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MONEY METALS INSIDER

An Insider Report for Clients of Money Metals Exchange

Currency Turmoil Making Metals Ownership More Attractive

By Stefan Gleason
President, Money Metals

The first two months of 2015 have seen turmoil in the currency markets extend from Russia and Ukraine to the heart of Europe.

"Central Banks Now Open 24/7 Fighting Currency Wars and Deflation," blared a February 12th **Bloomberg** headline. Against this backdrop, precious metals have been on the rise in terms of all currencies except the Swiss franc and the U.S dollar.

In January, the Swiss National Bank shocked markets by announcing that it would de-link its currency from the euro. The move came one week ahead of the European Central Bank's $1.1 trillion Quantitative Easing announcement. Swiss officials decided it would be too costly to keep accumulating depreciating euros in order to maintain the currency peg. The Swiss franc surged by the most ever in a single day.

With the exception of Switzerland, all other countries in Europe (and many others around the world) are trying to depreciate their currencies. Since January 1, the following central banks have announced interest rate cuts or other

Currency wars unfolding worldwide.

monetary easing measures: European Central Bank, Reserve Bank of Australia, Reserve Bank of New Zealand, Monetary Authority of Singapore, and the central banks of India, Canada, Denmark, and Sweden.

On February 12th, the Swedish Riksbank announced a surprise rate cut from 0% *to below 0%.* "To ensure that inflation rises towards the target, the Riksbank is prepared to quickly make monetary policy more expansionary, even between the ordinary monetary policy meetings," the world's oldest central bank said in a statement.

Sweden joins the European Central Bank and the central banks of a handful of other countries in pushing benchmark interest rates into negative territory. These central bankers are all aiming to revive inflation. "Investors" who are buying bonds yielding less than nothing (a negative rate) are apparently convinced that central bankers won't succeed in depreciating their currencies.

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Insanity! Investors Now Paying for the "Privilege" of Lending to Broke Governments

This could go down as one of the oddest, most irrational asset bubbles in history. Trillions of dollars are now tied up in debt instruments that promise to return less than the invested principal. According to a report issued by J.P. Morgan, $3.6 trillion in government bonds around the world now carry negative yields.

It raises the obvious question; why would so many people would be willing to accept a negative rate of return? You'd think that institutional investors would start getting wise to holding gold as a hard-currency alternative to cash instruments that yield less than zero. The fact that gold has no interest rate is actually an advantage in an environment where competing rates are negative! Plus, unlike most of the bonds issued in this upside-down interest rate market, gold has significant appreciation potential.

If inflation rises even modestly to the 2% target of European and U.S. central bankers, then bonds issued at rates of below 2% will all be losers. The two-year Treasury note yields only 0.63%. Even the recent 10-year yield of 1.98% fails to match the Federal Reserve's inflation ambitions.

In this environment of ultra-low nominal yields or even negative real yields, precious metals as a reserve asset look very attractive. Many central bankers around the world agree and are busily accumulating gold. According to a report issued by the World Gold Council in February, governments around the world added 477.2 metric tons of gold to their reserves in 2014. That haul was the second biggest in 50 years.

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Panicking Fed Desperate to Keep Its Dealings Secret

The stage is set for one of the most important legislative battles of the 114th Congress. Rep. Thomas Massie (R-KY) reintroduced H.R. 24, the popular "Audit the Fed" bill, a measure first championed by former Rep. Ron Paul of Texas. Shortly thereafter, Senator Rand Paul (R-KY) introduced the Senate version, S. 264, with 30 co-sponsors.

It didn't take long for the Washington Establishment to react with outrage – maybe because they know this bill now has an excellent chance of becoming law.

In the past month, nervous Fed Governors have fanned out across America to denounce the effort on TV and in high-profile speeches.

It is likely that H.R. 24 will once again pass the House of Representatives by an overwhelming margin. If it achieves just 75% of its prior House support, the bill will still enjoy a veto-proof majority. Then the action will move to the Senate, where Harry Reid, now the Minority Leader, will no longer be able to bury it.

GRASSROOTS EFFORT!

