



GSA Pro TM

The version of *Gold Stock Analyst* newsletter for Professional Investors
 Reports on 60+ Gold miners plus the mid-month GSA-Top10 newsletter

July 2015 • Since 1994 • Issue #255 • Editor: John C. Doody • Single Issue: \$249.00

IN THIS ISSUE:

| | |
|-------------------------|-----|
| GSA's Top 10 Stocks | 2 |
| GSA Stock Data | 4-6 |
| Gold: Price, Mkt Indics | 7 |

Reviewed Inside:

| | |
|------------|----|
| Torex | 8 |
| Vista Gold | 9 |
| Yamana | 10 |

Royalty Earners:

| | |
|----------------------|----|
| Altius | 9 |
| Franco Nevada | 11 |
| Osisko Royalty | 15 |
| Royal Gold | 12 |
| Sandstorm Gold | 13 |
| Silver Wheaton | 14 |
| Solitario Expl & Roy | 16 |
| Tanzanian Roy Expl | 15 |

Analysis Inside:

| | |
|-------------------|----|
| Royalty Multiples | 3 |
| Top 10 News | 16 |

Next Issue
 Web Posted: **8/1/15**

Where Are We Now?

Based on 6/30/15's close for Gold at **\$1,172/oz**, and GSA's proprietary Market Cap/oz database compiled since 1994, **Gold Stocks trade as if Gold was at \$609/oz**. On average, **Gold Stocks** are:

Undervalued -48%

Mid-Year Review

First in 2-part article. Here we look at Gold; July's Top 10 will look at each Top 10 Stock.

Gold: The new year started with promise as Gold gained over \$100/oz to peak at \$1,296 on Jan 22, but since then it's been mostly downhill to the current \$1,172/oz with the GSA Top 10 following along.

GSA had not been a believer in Gold market conspiracy theories until the LIBOR and ForEx market rigging by the big banks was exposed. Now we do believe and expect the precious metals markets to be manipulated in the short term by big investment banks for profit and by the Central Banks to "break" the Gold thermometer that measures the success/failure of their monetary policies. Fortunately Gold cannot always be controlled as sellers can be over-whelmed by buyers as was shown in its 10 year run from \$300 to \$1900 in 2001-2011.

Looking ahead to the second half of 2015, we can see several factors that bode well for higher Gold and one that explains the 1H15 price weakness and is a negative for Gold going forward.

Pointing to higher Gold are:

1) Seasonality: The chart to right shows the frequency of Gold price ending the month higher than it started over the 2002-2015 period.

The best quarter is typically July-Sept, with August the year's best month, up 77% of the time.

The seasonality is due to jewelry manufacturers buying for the coming gift-giving season, Christmas in Americas/Europe and Wedding demand Asia. As Gold now plods along under \$1,200/oz and the world's economies continue their slow recovery, the coming quarter could see enough demand to pull the price higher.

2) China: In October, China's Yuan is expected to be added the reserve currencies making up the IMF's Special Drawing Rights. At that time, China will have to release complete foreign exchange and Gold holdings. China's Central Bank has not updated its holdings since 2009 and the ~33 mil oz (1,054 tonnes) it then claimed. In the following 6+ years China has "hoovered" up the millions of ounces sold by the Gold ETFs, all the ~14 mil oz/yr produced by its own mines, plus millions of ounces imported.

Some of the Gold ounces are bought by citizens as China encourages its people to do since ~2010 when it was ~\$1,000/oz, but undoubtedly much is being acquired by its Central Bank to back the Yuan in its soon-to-be-announced, ...continued Page 3

