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### Current Events Summarized In Brilliant Art

Posted by : [George Washington](#)  
Post date: 12/16/2011 - 14:16  
A picture is worth a thousand words

### Debt is Endemic In Our System... And the Deleveraging Will be Brutal For Businesses and Investors Alike

Posted by: [Phoenix Capital...](#)  
Post date: 12/16/2011 - 20:44  
To put US household debt levels into a historical perspective, in order for US households to return to their long-term average for leverage ratios and their historic relationship to GDP growth ...

### MeXiCaN EURO WREStLiNG NiTe!

Posted by: [williambanzai7](#)  
Post date: 12/16/2011 - 13:27  
WW-WTF!

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## Gartman Flip Flops With Gold Support at 200 DMA at \$1618/oz, And Massive Chinese Demand



Submitted by [Tyler Durden](#) on 12/13/2011 08:10 -0500

[200 DMA](#) [Bear Market](#) [British Pound](#) [China](#) [Copper](#) [Dennis Gartman](#) [Displaced Moving Average](#) [Hong Kong](#) [India](#) [Krugman MF Global](#) [New York Times](#) [Reuters](#) [United Kingdom](#) [Volatility](#) [World Gold Council](#) [Yuan](#)

From [GoldCore](#)

### Gold Support at 200 DMA at \$1618/oz, Massive Chinese Demand and Gartman Flip Flops

Gold is trading at USD 1,665.10, EUR 1,261.20, GBP 1,067.30, CHF 1,557.40, JPY 129,550 and AUD 1,643.0 per ounce.

Gold's London AM fix this morning was USD 1,665.00, GBP 1,068.75, and EUR 1,262.22 per ounce.

Yesterday's AM fix was USD 1,680.00, GBP 1,077.06, and EUR 1,266.49 per ounce.



Gold in USD - 1 Yr (100, 144, 200 DMA - yellow line at \$1,618/oz)

Gold fell 2.6% in US dollar terms yesterday on low volumes as technical selling led to price falls which were exacerbated by a number of stop levels getting hit. The falls may be due to banks raising capital due to liquidity and solvency issues.

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Gold's weakness yesterday was primarily a function of dollar strength. This meant that gold's falls in euros, pounds and other currencies was much smaller (between 1% and 2% in most currencies) and gold fell less in euros than did the DAX and CAC equity indices.

The technical situation has deteriorated. The 144 day moving average which has provided good support for 2 years was breached yesterday and the 200 day moving average at \$1,618/oz now becomes support.

Absolutely nothing has changed with regard to the fundamentals driving the gold market. Investment demand for physical bullion remains robust internationally.

Real macroeconomic, systemic and monetary risk remains and will support gold.

There are signs that demand in India and China is picking up again after the latest correction. Bullion dealers in India report bargain hunters again buying on the dip.

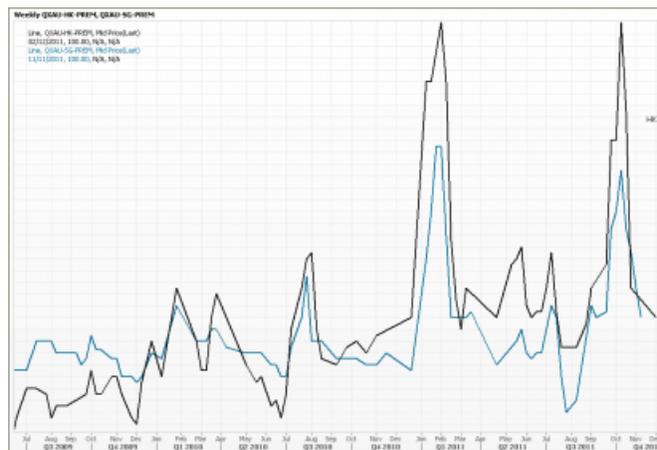
### China's gold imports from Hong Kong



Source: Hong Kong Census and Statistics Dept, Reuters  
Reuters graphic: Catherine Tetzschel/Reuters (12/17/11)

Chinese citizens continue to buy gold in record volumes with October the fourth successive record month for imports via Hong Kong (see table above).

The October total was 85.7 tonnes –up very significantly on the September figure which was itself a new record. The October demand was a massive 40 times higher than imports via this route a year ago.



It is the fourth successive month of record imports into China and overall imports through Hong Kong for the first 10 months of the year are around three times higher than a year ago.

#### RanSquawk News The Fly On The Wall

- 12-16 16:57: RANSQUAWK AUDIO CLOSED FOR THE WEEKEND; THE DESK WILL REOPEN MONDAY...
- 12-16 16:27: Caterpillar (CAT) says approved extension of current repurchase...
- 12-16 16:27: US EQUITY WRAP
- 12-16 16:27: EUR/USD manages to hold the key 1.3000 level heading into the weekend...
- 12-16 15:54: White House says talks on Payroll still very fluid but cautiously...
- 12-16 15:54: CFTC says net EUR short position was USD 19bln as of Dec 13th,...
- 12-16 15:54: Italian PM Monti package wins final passage in chamber of Deputies,...
- 12-16 15:54: US NYSE Imbalances – USD 700mln buy side

#### New Comments Today's Top Stories

- 12-17 16:51: Check it out Tyler, (Mauibrad)
- 12-17 16:47: Agreed. Financials outperform (sqz)
- 12-17 16:46: What Zero Hedge is doing is (JR)
- 12-17 16:45: I could go on and on about (Cathartes Aura)
- 12-17 16:44: agitprop 101, call it and by (gangland)
- 12-17 16:43: Sorry they are not taxed and (Xkwisely Paneful)
- 12-17 16:41: very useful info (richard in norway)
- 12-17 16:41: There used to be a difference (Esculent 69)
- 12-17 16:39: The difference between (Xkwisely Paneful)
- 12-17 16:39: Can a bank put you into (robertocarlos)

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#### Suggested Reading:

Make sure to read our "How To [Read/Tip Off] Zero Hedge Without Attracting The Interest Of [Human Resources/The Treasury/Black Helicopters]" Guide

It would be very wise of you to study our disclaimer, our [privacy policy](#) and our (non)policy on conflicts / full disclosure.

