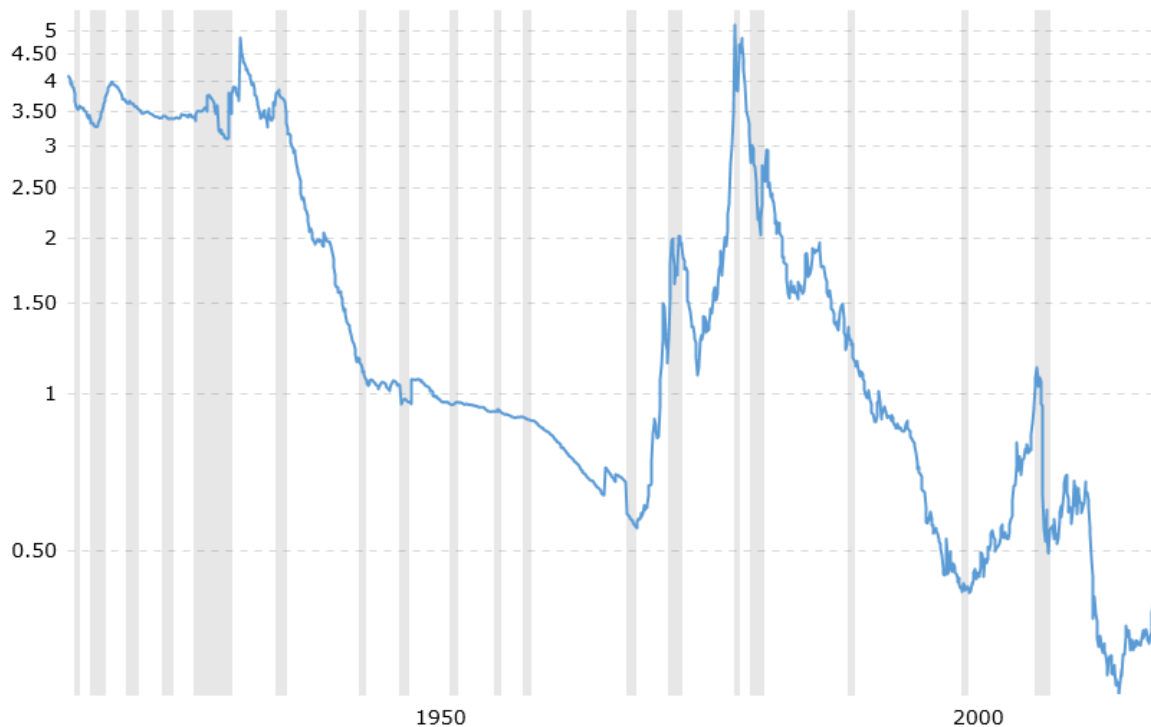
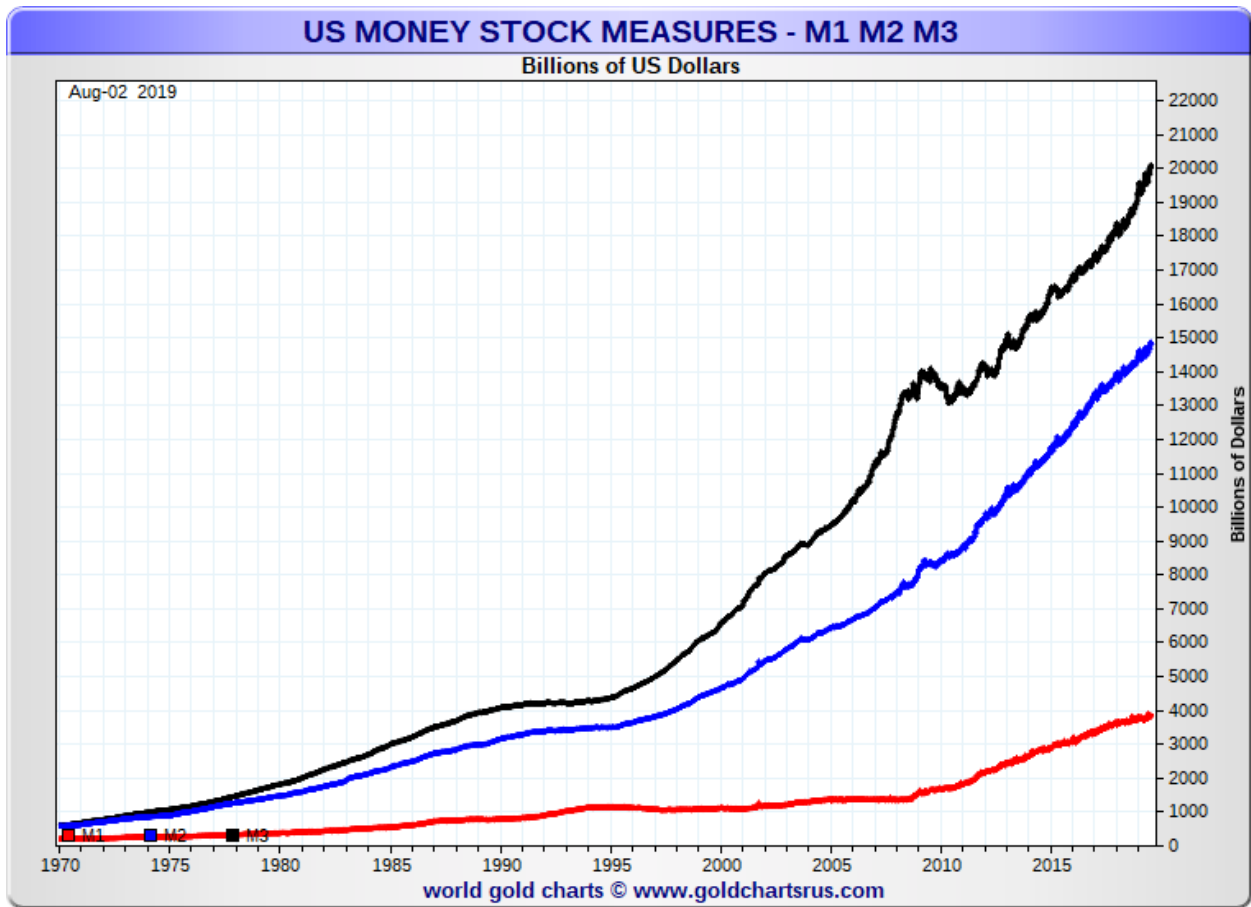