Led by Money Metals president Stefan Gleason, the Sound Money Defense League is firing up grassroots pressure to persuade Senate Banking Committee Chairman Richard Shelby (R-AL) and especially Senate Majority Leader Mitch McConnell (R-KY) to schedule a vote.

This federally chartered cartel of private banks has been delegated total control over America's money supply. It has become so powerful and immune from scrutiny that its central role in economic policymaking is zealously hidden from public view.

That's why this battle is one of the most crucial fights of this Congress. **Please visit www.SoundMoneyDefense.org to support this vital fight.**

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NEW PRODUCT AVAILABLE: Canadian "Birds of Prey" Series Red-Tailed Hawk 1 Oz Silver Coin

Swoop In and Grab Some before They Fly off the Shelf!

As our customers and newsletter readers can attest, Money Metals is committed to only selling the lowest premium bullion products. You will never find us dabbling in or hawking anything graded or considered to be collectible for a number of reasons. Mainly because they offer poor value for investors looking for the most gold and silver for their money. However, staying committed to our core mission doesn't mean we can't offer bullion investors great variety.

The newest addition to our ever expanding product lineup is the third installment in the Royal Canadian Mint's "Birds of Prey" series. The one troy ounce .9999 pure silver Red-Tailed Hawk, with a limited worldwide mintage of only one million, is priced just slightly above RCM's primary silver bullion coin, the Maple Leaf. It still offers silver stackers strong value.

The first two coins in the Birds of Prey series, the Peregrine Falcon and the Bald Eagle (both released in 2014) sold out within just a few months. They now command a higher premium from dealers who procured supply on the secondary market. So if history is a guide these Red-Tailed Hawks will also *fly* off dealers' shelves, meaning a potential speculative premium play may exist with this latest installment in the 4-coin series.

Like the Maple Leaf, the obverse of the Red-Tailed Hawk features Queen Elizabeth II and has a face value of $5 (CAD). The coin's reverse depicts the red-tailed hawk, a commonly found Canadian bird, with outstretched wings descending on its prey. Similar to all of RCM's other silver bullion products, the Red-Tailed Hawks also come in mint tubes of 25 coins and 500 to a box.

Another limited mintage one-ounce silver bullion coin produced by one of the best known and most prestigious mints in the world will be released later this spring. The Perth Mint of Australia is expected to mint a follow up to the 2014 Crocodile silver coin, rumored to be the Spider. And Money Metals Exchange will be among the very first dealers in North America to have the new coin in stock once it is available. Stay tuned for more news concerning the specifics of that product release by regularly checking our website, **MoneyMetals.com**, or by calling **1-800-800-1865**.

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When inflation fears return to the market, as they eventually will, precious metals will become one of the premier asset classes to hold. Even now, they are performing better than virtually all other world currencies. The end game of these ongoing currency wars is that all fiat currencies will be debased. And a true flight to quality will accelerate – with assets fleeing depreciating currencies (and debt instruments denominated in them) and piling into gold and silver.

Will the Fed Chicken Out on Rate Hikes?

Of course, right now it's deflation fears that are dominating headlines. But the inflationary policy responses from the European Central Bank and others that have followed the ECB's lead have lifted gold and silver prices markedly in fight letting terms of euros and other currencies.

As confidence in European currencies plunges, there's

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The Secret Advantage You Gain with Gold and Silver

By Guy Christopher
Columnist, Money Metals

A lot of folks took advantage of low gold and silver prices over the past year to beef up their precious metals holdings.

Those adding to their investment portfolios understand the old adage of buying low and selling high. Unfortunately, others wait until prices of gold and silver have zoomed before deciding to convert their paper money.

Still, most make buying decisions for their own good reasons. They either have the confidence of their convictions, or they have good questions still unanswered.

One of the frequent questions we get at Money Metals Exchange is a good one – How would I go about "spending" my gold and silver assets in a barter-type economy?

Readers and clients want to know if gold and silver would be accepted by a shop merchant or by a tradesman offering his talents. They ask how a seller would "make change" for gold and silver coins or bars. We feel those are perfectly valid questions.

The answers highlight the simple advantage an investment in gold and silver gives you in every financial transaction.