#### Zero Hedge Reads

- Angry Bear
- Atl-Market
- Bearish News
- Boom Bust Blog
- Brazilian Bubble
- China Financial Markets
- Chris Martenson's Blog
- Contrary Investor
- Coyote Blog
- Credit Writedowns
- Daily Capitalist
- Daneric's Elliott Waves
- DealBook
- Dealbreaker
- Dr. Housing Bubble
- ETF Digest
- Falkenblog
- Fibozachi
- Fund My Mutal Fund
- Gains Pains & Capital
- Global Economic Analysis
- Gonzalo Lira
- Hedge Accordingly
- Implode-Explode
- Infectious Greed
- Investing Contrarian

- Jesse's Cafe Americain
- Market Folly
- Max Keiser
- Minyanville
- Mises Institute
- Naked Capitalism
- Of Two Minds
- Oil Price
- Shanky's Tech Blog
- TF Metals Report
- Testosterone Pit
- The Burning Platform
- The Daily Crux
- The Economic Populist
- The Mad Hedge Fund Trader
- The Market Ticker
- The Technical Take
- The Trader
- The Underground Investor
- Themis Trading
- Value Walk
- Wall St. Cheat Sheet
- Wealth.net
- When Genius Prevailed

Of importance is the fact that the amount of gold imported through Hong Kong amounted to over a quarter of estimated global demand for the yellow metal – as noted by Mineweb.

Premiums in Hong Kong and Singapore (see chart above) are likely to stabilise near the \$1.00 per ounce level as Chinese buyers are likely to again buy on weakness – especially as dealers and jewelers will soon be buying stock prior to Chinese New Year at the end of January.

	USD	EUR	JPY	GBP	CHF	CAD	AUD	CNY	HKD	Ag	XAG	XAU
XAU	.00060	.00079	.00000	.00094	.00064	.00059	.00061	.00009	.00008	.01884	-	-
XAG	.03187	.04214	.00041	.04974	.03409	.03109	.03229	.00501	.00410	-	53.075	12955
HKD	7.7794	10.285	.10000	12.141	8.3199	7.5883	7.8824	1.2221	-	244.08	12955	-
CNY	6.3657	8.4160	.08182	9.9345	6.8080	6.2093	6.4500	-	.81827	199.72	10600	-
AUD	.98692	1.3048	.01269	1.5402	1.0555	.96268	-	.15504	.12686	30.965	1643.5	-
CAD	1.0252	1.3554	.01318	1.5999	1.0964	-	1.0388	.16105	.13178	32.165	1707.2	-
CHF	.93503	1.2362	.01202	1.4592	-	.91206	.94742	.14689	.12019	29.337	1557.0	-
GBP	.64076	.84715	.00824	-	.68529	.62502	.64925	.10066	.08237	20.104	1067.0	-
JPY	77.797	102.85	-	121.41	83.202	75.885	78.827	12.221	10.000	2440.9	129550	-
EUR	.75638	-	.00972	1.1804	.80893	.73780	.76640	.11882	.09723	23.731	1259.5	-
USD	-	1.3221	.01285	1.5606	1.0695	.97543	1.0133	.15709	.12855	31.375	1665.2	-

Legend: % Change on Day Range  
 Below -2.5% -0.5% to -2.5% -0.05% to -0.5% -0.05% to 0.05% 0.05% to 0.5% 0.5% to 2.5% Above 2.5%

Rates are from Composite where Bloomberg BGN is not available

Cross Currency Table

OTHER NEWS

(Bloomberg) -- Gold Will Average \$2,050 an Ounce in 2012, SEB Banking Says

Gold will average \$2,050 an ounce next year, SEB Merchant Banking, a unit of Skandinaviska Enskilda Banken AB, said today in an e-mailed report. "Additional outbreaks of volatility should be expected in coming months during flights to liquidity with the European crisis still in a critical phase and the effects of Chinese monetary tightening topping out," the bank said in the report.

(Bloomberg) -- China's Gold Imports From Hong Kong Surge 51% on Haven Demand

China's gold imports from Hong Kong surged 51% to a record in October as investors sought to hedge against turmoil in the financial markets and took advantage of the price gap between the two places.

Mainland China bought 86,299 kilograms (86.3 metric tons) from Hong Kong in October, up from 56,977 kilograms in September, according to the Census and Statistics Department of the Hong Kong government. China doesn't publish gold trade data. The country imported more than 300 tons for all of 2010, People's Bank of China Vice Governor Yi Gang said in February.

China's bullion demand may be more than 750 tons this year, as the country overtook India in the third quarter as the world's largest gold jewelry market, according to the World Gold Council. The amount includes more than 250 tons of investment demand and 500 tons of jewelry demand, said Albert Cheng, managing director for the far east region at the Council, said on Nov. 17.

"As economies in the West falter, China's growth will moderate and many people just want to put their money somewhere safe," said Duan Shihua, Shanghai-based head

of corporate services at Haitong Futures Co., China's largest brokerage by registered capital. The arbitrage between Shanghai and Hong Kong also aided demand, he said.

Prices in Hong Kong mostly traded at a discount to those in China in October, making imports profitable for traders who seek to exploit price gaps. Gold for immediate delivery of 99.99 percent purity on the Shanghai Gold Exchange traded at 339.40 yuan a gram (\$1,661 an ounce), compared with 416.60 Hong Kong dollars (340.72 yuan) on the Chinese Gold & Silver Exchange Society.

(Bloomberg) -- UBS's Physical Gold Flows to India Yesterday Most Since Oct. 20

UBS AG's physical gold flows to India yesterday were "well above" average and the most since Oct. 20, Edel Tully, an analyst at the bank, wrote today in an e-mailed report.

(Bloomberg) -- Gold Is in the Start of a Bear Market, Economist Gartman Says

Gold is in the "beginnings of a real bear market," economist Dennis Gartman said today in his daily Gartman Letter. The metal may extend declines to \$1,475 an ounce, he said. It traded at \$1,663.80 an ounce by 8:24 a.m. in London.

**(GoldCore Editors note) – Gartman has been extremely inconsistent regarding gold in recent years. He has swung from being bullish on gold in all currencies to being bearish on gold in all currencies on a number of occasions. This is the second time that he has said that gold's bubble had popped and we are now in a bear market.**

Gartman is a trader and is followed by hedge funds and prop desks of banks and does not appear to understand the proven diversification benefits gold brings to a portfolio.

In November 2009, Gartman said that there "is a gold bubble." Gartman said that to say otherwise was "naïve". Gold was trading at \$1,100/oz at the time.

In August 2011, Gartman said that gold was the biggest bubble of our lifetime.

Inconsistently, only last week, Gartman said on CNBC that he is "long gold" and has been for "six or seven months".