The Mother of all Gold Bull Markets?

This analyst remembers the gold bull market of 1976 – 1980, as well as the gold bull from 2002 – 2011. The latest bull market began in June of this year, and this could well be the biggest of the three. The reason for that is the large amount of money that has been added to the system, worldwide.



This 100 year chart courtesy macrotrends.net compares the gold price to the US Monetary Base. The latest reading is 0.45. The ratio bottomed at 0.26 on November 2015. This tells us that gold is the cheapest it has been in at least 100 years! In 1934 and in 1980 this ratio rose to 4.8 and topped out there. In view of the fact that the ratio is now coming off a bottom at 0.26 it is easy to see that the potential is here for a huge advance! It will likely be years before the ratio becomes overpriced at 4.8. This chart does not even include the monetary inflation caused by world's other central banks! Truly the conditions are ripe for a 'super rally'!



This chart courtesy goldchartsrus.com shows the US M3 money supply is beginning to rise exponentially. The expectation is for gold to follow suit.



This chart courtesy stockcharts.com features the daily gold price. The breakout at the blue arrow came after price had tried for six years to overcome resistance at \$1360. This told us that a new bull market was getting underway. The breakout at the green arrow sets up a target at \$1550. There we would expect some oscillation before the next breakout occurs.



This chart courtesy stockcharts.com compares gold mining stocks to main stream stocks. The trend had been favoring the S&P 500 for a number of years. The breakout at the blue arrow has changed the trend in favor of gold miners. The supporting indicators are positive.

DISCLAIMER! Please do your own due diligence. Peter Degraaf is NOT responsible for your trading decisions.

Peter Degraaf is an investor with more than 50 years of experience. Google him or visit www.pdegraaf.com