Every deal requires a buyer making an offer and a seller accepting that offer. Unless the buyer pays his money, there is no deal. The buyer always has the final option to seal the deal or walk away to find another seller who accepts metals.

If the time ever comes in your life (or the lives of your children) that a catastrophic financial collapse destroys the U.S. dollar or hyperinflation sends dollar prices soaring, your gold and silver assets will always hold value. Goods and services for barter would still have value, but there would be no meaningful, stable "dollar price."

The Golden Rule

He who has the gold makes the rules

Precious Metals Become the "Coin of the Realm" in a Crisis

Metals would be the primary form of currency most would need and gladly accept, followed by other forms of barter, including personal skills and talents.

In a financial collapse, the *holder* of gold and silver would be in charge of his metals transactions, not the fellow trying to sell goods or services. You need the goods, but he needs a reliable currency. If he's competing with others selling the same thing, then you're in charge, not him.

You'll recognize another way of saying it – He who has the gold makes the rules.

The question then is not whether the merchant will allow you to spend your gold or silver coins. The only question is whether he has *enough* goods or services to get you to part with your monetary metals.

For example, you would decide if your silver coin, readily recognized as wealth for thousands of years, is a fair trade for a bushel of apples that will rot in a couple of weeks and not be marketable at all. Or a fair trade for an hour of a workman's time and talent, lost if no one else hires him. You own the gold and silver. You decide its final value in the trade. You make the rules. You decide what "change" is due you, not the other way around.

Barter – trading one valuable for another – was the earliest form of money. Cows, coconuts, bullets, and bourbon have been bartered at one time or another. In one survivor's account of the brutal Kosovo War of the 1990s, he wrote that most valuable barter item he had was a case of 1,000 butane lighters.

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One historic trade, admittedly shrouded in myth, was the 1626 purchase of the Island of Manhattan. Wealthy Dutch fur trader Peter Minuet thought he got a great deal for his 60 guilders in beads and blankets, later calculated at about $24. The tribal chief was just as happy. He purportedly later confessed his tribe didn't own Manhattan in the first place!

Beads and butane lighters might not work so well today. The most important characteristic of circulating currency is its widely accepted confidence as a store of wealth. For that, it must be durable, it must have some historically intrinsic value, and it must be divisible for convenience. Precious metals have best guaranteed that necessary confidence since antiquity.

America Was Only Hours Away from Financial Catastrophe on September 14, 2008

Don't believe claims these inflationary and economic crises can't happen, because they have**.**

History is littered with nations and societies destroyed by overprinting paper currency, exactly the situation we face today. Each time, without exception, gold and silver money flourished. The example of silver coins and bushels of apples is straight from The Great Depression of the 1930s.

More recently, the U.S. suffered bouts of debt-induced inflationary disasters in the 1970s and again in the 1980s. Gold and silver climbed to then-record highs in dollar values, as buyers lined up to trade their paper for precious metals.

There was another recent disastrous date in American history most cannot identify. It's not 9-11.

Just over six years ago, on Sunday night, the 14th of September, 2008, the U.S. came within a few hours of complete financial collapse. It included the bankruptcy of financial giant Lehman Brothers and imminent disaster for its counterparties. We know it now as the sub-prime housing mortgage crisis.

Years of disgraceful, mounting public and private debt suddenly brought down banks like dominoes all across the globe. Fortunes and futures were erased, putting tens of millions out of work and into impoverishment.

The U.S. government and Federal Reserve responded with an $800 billion bailout and by frantically printing trillions of paper dollars (more debt piled onto more debt) to temporarily "rescue" what was left of the global banking system – thereby solving none of the problems that same debt created.

And just as gold and silver held value during the inflation of the 70's and 80's, gold is now 56% higher and silver 51% higher since that Sunday night in 2008 when the world came to the brink of economic annihilation.

What the Future May Hold for Gold and Silver Investors

The dangers were not corrected, but only disguised with more paper debt. That makes a greater financial catastrophe possible. It could force transportation shutdowns, food shortages, lost jobs, and other economic chaos, erasing that most important characteristic of money – confidence – in the dollar and other fiat currencies.

If so, new rules and values, varying from community to community, would emerge while governments scramble to regain or maintain authority. Someone will decide those new rules for their families and communities. Someone will set a new price for apples.