Gartman's short term calls on gold and silver have been wrong more often than not in recent years. He tends to turn bearish after gold has already experienced a correction and is close to bottoming.

Those wishing to diversify and add gold to their portfolio will use his call as a contrarian signal that we may be getting close to a low in this most recent sell off.

Our advice is to ignore gurus, price predictions and noise – up and down – and focus on the real fundamentals driving the gold market.

Having an allocation to and owning physical gold will again protect and preserve wealth in 2012.

## NEWS

(Reuters) -- Gold steady after sell-off; Europe woes in focus  
<http://www.reuters.com/article/2011/12/13/us-markets-precious-idUSTRE7AK...>

(Reuters India) -- Gold price drop prompts buying, but caution prevails  
<http://in.reuters.com/article/2011/12/13/asia-gold-idINDEE7BC05920111213>

(Financial Times) -- Chinese gold imports from HK hit

record

<http://www.ft.com/intl/cms/s/0/364d4f06-24d4-11e1-bfb3-00144feabdc0.html...>

**COMMENTARY**

(Casey Research) -- Gold and Silver Pullbacks in Perspective  
<http://www.caseyresearch.com/editorial.php?page=articles/pullbacks-persp...>

(Forbes) -- Central Bank Appetite And The Monetary Case For \$10,000 Gold  
<http://www.forbes.com/sites/greatspeculations/2011/12/12/central-bank-ap...>

(The Telegraph) -- From Mr Copper to Choc Finger: Famous Commodity Squeezes  
<http://www.telegraph.co.uk/finance/commodities/8543069/From-Mr-Copper-to...>

(You Tube) -- Pan For Gold On The Streets Of New York City  
<http://www.youtube.com/GoldCoreLimited>

(Armstrong Economics) -- Why MF Global is Worse Than Europe  
<http://armstrongeconomics.files.wordpress.com/2011/12/armstrongeconomics...>

(New York Times) - Krugman: Debasing The Dollar, Not  
<http://krugman.blogs.nytimes.com/2011/12/12/debasing-the-dollar-not/>

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- Gold Explodes, Futures Touch \$1801

**CCanuck** Tue, 12/13/2011 - 08:12

 Gold Bitchez! | 1973319

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**Momauguin Joe** Tue, 12/13/2011 - 08:16 | 1973333

If it isn't physical, it isn't gold.



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**ratso**

Tue, 12/13/2011

- 08:31 |

[1973362](#)



Gartman - who cares what he says.

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Tue,  
12/13/2011 -  
08:37 |  
[1973365](#)

**Pladizow**



NO ONE!

Peter Schiff was interviewed with him this last time on CNBS and called him out - Gartman was OWNED and was noticeably irritated!

<http://video.cnb.com/gallery/?video=3000060648>

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Tue,  
12/13/2011  
- 08:43 |  
[1973399](#)

**Firing Pin**



Here's the CNBC video:

<http://johngaltfla.com/wordpress/2011/12/07/12-07-cnbc-fast-money-peter-...>

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Tue,  
12/13/2011  
- 08:51 |  
[1973431](#)

**FEDbuster**



No one is rehypothicating my gold and silver eagles. Molon labe.

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Tue,  
12/13/2011  
- 09:11 |

1973509  
**mrgneiss**



Gartman continues to be one of the best contrarian indicators on gold, one of the few indicators that is actually better than the proverbial coin toss.....don't ever change DG!

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Tue, 12/13/2011  
 - 09:25 |  
 1973585  
**bania**



seconded! trade anti-gartman in gold and you will quadruple your money!

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Tue, 12/13/2011 - 09:33  
 | 1973617  
**oddjob**



Gartman is the worst of the worst. The most vile deceitful shill on the street.

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Tue, 12/13/2011 - 10:03 | 1973811  
**High Plains Drifter**



and some lemmings pay this guy for advice?

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Tue, 12/13/2011  
 - 10:25 |  
 1973872  
**oddjob**



Even better was his call that copper would never go over \$4 in his lifetime.

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comments

Tue,  
12/13/2011 -  
09:13 |  
[1973517](#)

[WhiteNight123129](#)

Here is the ridiculous Gartman letter from June 2009, advocating that it does not matter to be bearish or bullish you have to be right when he defended is "stay on the sidelines of Gold" when Gold was trading at 960. His rationale to advocate why the Dollar is S.A.F.E.: because like Rome and like the British it is natural that the reserve currency is the one from the strongest military, and since Rome had the empire and Britain had the empire and now it is US turn essentially that is what he says. being not American, I nonetheless like very much the Old School America like Ron Paul, but this Gartman guy has a delusional nationalistic in his faith in of the USD. He mentioned paranoid stuff like enemies of America attacking the dollar, while the biggest threat to the Dollar is American policy makers. The funny part is the ridicule of the argument. First the very fact that Rome was an Empire and Britain was the dominant Empire proves only one point is that empires are transitory in nature. Second the very argument that the strongest military creates the rationale for being the Empire currency and hence a safe currency is completely upside down, in fact overextended empires result in the demise of the currency of those empires as the cost of the wars ALWAYS CREATE DEBASEMENT, FOR CHRIST SAKE ARE PEOPLE SO FUCKTARDS NOT TO REALIZE THAT, JUST OPEN A HISTORY BOOK GARTMAN. We have a carry trade short squeeze, hold on to your seats Gold Bugs, nothing has changed on the overindebtedness of the US.

[www.alberdon.com/sample.pdf](http://www.alberdon.com/sample.pdf)

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Tue,  
12/13/2011 -  
09:53 |  
[1973717](#)

[He\\_Who Carried ...](#)

Shouldn't you know first what he actually said?

*"We have the beginnings of a real bear market, and the death of a bull," Mr. Gartman wrote. "Since the early autumn here in the*

*northern hemisphere gold has failed to make a new high. Each high has been progressively lower than the previous high, and now we've confirmation that the new interim low is lower than the previous low."*

*Even more disconcerting is the fact that China has been an aggressive buyer of gold in recent weeks. The total amount of gold entering mainland China from Hong Kong reached 286.8 tonnes in the first 10 months of 2011, which is more than triple the amount just a year earlier.*

***While buying of that sort should have sent gold prices soaring, instead they plunged.***

***"One of the oldest rules of trading is simply this: a market that cannot or does not respond to bullish news is a bearish market not a bullish one," Mr. Gartman said. "This was manifestly bullish news and it was received very bearishly indeed."***

*Given how much psychological damage has been done to the gold market in the past week, and with so many long positions being caught off guard, he thinks wholesale liquidation and perhaps forced selling will be the outcome.*

*"It really won't take much to push it there," Mr. Gartman added.*

Source: Financial Post.

