

Goldletter INTERNATIONAL

the international independent information and advice bulletin for gold and related investments

December 2016



Gold Market Outlook

- ▶ **Euphoria on outcome of Trump's pledges of lower taxes and deregulation on US economy puts gold under further pressure**

Growing confidence from corporate America that Donald Trump's announced "America first" policy, which with lower taxes and deregulation will have a positive impact on the US economy in 2017 have resulted in Wall Street reaching new record highs.

It also resulted in a correction of the dollar/euro ratio from 1.12 at the end of Q3, 2016 to 1.05, almost touching the low of 1.0456 reached on 18 March 2015, and the gold price having come under further pressure, dropping 7% from \$ 1,272 at the end of October to \$ 1,178 at the end of November, but still showing a gain of 11% compared to year-end 2015.



It is striking to see that the pressure on the gold price was not stopped in the first half of December, despite the political instability in Italy growing after a stinging defeat in a referendum on the flagship constitutional reforms and the financial sector facing severe problems.

Overview gold prices versus HUI-Index

		Gold price	Change in %	HUI-Index	Change in %
December 13	2016	1.157	-2	178.46	0
November 30	2016	1.178	-7	178.08	-16
October 31	2016	1.272	1	212.28	7
October 7	2016	1.259	-5	199.26	-14
September 30	2016	1.323	1	231.14	4
August 31	2016	1.309	-2	221.68	-19
July 29	2016	1.342	-2	274.32	1
July 6 (high)	2016	1.370	4	271.75	10
June 30	2016	1.321	9	246.60	22
May 31	2016	1.212	-6	201.32	-14
April 28	2016	1.286	4	233.46	31
March 31	2016	1.237	0	178.24	6
February 29	2016	1.235	11	167.49	39
January 31	2016	1.113	5	120.80	9
Year-end	2015	1.062	-11	111.18	-32
	2014	1.199	0	164.03	-17
	2013	1.202	-28	197.70	-55
	2012	1.664	6	444.20	-11
	2011	1.572	11	498.73	-13
	2010	1.410	28	573.32	33
	2009	1.104	28	429.91	42
	2008	865		302.41	

New elections due in 2016, including France, Germany, Italy and the Netherlands, are expected to feed the nationalism throughout Europe, which will undermine the current regulatory structure of the European Union. As a result, it may be even too late to separate the 28 country members into the small number of economically strong and wealthy partners and European Central Bank members who cannot live with a strong Euro to strengthen their economies.

As a result of the continuing pressure on the gold price, the **HUI-Index**, representing the world's major gold producers, showed a decline of 16% from 212.28 at the end of October to 178.08 at the end of November. Nevertheless, my **2016 Shortlist of gold investment recommendations** shows a gain of 87.7% in the first 11 months of the year.

Consequently, due to 2017 to be a year of great geopolitical uncertainty, with the UK definitely leaving the European Union and China and Russia to play a growing role in international trade agreements, this will create fertile ground for the gold sentiment to improve significantly.

2016 SHORTLIST OF GOLD INVESTMENT RECOMMENDATIONS - as at 30 November 2016

Company	Trading symbol		Share price		Change in %		Market capitalization		Market capitalization	Change MC in % 2016/2015
			30 Nov. 2016	Year-end 2015	local	US\$	30 November 2016	year-end 2015		
			Cdn\$	Cdn\$			Cdn\$ bln.	US\$ bln.	US\$ bln.	
Canada (2)										
Barrick Gold	ABX	TSX	20.75	10.24	103	100	24.2	17.9	8.8	108
Agnico Eagle Mines	AEM	TSX	56.37	36.37	55	53	12.7	9.4	5.7	65
U.S. (1)										
Newmont Mining	NEM	NYSE	32.44	17.99	80	80	17.2	17.2	9.5	81
Australia (3)										
Newcrest Mining	NCM	ASX	19.54	12.97	51	49	15.0	11.2	7.3	53
Northern Star Resources	NST	ASX	3.59	2.78	29	28	2.2	1.6	1.2	33
Alacer Gold (also Turkey)	AQG	ASX	2.48	2.46	1	1	0.7	0.5	0.5	0
Russia (1)										
Nord Gold	NORD	LSE	3.40	2.70	26	33	1.3	1.3	1.0	30
China (1)										
Zijin Mining	2899/601899		2.60	2.03	28	27	58.0	7.2	5.6	29
Burkina Faso (1)										
Roxgold	ROG	TSXV	1.32	1.28 ¹⁾	3	-3	0.5	0.4	0.4	-11
1) included as at June 1, 2016										
Removed as at										
					Change in %		Change in % MC 2015/16			
August 1, 2016:										
Sibanye Gold	SBLG	NYSE	18.65	6.09	206				207	
Yamana Gold	YRI	TSX	7.47	2.57	191				200	
Alamos Gold	AGI	TSX	12.19	4.55	168				178	
Acacia Mining	ACA	LSE	5.80	1.80	211				279	
June 1, 2016:										
AngloGold Ashanti	ANG	JSE	21.01	10.63	98				108	
Polyus Gold International	OPYGY	OTCUS	35.45	20.53	73				121	
Market performance 2016 (in U \$) as at 30 November 2016: 87.7%										
Market capitalization increase 2016 (in U \$) as at 30 November 2016: 98.7%										

Having mainly included major producers and advanced development gold companies in 2016, in the **2017 Shortlist** I will introduce a maximum of 6 small-capitalized selection of gold exploration and development companies, which based on the quality and prospects of their assets, offer a high investment leverage potential.

CALENDAR OF MINING EVENTS9

Goldletter International, **Uraniumletter International** and **Rare Earths & Strategic Metals Letter International** as Media Partner

2017

February	6 – 8	Investing in African Mining Indaba – Cape Town, South Africa
March	5 – 8	PDAC Convention – Toronto, Canada
March	1 – 3	Mining Investment Europe – Frankfurt
March	28 – 31	Mining Investment Asia – Singapore
April	11 – 12	▶ Russian & CIS Metals & Mining Summit – Moscow
April	25 – 27	World Nuclear Fuel Cycle – Toronto, Canada
May	3 – 5	Mining Investment Africa – Abuja, Nigeria
June	23 – 24	DRC Mining Week - Lubumbashi, DRC

▶ *Marino G. Pieterse to be a speaker*





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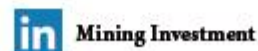
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