That someone will be he who has the gold.

MoneyMetals.com columnist Guy Christopher is a seasoned writer living on the Gulf Coast. A retired investigative journalist, published author, and former stockbroker, Christopher has taught college as an adjunct professor and is a veteran of the 101st Airborne in Vietnam.

Some Great Questions
Posed by Our Loyal Customers

At **Money Metals Exchange**, we believe a significant part of our mission is to educate customers and the public at large about the many aspects of the precious metals market.

Our precious metals Specialists enjoy addressing the many excellent questions posed by our customers on an individual basis. We also like to share some of the most relevant questions and answers in a more public way...

Dale asks: Why are premiums different between silver coins and silver rounds?

Our Specialists get this question often. Given that silver rounds and silver coins are fabricated exactly the same way, it is reasonable to think the premiums might be similar. Both start as molten silver which is poured into an ingot. The ingot is sent through a rolling mill and formed into a thin silver strip about 5 inches wide. It is then annealed to remove the work hardening in the silver. Then round silver blanks are stamped from the strip and "rimmed." Finally, the finished blanks are minted – a large press with dies for the obverse and reverse stamps each blank with its design.

The labor involved in fabrication drives much of the premiums charged for bullion products. So part of the premium difference in coins versus rounds can be explained by costs and efficiency in the private sector relative to government. Private mints and refiners compete for business, government mints do not.

And they really don't have to. The U.S. Mint produced 44 million silver American Eagles last year, another record. Many investors like the perceived credibility and government guarantee that comes with official, legal tender coinage, and they are willing to pay a dollar or two more per ounce to get it.

The dysfunctional U.S. Mint currently charges wholesale premiums for their bullion coins roughly three times those found for privately minted rounds. If demand spikes, the U.S. Mint is likely to simply stop accepting new orders rather than ramp up production. But if demand should fall, don't expect them to reduce prices either. It would be fair to say market forces scarcely influence the U.S. Mint.

Judy asks: I have a 401(k) plan. Can I buy and hold precious metals with it?

Answer: You almost certainly won't be able to buy bullion using funds in a 401(k) plan (unless the plan sponsor has set up a self-directed option, which is extremely rare). However, you may be able to convert some or all of your 401(k) balance into a self-directed IRA – the type of retirement plan you need to hold physical gold and silver. As a rule of thumb, you can make this "rollover" if you are no longer employed by the sponsor of your 401(k). If you are still working for the firm sponsoring your plan, you will be limited to the investment options they have chosen for you.

But just about any conventional IRA, whether Roth or traditional, can be converted to a self-directed account. Switching is easy. Most providers can enroll you right online – no need to print forms, complete them, and then mail them off. That's it. The provider will work directly with your existing IRA/401(k) custodian to transfer funds.

And it is definitely worth doing. Traditional IRAs are the products of banks and brokerages. They offer the usual lineup of paper assets – stocks, bonds, mutual funds, and money markets. Self-directed IRAs don't just allow you to hold physical gold, silver, platinum, and palladium. They also allow you to hold real estate, shares of an LLC company, promissory notes, and more.

Please visit the IRA page at www.MoneyMetals.com to learn more and get our recommendations on firms offering self-directed accounts.

Lies, Damn Lies, and Statistics

Is Washington Fabricating the Economic Data?

By Clint Siegner
Director, Money Metals

Bureaucrats in the U.S.S.R. kept issuing glowing economic reports right up until the Soviet state collapsed. Of course, many snickered at those reports for years. Widespread poverty and unemployment were obvious, and no amount of government bluster hid that reality. People generally understood that the economic reports were little more than another propaganda tool.

Here in the U.S., official data is considered more reliable. Americans have been told the economy is getting better since bottoming in 2009. There is some evidence to support this. In particular, real estate prices have made a big recovery due to cheap credit. And the stock markets are back to making new highs. So when officials tell us things are getting better, we have reason to believe them.

While we don't have bread lines, we do have record numbers of people on food stamps. But these 48 million Americans who cannot provide for their most basic human needs are hidden from public view because they get debit cards and coupons to blend in at the grocery store.