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Tue,  
12/13/2011  
- 10:06 |  
[1973828](#)

**Sean7k**



Perhaps he didn't read about the central bank and BIS intervention in the market. This is the real source of his "bear market". Gartman is a tool.

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Tue,  
12/13/2011  
- 10:52 |  
[1974116](#)

**WhiteNight123129**



How can the treasuries and Gold be both in a bubble at the same time, which one of the two looks the most dubious of the two?

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**johnu78** Tue, 12/13/2011

- 08:35 |

[1973369](#)Preach it  
brother!I'm going to take a nap, wake me up when gold  
hits \$5,000 an ounce. :)

-John

<http://www.youtube.com/CarMarketer>[Login or register to post](#)

comments

**Widowmaker** Tue, 12/13/2011 -There is 08:24 | [1973340](#)

waaay

too much emotion in the gold trade right now.

Sell, you can thank me later.

Otherwise, see ya at 1200-1050 oz. ( or lower!)

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comments

Tue, 12/13/2011

- 08:48 |

[1973408](#)**Smiddywesson**The game for central banking is to kick  
the can and buy gold, while keeping gold  
within a trending range which has stayed  
at +20-25% for ten years.So TPTB are not going to crush gold or let it  
ramp to the sky until this game is over, and it  
ain't over yet. They have plenty of margin hikes  
and fiat left to hold it down, and they have the  
experieince of driving it to \$1534 and almost  
decoupling it from paper to remind them what  
happens if they get heavy handed.Contrast that manipulation mechanism where  
MARKET forces drive gold prices lower without  
decoupling paper from physical as everyone sells  
everything and runs to the USD. In a general sell  
off, gold has no bottom, it can continue to fall  
without any adverse repercussions to the paper  
gold market at all as long as paper gold is not  
swimming against the tide. In a manufactured  
sell off like in Sept., there are limits the TPTB can  
achieve before damaging the paper price  
suppression scam.**Failing to understand the difference between  
these two situations can ruin you.**All of us must have a physical position for  
reasons of wealth preservation. Nobody can  
perfectly time the coming collapse so you are  
just going to have to purchase physical at what  
prices you can get. But those of us who trade in  
and out of the market have to understand, gold  
is still part of that overall market until the market  
dies. Ignore market sell offs, and you will lose  
your money. I think Widowmaker is right. There  
is going to be much lower prices before this is all

said and done and then you will get your payoff in the form of a gold reevaluation. Until then, ignore the pain and preserve your paper for much lower prices.

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**Free** Tue,  
12/13/2011 -  
08:55 |  
[1973446](#)

#### Markets



I believe it will go lower with the market also. Hedge it with GLL or DGLD with paper

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Tue,  
12/13/2011  
- 10:50 |  
[1974105](#)

#### Smiddywesson



It's tough to trade with this much manipulation, emotion, and volatility. I've retreated into a big physical position and a big cash position. If gold continues to rise @25% a year and we don't see a sell off with the stock market, I still have that cash to buy at higher prices. But if gold sells off with the market, I can scale in with the rest of my cash. Win-win. I'm not fighting the central bankers and I'm not trying to predict the future, but the sell off prior to super high prices seems probable to me.

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Tue,  
12/13/2011  
- 17:57 |  
[1976364](#)

#### Free Markets



My strategy is for those that are waiting for some magical entry point. Buy physical now and the hedge till you find the right price to drop the hedge.

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Tue,  
12/13/2011 -  
09:00 |  
[1973467](#)

**Widowmaker**



My favorite visual aid is stamped on every eagle - \$50.

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Tue,  
12/13/2011  
- 09:12 |  
[1973516](#)

**mrgneiss**



JB is that you????

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Tue,  
12/13/2011  
- 09:21 |  
[1973545](#)

**Widowmaker**



Ha!

Trading gold and owning it in perpetuity are as different as owning and renting a house. It's a means to an end, but different reasons and risks.

Like a home, when emotions are involved, the most emotional pays the premium - ALWAYS.

Young gold bugs beware. Settle on an eagle for each child you have, with the year they were born (or something)

Giving that "investment" to them at the right time is worth more than any premium paid (or lost) based on fear or greed.

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Tue,  
12/13/2011  
- 10:05 |  
[1973821](#)

**High Plains Drifter**



it is a terrible place we are leaving the children.

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Tue,  
12/13/2011

- 10:16 |

[1973905](#)**Widowmaker**Children, democracy,  
business, rule of law,  
privacy, etc..."The business may be dirty  
but the money is always  
clean."[Login or](#)[register](#)

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**Sean7k** Tue,

The 12/13/2011 -

09:19 |

[1973550](#)problem is: when will the paper and  
physical price decouple? When will we  
be unable to purchase physical at any  
price?

I agree there are many games to be played. Any study of economies that suffer irreparable damage show longer timelines and resiliency than one might expect. People want the system to survive and will do all they can to encourage the can being kicked down the road.

China and India have much better understandings of the value of gold and silver than we do- and they are buying like crazy as their economies face hard landings.

Further, with a limited experience with gold and silver, will Americans even understand its' useage? Will they be able to see its' value? We continue to hear statements of "you can't eat it", "it isn't backed by anything" or "how do you buy a loaf of bread".

We could end up with a huge population of people holding wheelbarrows of dollars wondering why there isn't a better substitute. Then, what do you use for new capital formation? It would not surprise me to find the banks holding the gold and creating a new wealth system based upon it.

The banks could just screw up things so badly, the people are too lost to figure out a way through. They could "win again".

The beauty of an ignorant public is they have no idea of what is possible.

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Tue,  
12/13/2011  
- 10:20 |  
[1973932](#)

**Badabing**

"We continue to hear statements of "you can't eat it", "it isn't backed by anything" or "how do you buy a loaf of bread".

Sean7000,

I get this shit all the time from family and friends and have some answers to these planted statements by the gold bashers in the MSM.

"You can't eat it"

Reply: Yes I know, and all other money is valued on it's edibility?

"It isn't backed by anything"

Reply: Gold is backed by gold, I guess that's a little hard to understand.

"How do you buy a loaf of bread"

Reply: How do you buy a loaf of bread now?

"why would you buy gold when its at an all time high?"

Reply: That's what you said the last time I bought gold.

"Do you think it's the end of the world?"

Reply: No, just the end of the fiat ponzi.

