to illegally manipulate the price of silver and silver financial instruments at artificial, anti-competitive levels through multiple means.

“Smoking gun” appears to be an apt description. Here is an example of a chat between a trader at Deutsche Bank and one at HSBC:

Deutsche Bank [Trader-Submitter A]:

I got the fix in 3 minutes

HSBC [Trader A]: *I’m bearish*

Deutsche Bank [Trader-Submitter A]: *Hahahaha*

HSBC [Trader A]: *Massively... Really wanna sell sil * * **

HSBC [Trader A]: *Let’s go and smash it together*

That’s clear evidence of illegal collusion to manipulate prices down. But will this hoard of evidence actually lead to anything meaningful in terms of cleaning up the marketplace?

We know banks have been rigging all sorts of markets and sticking it to their own customers for a long, long time with little repercussion. Regulatory capture – the cozy relationship between Wall Street and the bureaucrats who often want nothing more than to land a high-paying job there – is a real problem.

The CFTC, which regulates futures markets, announced they were closing their investigation into silver manipulation in 2013. After spending more than 7,000 enforcement hours, officials there somehow managed to miss what appears to be institutionalized cheating over many years.

Bart Chilton, who spearheaded the CFTC investigation, left for greener pastures shortly after the investigation wrapped up. He got a much better paying gig at nation’s largest law firm, advising companies on the topic of regulation. Many have all but given up on agencies like the CFTC when it



Deutsche Bank

See Proof of Metals Price Rigging, next page

Tradable Graded Diamonds:

A New Breakthrough in Precious Commodities Investing

Money Metals is your trusted source for private and portable wealth. We now proudly offer investment grade VULT diamonds for purposes of diversification. The stones are selected and packaged using an innovative process that, for the first time, makes diamonds liquid, portable, and fungible – like gold and silver bullion.

Barely larger than a credit card and about as thick as your watch, each tamper-proof VULT contains a sealed capsule holding ultra-rare graded diamonds for investors seeking larger scale wealth protection in a format so concentrated and portable you can put in your pocket.

Ounce for ounce, all VULT diamonds are at least 600 times more precious than gold, ranging to as high as 5,000 times the value of the yellow metal – a potent store of value in a small package.

GIA-graded VULT diamonds are being introduced in denominations with initial offer prices to fit most

portfolios: White (\$10,000); Pearl (\$25,000); Blue (\$50,000); Black (\$100,000); and Gold (\$250,000).

Investment Grade VULT Diamonds Will Trade Alongside Precious Metals on Public Exchanges

After the initial offering period, VULT units are expected to trade on the open market based on world diamond prices, just as precious metals spot prices move with global supply and demand. And the bid-ask spread should be 3% or less!



The Smallest, Lightest, Most Concentrated Form of Wealth Ever

That is why we are pleased to recommend VULT diamonds to our customers. We're

excited about the potential for new demand to drive appreciation in value. And we think VULT diamonds are worth considering as a way to diversify your bullion holding.

We guarantee investors will consider VULT diamonds

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Proof of Metals Price Rigging

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comes to keeping banks honest.

There is, however, reason for investors to hope. This class-action lawsuit is the biggest civil litigation pertaining to metals market rigging to ever get past first base. The judge will allow discovery to proceed, based in large part upon the evidence provided by Deutsche Bank. Attorneys will start deposing traders and bank officials and attempting to find out just how deep the corruption goes. And, because it is a civil matter, the case cannot be derailed by inept or compromised regulators.

Deutsche Bank has agreed to fork over nearly \$100 million to settle out the claims against it. Other

class-action litigation is proceeding, and it is safe to say more victims will look at recent developments and jump into the game.

The new evidence might even be too compelling for regulators to keep looking the other way. It is at least possible investors will see actual criminal prosecutions and banks losing their privileges to trade in these markets.

Metals market rigging has moved out of the realm of theory and into the realm of fact. Perhaps, for the first time ever, investors in the sector have a real shot at more honest markets and price discovery. Wouldn't that be nice? 🕒



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 get some great questions from customers and readers. From time to time we like to share them. Sound money and alternative investing are important subjects for the times we live in and are always worth discussing.

QUESTION: I see Money Metals recently added diamonds to the product lineup. Why would someone invest in diamonds in addition to precious metals? Diamonds aren't money. The market is largely controlled by DeBeers. And jewelers make big margins selling them.

ANSWER: It's a good question. Diamonds are not money, but they have been used as a means of exchange for centuries and a store of highly concealable and portable wealth in many cultures and economies – in both good times and bad times.

Now VULT makes diamonds fungible and liquid. Within each VULT denomination, the value of each individual unit is the same, making them standardized and interchangeable. You might think of them as “diamond coins” with different denominations.

The current diamond market is no longer monopolistic. DeBeers, which in the past controlled some 80% of the rough diamond supply, today only has a 30% market share. VULT figures to be a game changer because exchange tradable and liquid diamonds are opening the market to investors of all stripes, not just the tiny handful who are willing to take their chances in the opaque market for loose diamonds.