Investors could be wondering if the official story is just a little too good to be true. Gallup CEO Jim Clifton certainly is. Ahead of February's blockbuster jobs report, the extremely credible pollster went in front of CNBC cameras and told Americans they were being misled, going so far as to call Uncle Sam's official unemployment rate "The Big Lie."

Sure, the headlines may be trumpeting falling unemployment and lots of job creation. But officials and pundits aren't discussing the far more sobering reality behind the headlines. The truth is this:

The number of Americans with full-time jobs as a percentage of the population is at its lowest level in 40 years. The Bureau of Labor Statistics (BLS) shifts the perception by simply not counting long-term unemployed people. They want us all to assume those folks spent a few months searching for a job, but voluntarily gave that up to pursue a life of leisure instead. And BLS officials certainly aren't out front talking about the dramatic shift in employment toward lower paying and part-time jobs.

The BLS wants to tell a story. It's a story designed to inspire confidence in your benevolent government's ability to produce jobs and growth. Much like in the failed Soviet Union, if officials can't produce those things in reality, they will certainly try to produce the illusion by fabricating economic data.

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only so much corresponding dollar strength the Federal Reserve is willing to tolerate. There's been much talk of rate hikes coming later this year, and that widespread expectation has been priced into the market. Any rhetorical or policy disappointments from the Fed in the months ahead could cause traders to sell the dollar.

Whether later this year or further down the road, it's only a matter of time before currency turmoil spreads to the United States. The U.S. has a higher debt-to-GDP ratio than some troubled European countries. It has higher levels of unfunded liabilities (estimated to be in excess of $100 trillion) than any other country. The dollar's status as world reserve currency has allowed the U.S. to become financially overextended. But that vaunted status is slowly deteriorating as Russia, China, and other countries form economic alliances that bypass the dollar.

When these chickens come home to roost, you don't want to be wholly dependent on the U.S. government's promises or its currency. Sizeable holdings in physical precious metals will help make you financially resilient in the face of the spreading global currency crisis.

Worldwide Ratings Organization Names Money Metals Exchange "Dealer of the Year" in U.S.

Money Metals Exchange has just been named "Bullion Dealer of the Year" in the United States by Bullion.Directory, a top global ratings organization in the precious metals industry.

In balloting conducted over a two-month period ending on January 31, Money Metals Exchange topped a field of 422 eligible dealers in the United States. Ultimately, precious metals customers and industry insiders from across the globe cast 20,548 verified votes.

"From [Money Metals'] regular news, analysis, and podcasts to their positive reviews across the web – it's consistent, it's regular, and no doubt for their competition, it's relentless," wrote U.K.-based Bullion.Directory in a press statement last month. "No big-name celebrities, no tricks, and no flashy bells and whistles – just consistently good advice, fair pricing, and proper customer service."

Stefan Gleason
CEO, Money Metals Exchange

"We're deeply honored to have achieved this distinction in such a highly competitive field," said Stefan Gleason, president of Money Metals Exchange. "While Money Metals is known for fair, transparent pricing and fast delivery of customer orders, we're especially proud of our helpful, no-pressure sales approach and significant educational efforts."

"We believe it's vital that customers are kept fully apprised of breaking news impacting precious metals and the advantages and disadvantages of various products," continued Gleason.

"Trust is everything in this business. That's why Money Metals absolutely refuses to make a quick buck by unloading so-called "rare" coins on unsuspecting customers like so many of our competitors unfortunately do. Instead, we help investors to acquire the most gold and silver for their money by investing in bullion coins, rounds, and bars priced near the metals' actual melt value."

Rated "A+" with the Better Business Bureau, Money Metals Exchange attained more than $110 million in sales in 2014 and conducted over 65,000 monthly savings plan, IRA, and standard transactions with its 35,000 mostly U.S. customers.

Founded in 2010, the rapidly growing precious metals dealer has become known for its no-pressure, approach to dealing with customers. Money Metals gives "white glove" service to even the smallest and newest of precious metals investors, its significant educational content at www.MoneyMetals.com. It fearlessly exposes the unscrupulous dealings of "rare" coin companies that routinely rip off investors and invite regulatory scrutiny of the entire industry.