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comments

Tue,  
12/13/2011  
- 10:56 |  
[1974145](#)

**Smiddywesson**

Give up on family and friends. It's a trap. If they make money from your advice, they will forget it was your advice and think they are a genius. Worse, if they lose money, they will cash out at

a low and blame you, then absolutely hate you when prices climb after they dump their gold.

If they have taken this much to convince, they don't have the intestinal fortitude to survive the kind of volatility that is coming. You can't save them. I'm very sorry, I have tried and learned my lesson.

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Tue,  
12/13/2011  
- 11:15 |  
[1974255](#)  
**DoChenRollingBearing**



+ 1 as usual Smiddy

Until a year or so ago I always tried to tell friends and family about buying gold as a wealth preserver through lousy economic times. A few listened politely, but only TWO actually went and bought some.

So I gave up trying. They all know my position anyway. I learned my lesson as well.

Great observation on how they might mis-time gold purchases and sales. Yes, they might sell to low and miss the huge spikes to come. And hate you for it.

**Maybe you have to be BORN to be a fan of gold?** The ones I helped convince were already dubious of our financial system and cynical of .gov and the banks...

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Tue,  
12/13/2011  
- 15:12 |  
[1974793](#)  
**Smiddywesson**



***Maybe you have to be BORN to be a fan of gold?***

Some view history as a story

that is written and over with. Others view it as one long story that is retold again and again. Even if they don't say the words, the former live their lives under the belief "It can't happen to me." Since no amount of convincing can get them past this belief, yes I believe they were born that way and gold bugs were born different.

Caveat: People who are subject to starvation are sometimes so traumatized that they hoard food for the rest of their lives (Ex. The survivors of the Essex.) Given enough trauma, people can understand their own mortality, to include their financial mortality.

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Tue, 12/13/2011 - 13:59 | [1975069](#)  
[data\\_monkey](#)



This is how I feel about my co-workers. Sad.

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**Gohn Galt** Tue, 12/13/2011 - 09:33 | [1973622](#)



hope your right, but with his track record, Gold will continue to spike. That son of a bitch.

What was someone in here saying. There are two type of hedgefunds, those who make money just top loose it to primary brokers and those who understand the game and loose their clients profits in unnamed overseas trusts. It's hard to understand how these Primary Brokers can be trusted to hold on to a lump of coal.

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**Innocent Bystander** Tue, 12/13/2011 - 09:34 | [1973624](#)



buy - 1587.

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comments

Tue,  
12/13/2011 -  
11:07 |  
[1974211](#)

**Smiddywesson**

That's a good level if the can is still being kicked. However in a big sell off, picking bottoms can be dangerous. If gold prices slide during a big sell off, scale in. You are unlikely to be able to buy when the bottom happens, it will be during the Asian session. More importantly, any drop in PM prices towards end game will be a slide off in prices, followed by a spike down and then a ramp from the bottom. Even before end game, it will become increasingly difficult to buy on the ramp, both because vendors won't sell it to you, dragging their feet and experiencing technical difficulties with their web sites, and because of the time compression of the ramp. At the very end, when PMs hit the bottom, there won't be any gold available at all. So you HAVE to buy on the way down and not call the bottom.

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Tue,  
12/13/2011  
- 11:19 |  
[1974281](#)

**DoChenRollingBearing**

My strategy of buying physical is similar, although I really do not let the price influence my buying decision. I BUY when I have extra FRNs. As income arrives, part goes to gold.

OK, if there has been a big spike down, I \*may find\* a little extra income to buy...

Please note that I have bought some 85% of my gold at or near **\*record highs\*** through the decades, and it has worked out very well.

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comments

Tue, 12/13/2011  
- 09:59 |  
[1973785](#)

**WhiteNight123129**

How about the emotion in the Treasury, invisible lethal bubble. Check Gross on US worse than Greece. Check out Buffet on treasury in the bubble of the ages. Not enough emotion in the Treasury trade my friend. Asleep at the wheel is what you are. I will surrender when the political consensu of putting everything on the credit card and not worrying

because 10 years treasury are at 2%. Who is in that camp? Only your Ron Paul guy is not sleeping at the wheel. Once you sell your Gold you do what with buy 30 years treasuries at 3%????

[http://www.cnbc.com/id/43378973/US\\_Is\\_in\\_Even\\_Worse\\_Shape\\_Financially\\_Th...](http://www.cnbc.com/id/43378973/US_Is_in_Even_Worse_Shape_Financially_Th...)

<http://uk.reuters.com/article/2009/02/28/uk-berkshire-buffett-bubbles-sb...>

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**speconomist** Tue, 12/13/2011 - 08:15



Gartman | [1973322](#)  
said in

August that the greatest bubble of all history had exploded (gold). Peter Schiff called him out recently on that topic, with gold around \$1750 (IIRC), and Gartman negated what he had said.

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**fonzanoon** Tue, 12/13/2011 -



damn 08:33 | [1973364](#)  
right

speconomist. I wish ZH or someone on here could put a youtube together of that fat fuck making that call in august and then Schiff calling him out and watching him deny it. Everyone on this site should get that video to go viral.

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**Pladizow** Tue, 12/13/2011



- 08:38 | [1973376](#)

See above!

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Tue,  
12/13/2011 -  
08:41 |  
[1973389](#)

**fonzanoon**



Thank you

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Tue, 12/13/2011 - 08:13  
| [1973323](#)

**LookingWithAmazement**



Gold and silver are massively overvalued. If all the "paper gold and -silver" would be removed from the markets, prices would plunge. The market is strongly manipulated/**frauded** upwards. **So better not buy PMs until then.**

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**HellFish** Tue, 12/13/2011 - 08:15 | [1973331](#)



Either you forgot the /sarc tag or I think you've got that backwards.

[Login or register to post comments](#)

**Crash N. Burn** Tue, 12/13/2011 - 08:25 | [1973349](#)



In case you weren't being sacastic/facetious:

[Why gold and silver - full dvd Mike Maloney](#)

[Login or register to post comments](#)

**eddiebe** Tue, 12/13/2011 - 08:30 | [1973357](#)



Looking, gold and silver are vastly over valued compared to what? And as for your other statement about the PM's paper market, you are completely wrong. How do you come to your conclusion.Are you being sarcastic? If paper (ie.fractional derivatives) were to be removed from the Pm.market, the price would be vastly higher.