The bid/ask spread on VULT diamonds is currently 1.5%. Assuming zero gains or losses, investors can buy the diamonds today and sell them tomorrow for 1.5% less than the purchase price. That transaction cost is exceptionally low for a tangible asset – an even tighter spread than when buying and selling physical gold and silver!

It is also worth noting that VULT guarantees the price of the diamonds during the introductory period. Anyone buying today has 30 days to evaluate and return them for 100% of the purchase price if they choose.

Ultimately, we view VULT diamonds as another way for bullion investors who have *already* built a meaningful holding in metals to diversify. We often have customers asking about what other tangible assets we can recommend, and, because of the creation of VULT, owning diamonds finally now makes sense for many investors.

QUESTION: How do I determine if I am eligible for some of the money in the settlement with Deutsche Bank? Physical bullion investors have been hurt by price rigging in London and in the futures market too. Any chance we can get compensation?

ANSWER: Yes, there is a chance that owners of physical bullion could be eligible for compensation. The details around what qualifications will be needed to join the Deutsche Bank settlement class are still being hammered out. There are also a number of other class-action suits in the works, each of which could cover investors with different qualifications.

The good news is that bullion investors have a shot at some justice. The evidence Deutsche Bank just turned over, which attorneys have characterized as a “smoking gun,” makes the case much stronger. The \$100 million that Deutsche Bank is offering figures to be augmented dramatically by the other banks involved.

We intend to monitor the situation carefully and alert you to any opportunity to file a claim. We'll also continue to report on newsworthy developments in the litigation.



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. 



The World's First Low Priced Legal Tender HALF Ounce Silver Coin

Legal Tender .999 Silver 1/2-Oz HMS Bounty Coin from the New Zealand Mint

Last fall, we released the stunning 1-oz “HMS Bounty” .999 silver coin from the New Zealand Mint, a Money Metals exclusive product. This stunning coin created a stir in the retail bullion industry as silver stackers not only recognized the coin’s beauty, but also loved the fact that the Bounty offered the lowest price of any 1-oz legal tender silver coin in the world!

Now, thanks to our continuing partnership with the New Zealand Mint, Money Metals is proud to announce the newest coin in the series – the *half-ounce* “HMS Bounty.” Like the 1-ounce, the half-ounce Bounty also offers the very lowest premium you will find when comparing it to similar government-minted products.

As many silver investors know, a half-ounce legal tender coin is hard to find – and many are clamoring for it. Most sovereign mints have stayed away from the half-ounce size for one reason or another – only offering low-mintage and high premium options, such as commemorative items, if anything at all.

You already know Money Metals as America’s most trusted source of low-premium precious metals with \$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 these ultra-low premium legal tender coins

– both in the 1-ounce size and now the half-ounce.

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 \$1 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 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.

See Low-Priced Legal Tender, next page

Low Priced Legal Tender

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The New Zealand Mint: The New Zealand Mint has been producing legal tender coins, bullion, and collectible medallions for more than four decades. As New Zealand's only precious metals mint, it prides itself on high quality design and production. The *Bounty* was specifically produced for the south Pacific island of Niue (NEW-ay), a self-governing state in free association with New Zealand.

Money Metals is offering the beautiful 2017 1/2-oz NZ Bounty for **as little as \$1.39 over spot each**, the

lowest priced 1/2-oz legal tender coin you will find anywhere! Its weight and purity is guaranteed by the New Zealand Mint.

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 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. ⓘ

Tradable, Graded Rare Diamonds Are an Option For Diversification

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to be a beautiful addition to their holding of tangible assets. For 30 days after your purchase, Money Metals Exchange will buy your VULT diamonds back at 100% of the original purchase price if you decide they aren't for you. We can only make this unprecedented guarantee during the initial offer period, so act fast. But, frankly, we don't expect to buy many back.

Through the centuries people have found brilliant diamonds alluring and exceptionally precious due to their beauty, rarity, and virtual indestructibility. Yet loose diamonds are impossible to accurately set a value on without a trustworthy, certified gemologist.

The lack of liquidity when reselling diamonds has been a real impediment to demand.

VULT removes these and other obstacles to diamond investing. The VULT system for securely packaging certified diamonds in fungible, verifiable units is central to the global financialization of diamonds as a liquid investment asset.

Uniquely numbered, laser-engraved GIA-certified diamonds are sealed in tamper-evident capsules, then sealed again in a gleaming individual VULT case.

VULTs contain only the highest quality diamonds graded colorless, with excellent cut and the highest range of clarities – the ultra-rare range of stones that historically perform best as an investment.

While each diamond is unique, the total value of the diamonds per unit within a given denomination is essentially identical. Units are therefore

interchangeable within each VULT model, resulting in liquidity that was previously unattainable.

Each sealed case is also engraved with its own unique registered serial number for instant authentication wherever

smartphone and internet service is available. Each case bears a pattern of uniquely arranged red dots and other proprietary security features which identify that specific VULT unit and provide assurance it has not been tampered with. It's all instantly verifiable by using your smartphone's camera.

Want to know more? Call Money Metals Exchange at **1-800-800-1865**. Our experts will happily answer all your questions. ⓘ