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Tue, 12/13/2011 - 08:35 | [1973371](#)

**LookingWithAmazement**



Overvalued compared to the situation without all the paper crap. And if prices without would be much higher, why aren't prices rising sharply now? Present prices would be a bargain if you're right.

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Tue, 12/13/2011 - 08:49 | [1973419](#)

**eddiebe**



Prices are a bargain now.

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post comments

Tue,  
12/13/2011  
- 11:25 |  
[1974321](#)

**DoChenRollingBearing**



+ 1

Correct, physical prices are a bargain now.

And LookingWith Amazement will be left behind when gold revalues. Hey, it was his choice.

To be fair, no one can predict the future. But, the \$123,000 each taxpayers owes (on our \$15 tn Federal Debt only) leads me to the obvious conclusion that gold will go up in US\$ at its appointed hour.

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comments

Tue,  
12/13/2011 -  
08:50 |  
[1973424](#)

**LoneCapitalist**



Paper gold and silver are part of the supply. If you reduce the supply , prices go up.

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**Kina** Tue,  
12/13/2011 -  
09:08 |  
[1973500](#)



Obviously acting deliberately dumb.

Of course it is the selling of paper gold and silver way beyond physical holdings that is supressing prices and deliberately so, I don't think anyboyd disputes that any more.

So the US prints money so the fiat value of gold is meant to go down not up? The more dollars you print the greater their purchasing power. LoL

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**moonstears** Tue, 12/13/2011 -



Just as the 08:30 | [1973359](#)

Market dropped like a rock in 2009, only to rebound nicely, for the swift (see SLW as example), I'd buy PHYSICAL PMs, a little now, and alot on the paper collapse, if physical's available, at those prices. This you forgot to discuss. When silver hit \$9 in late 2008, I bought a little, at \$13...a 33%+ diff for physical purchase.

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**Smiddywesson** Tue, 12/13/2011 -



Gold 08:55 | [1973445](#)

and

silver are part of the market until they are not, so yes, we will see much lower prices in the future as everything continues to sell off. The difference is that gold and silver prices will recover after the sell off because of the fundamental strength of PMs, whereas stocks and bonds will lay on the floor sucking their thumbs. But then Ben will step in to continue to suppress PM price appreciation and artificially support stock prices. Rinse and repeat until the can comes to a standstill. Then PM prices take off.

The deeper the selloff in stocks, the deeper the sell off in PMs, until the system breaks. General sell offs make it easy to push PMs out with the tide. Keep your powder dry.

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**fuu** Tue, 12/13/2011 -



Shill 09:21 | [1973563](#)

faster.

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**bardot63** Tue, 12/13/2011 -



What a 14:50 | [1975344](#)

load !

When, not if, paper gold implodes, 'disappearing from the market' as LookingWithAmazement says, gold will have one direction - interplanetary. Gold and silver are not overvalued. The overvalue is in global debt. To believe otherwise is to ignore history, which some of the uneducated among us are obviously more than willing to do. I hope writer LWA waits until PMs are zero to consider buying. Good luck, Sucker.

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**Big Corked Boots** Tue, 12/13/2011 - 08:13



Fiat, and all | [1973324](#)

of its

imaginary 0's and 1's, is the biggest bubble of all.

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**FEDbuster** Tue, 12/13/2011 -



I say 09:06 | [1973491](#)

let

Congressmen dig for their deficit spending.

Anything they can't steal from the people to spend, they would have to go out and mine it. Balanced budget problem solved.

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[comments](#)

**The Deleuzian** Tue, 12/13/2011 - 08:16



Who cares | [1973328](#)

what  
Gartman says!!!

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**Bazooka** Tue, 12/13/2011 - 08:15



Hello! My | [1973330](#)

consistency,  
I'll now dub it as the "Bazooka Equation" below has been extremely consisten:

Equities Down = Gold & Silver Down

Equities Up = Gold & Silver Up

Both physical and paper prices are like equities.

This article leaves out behavior precious metals during DEFLATION!

They crash with equities because CASH becomes king. When margin calls hit, banks and all margined investors sell assets to raise cash!!!!

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**Quintus** Tue, 12/13/2011 -



Can you | [1973353](#)

provide a single example of when Gold and Silver have crashed during a deflationary episode? Just one will do.

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[comments](#)

**Pladizow** Tue, 12/13/2011



| - 08:41 |

[1973390](#)

know that during the 30's, the two largest miners had gains of 500%.

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[comments](#)

Tue,  
12/13/2011 -

08:52 |

[1973433](#)

**Flakmeister**



Yes... there was a gold standard at the time though....

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Tue,  
12/13/2011  
- 09:45 |

1973674

**Smiddywesson**

Yes, when using the 30s as an example, we can't forget about the effects of going off a gold standard on the market's sentiment, the fact that politicians were running around parroting Keynes' drivel that gold was a barbarous relic, and the fact that they revaluated gold, and made it illegal to hold. This skews all your data, which of course, is exactly the shadowy misdirection central banking is designed to bring about. So when someone says "deflation does this and that is that," take care. It's not that simple.

Last time around, it was in the Fed's interest that the dollar be devalued, so gold had to go up, but that was their line in the sand for gold prices. This time around, they are stacking gold, they have tremendous liabilities, foreign currency reserves are no longer acceptable to balance your trade, so all that is left for them to remain solvent is to ramp the price of their one remaining asset, gold.

Bazooka is right, gold will fall in price during the sell offs. But that process can only go on for so long before the system crashes and PM holders get the big payoff.

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comments

Tue,  
12/13/2011  
- 10:16 |

1973898

**Flakmeister**

Just to be clear, I am a PM bull in that they offer the best chance (along with the cashflows from domestic oil production) of keeping the what you have... The catch as I see it is that in nominal terms, there will be a global haircut and only the most nimble of traders will be able to time it... Think of a strengthening dollar, weakening PMs untill the fateful day when the dollar dies (likely when the House of Saud falls and the petrodollar is no more), at that time PMs will vanish from the market and you will have taken a haircut. BFD if gold is \$10,000 per oz if you can only buy the equivalent of \$1,000 of goods (measured in today's dollars)...

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comments

Tue,  
12/13/2011  
- 10:43 |

1974078

**jimmyjames**



Yes, when using the 30s as an example, we can't forget about the effects of going off a gold standard on the market's sentiment

Last time around, it was in the Fed's interest that the dollar be devalued, so gold had to go up, but that was their line in the sand for gold prices.

\*\*\*\*\*

There was no gold standard in the 30's—in fact there hadn't been a gold standard since 1922—it was reduced to a gold exchange standard—read about the "Genoa Convention" and the double counting of gold and you will discover it was that act that brought about the inflation of the 20's and the subsequent crash of the 30's—

[http://www.cepr.org/meets/wkcn/1/1671/papers/The\\_Genoa\\_Conference\\_finale...](http://www.cepr.org/meets/wkcn/1/1671/papers/The_Genoa_Conference_finale...)

The price of gold never moved until Roosevelt manually/illegally re-priced it but comparing CPI data—gold did very well –

[http://4.bp.blogspot.com/\\_nSTO-vZpSgc/RbZwf5lgCXI/AAAAAAAAAN0/WJYO6dh-og...](http://4.bp.blogspot.com/_nSTO-vZpSgc/RbZwf5lgCXI/AAAAAAAAAN0/WJYO6dh-og...)

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Tue,  
12/13/2011 -  
08:54 |

1973439

**Rakshas**



Homestake mining?? I hear they paid a dividend too; \$56 per share in 1935, what would that be in today's green shoe liners?

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Tue,  
12/13/2011 -  
08:57 |

1973451

**Quintus**

Indeed – and since the price of gold was officially fixed by the government (unlike today's unofficial price management) and then confiscated, miners were the closest the average investor could get to finding a safe haven in gold during the great depression.

I guess my initial comment is a trick question since there has never been a deflationary episode under the fiat currency system.

There can't be if the system is not to crash completely as debts rapidly become unpayable and the fractional reserve system collapses.

Think Japan has had two decades of deflation? Everyone says they have. Try going to Tokyo and offering to pay the 1990 price for a meal or a taxi ride, or indeed just about anything but property. This Japanese deflation sure looks a lot like inflation.

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**Smiddywesson** Tue, 12/13/2011 –

Gold and silver prices go down in a delation just like

everything else, but they still outperform other assets. More importantly, this is not just a deflation, this is a debt induced and leverage induced collapse, so our models about what happened in the 30s are only relevant up to, but not including, the collapse.

A collapse will destroy all paper and leave gold and silver as the only survivors. References to the 30s also have to recognize that gold prices were set by the government, something Bernanke said you would do to battle deflation.

So Bazooka is probably going to be proven right. Up to the collapse, gold and silver will sell off with everyting else. I think they will recover between bouts of sell offs, but it's likely our wives will be very dissatisfied with our investing skills as our stash loses worth in fiat terms. It's going to take a lot of intestinal fortitude to hold on for the collapse, especially if your cost basis is over \$1600, but at this point my stash is insurance for wealth preservation and I'm keeping the rest of my fiat ready for the big sell off. I definitely am not trying to capture the bottom in gold price, it will happen in a fraction of a second, probably during the Asian session, and then boom, prices will respond to panicked buying. In this, my last remaining position in physical, I am scaling in as we approach the collapse of the system.

The problem with the deflationists is their argument assumes the system survives the crisis. I have no faith in that assertion due to MF Global, \$707 trillion of derivatives, political ineptitude, and war being in the self interest of Russia, China, and the USA. We are going over the cliff, so all historical examples are of limited use.

My advice for what it's worth: Establish a core

physical position, sit in the USD with the remainder of your money until the great deflate, scale into lowering PM prices, accept that you won't catch the bottom (and sleep like a baby)

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[comments](#)

Tue, 12/13/2011

- 10:26 |

[1973978](#)

**Flakmeister**



Well said....

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[comments](#)

**thunderchief**

Tue, 12/13/2011 -



I feel 09:40 | [1973573](#)

your

pain Bazooka. When you bash the PM's for Fiat trash, you are on a one way ticket to the nearest S&M Massage Parlor. I hope you get the beating you are looking for there.

It is in the markets interests for the PM's to behave as all other equities. This is so true with the PM Miners. PM investors should disregard this, stick to their positions, and keep accumulating cheap minors and the physical product.

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[comments](#)

**chinaboy**

Tue, 12/13/2011 - 08:16



October | [1973335](#)

mainland

import was 85.7 ton. Full year 2011 import is expected between 470-490 ton (combined output of South Africa and Australia). Paper traders please sell: USD yours, bars ours.

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**Commerce**

Tue, 12/13/2011 - 08:17

**Exchange**

| [1973336](#)



Wonder as why China wants to grab more gold if they are to devalue the Yuan?

<http://www.ecomm-unity.com/group/financial-crisis-worldwide>

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**agNau**

Tue, 12/13/2011 -



10:00 | [1973793](#)

Somewhere I remember gold confiscation, and then currency devaluation. Now where was that?

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[comments](#)

**youngman**

Tue, 12/13/2011 - 08:23

To me | [1973346](#)



Gold is not a trading item..its a security item....you don't sell your bullets one day because they have gone up in price...you keep buying more for security..this is a paper game...I don't like it..it should be illegal...but we don't donate enough to the politicians to make it illegal...The key is the fundamentals have not changed and have got worse...IMHO....

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**Dr. Engali**

Tue, 12/13/2011 - 08:24



When | [1973348](#)  
somebody

says that an asset that represents less than 1% of a portfolio managers position is the biggest bubble in history then they look like the biggest fool in history. The bottom line is that gold won't be in a bubble until everybody and there brother is scrambling to get it. Until then I'm buying on every dip and I will be selling when Gartman is desperately buying.

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**Widowmaker**

Tue, 12/13/2011 -



Open | [1973363](#)  
your

eyes, literally everyone is buying it.

I know people with new families buying 1g off eBay because they are scared, and recommending you do the same.

Might as well be my Gardner...

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**Ignorance is bliss**

Tue, 12/13/2011 -

08:37 | [1973368](#)



By the time America wakes up and starts to hoard precious metals it will be too late. Anyone that has precious metals wouldn't sell it at any price for promises of a hyper inflating currency. Precious metals holders will either be trading PMs in for other real assets, or waiting for the replacement currency / new world order. Those without precious metals or other valuable assets in their possession will join the newly created poor.

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**Smiddywesson**

Tue, 12/13/2011 -

09:56 | [1973745](#)



*When somebody says that an asset that represents less than 1% of a portfolio managers position is the biggest bubble in history then they look like the biggest fool in history.*

Bwahahaha. Yes, they are desperate and their lies are becoming more transparent.

They are buying gold.

They control the system.

They are not going to let you feel any love before they get what they want, especially because this will invite more traders to compete with them for the available gold.

Therefore, you are not going to get the kind of price appreciation we all anticipate until the central bankers make their move. In fact, they will use their remaining margin hikes and unlimited fiat to shake us out of our positions in physical and paper if they see the end coming.

Most gold bugs have the mindset backwards. If all goes according to plan, gold will continue to climb 20%–25% each year as central banks slowly acquire gold. However, if the system begins to fail, gold prices will naturally go down as things sell off, maybe with a little help from our central banker friends, who will really attack PM markets if the jig is up.

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comments

**Ignorance is bliss** Tue, 12/13/2011 – 08:28



The | [1973352](#)  
oligarchy's

plan is to bleed the American people to the point where they sell their Gold willingly. That's why all those "we buy Gold" shops litter the landscape. Elderly American's sell a lifetime of accumulated gold and silver keepsakes to stay off dog food. The price suppression ensures that no one gets too much and keeps the elderly hand to mouth. Very sad...

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**yabyum** Tue, 12/13/2011 –



"We 08:43 | [1973397](#)  
buy

gold" You mean the one with the dancing wildlife? The one that MAY pay 50% on the spot? Nothing more than parasites!

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comments

**BeerBrewer09** Tue, 12/13/2011 –



Sadly, I 08:56 | [1973448](#)  
see it

every time I go into my coin shop to buy silver. I am in there for only 15 minutes at a time, and someone else is **always** there trying to sell their precious metals, OF ALL KINDS.

However, I have to remain thankful to those people who keep bringing in their junk silver and fine silver so that I'll have something to trade for gasoline when the time comes.

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comments

**Rakshas** Tue, 12/13/2011



| - 09:23 |  
[1973562](#)

know I'm gonna get junked for this but WTF; depending on your situation wrt land holdings farming etc, grow crops of a starchy nature, with the right biological entities the starch converts to sugar, you jam the sugar down some turbo yeasts' throat and they poop ethanol, most car mfgs can spec up to E85 or you can go old school and build your own dragsta up to 13:1 compression ratio to make up for the energy differential at any rate building a frac column still er filter device is easy enough but you can buy them fairly cheaply as well.

The point is you can take care of some of your needs with the stuff you compost every day, or you can get the really good bio-mechanisms to break down cellulose to starch/sugar, corn blows but sweet potatoes aren't so bad and potatoes are good too. Yeah it's work but here is the best part of the plan – use a stainless keg for your tank and carry a flavour kit with you so if you break down on the way to where you're goin siphon some out and it's margarita time..... it's not like you're not gonna have the time after TSHTF....

Or you could just sell the hooch and pay somebody to be your car bitch either or

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comments

Tue,  
12/13/2011 -  
12:35 |  
[1974649](#)

**omniversling**



= white lightning!

[http://running\\_on\\_alcohol.tripod.com/](http://running_on_alcohol.tripod.com/)

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post comments

Tue, 12/13/2011  
- 11:36 |  
[1974387](#)

**DoChenRollingBearing**



@ BeerB

Most of the times I go to the coin shop I also see more sellers of junky PMs (jewelry, silver coins) than buyers of Eagles, Maples and Krugerrands.

And once I heard a really sad tale of a middle aged lady, dressed well, who was there to sell a small gold coin on her necklace... Margin call. Ouch.

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comments

Tue,

12/13/2011 -

16:16 |

[1975756](#)

**bardot63**



The big buyers are not pulling out their wallets in front of you. They make the deal over the phone and then go by to pick it up. Casual customers like you never see them. They don't want their business put on the street by casual customers in a coin store, or thugs watching them from the parking lot with a loaded shotgun under the seat.

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**PulauHantu29**

Tue, 12/13/2011 - 08:30



Gold demand | [1973356](#)

from China is fierce. Something must be up especially since the Chinese gubberment told its people to invest in gold.

Will the new world currency be backed by a basket of PMs?

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**AngryGerman**

Tue, 12/13/2011 -



of 08:33 | [1973366](#)

course. PMs and natural resources

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Tue, 12/13/2011

- 10:03 |

[1973809](#)

**Smiddywesson**



I don't think you are going to see a basket of commodities backing currency. The banksters have no intention of handcuffing themselves. We are likely to continue to have fiat currency for domestic trade, but all international trade deficits must be settled in gold, not the USD. FOFOA describes this as a primary and secondary system and it makes a lot of sense. Not that the NWO people wouldn't mind having one world currency, I just think they waited too long to pull it off.

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Tue, 12/13/2011 -

11:40 |

[1974404](#)

**DoChenRollingBearing**



+ 1

I too believe that FOFOA has the right idea: that we will use a paper currency backed with essentially nothing and use gold to store accumulated wealth. I do not recall reading that FOFOA says that international trade deficits (debts) will be paid off in gold (maybe it's my 55 yr old brain not remembering), but that is certainly plausible.

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post comments

Tue,  
12/13/2011  
- 12:55 |  
[1974739](#)

[omniversling](#)



a worthwhile

read: <https://goldsilver.com/new/fofoa-unambiguous-wealth/>

"When a currency system comes to the end of its reserve use, I'm speaking politically, its domestic market will come to a point where it can no longer export "real price inflation" in the format of; "shipping its excess currency outside its borders". This happens because internal money inflation, that is super currency printing, is increased so much that it overwhelms even its export flow. Worse, even that export flow later tumbles as the fiat falls on exchange markets."

"The effect is that local "passive inflation", built up over decades and fully reflected in "Sir John's" paper assets, spreads out as "aggressive inflation" and hyper price rises begin. In this action, the very same wealth effect that was eventually priced into "John's" Dow stocks and other assets, begins a long march of being priced into real gold."

"Anyone that has accumulated physical gold over this past long period was doing the exact same thing Dow buyers of the late 60s and early 70s were doing: -----  
- saving "wealth" as unpriced "virtual wealth" stored up over that "passive inflation" period. ---"

and:

*"Remember; in political inflations, money is printed to save the assets as they are currently priced... This paper gold market will be cashed out at prices far below real bullion trading so as to inflate further the books of the Bullion Banks,,,,,, not destroy them. At least this is how the US side will proceed."*

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comments

vegas

Tue, 12/13/2011 - 08:30

Nothing | 1973360  
against

Gartman personally, but the guy has been wrong more often than right. As I have argued for years, nobody can tell me what "the fundamentals" are regarding any market. You simply don't know every variable that makes up price action. If you did, you would have all the money in the world within 2 years.

Having said that, I can't understand why people follow him or listen to his analysis. Maybe they need tax losses, I dunno.

<http://vegaxau.blogspot.com>

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