



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

November 2015 • Since 1994 • Issue #254 • Editor: John C. Doody • Single Issue: \$249.00

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Where Are We Now?

Based on 10/30/15's Comex close at \$1,142/oz Gold, and GSA's proprietary Market Cap/oz database compiled since 1994, Gold stocks trade as if Gold was \$526/oz. On average, Gold stocks are:

Undervalued -54%

Gold and the US Dollar

One is money and used as such for thousands of years by humans of every race and creed. The other has been money for 100+ years because the US Govt said it is... "legal tender for all debts, public and private.

Their values are their reciprocals. Is Gold up to \$1,142/oz from \$35/oz, or is the Dollar down to where it now takes 1,142 units to buy what once cost 35?

The chart above right shows their dichotomy, as the two generally move in opposite directions. Beginning mid-08 just ahead of the financial Crash, Gold was above \$900 and the Dollar Index (DXY) at 72. From the \$713/oz low in 2008, Gold soared to \$1,895 on Sept 5, 2011 while the DXY Fell from the high 80s to below 75 as faith was shifted from the Greenback to the yellow Metal.

Gold peaked as the US and World economies began to recover, the Dollar gained strength and the Metal began its slide into a four year bear market that bottomed at \$1,081 on July 24, 2015.

For 2015, as shown below, the two are in a standoff. Gold was up 10% early and then drifted lower as the DXY was up 11% to max at 100.33 on 3/13/15.

Which is more likely to move higher from here?

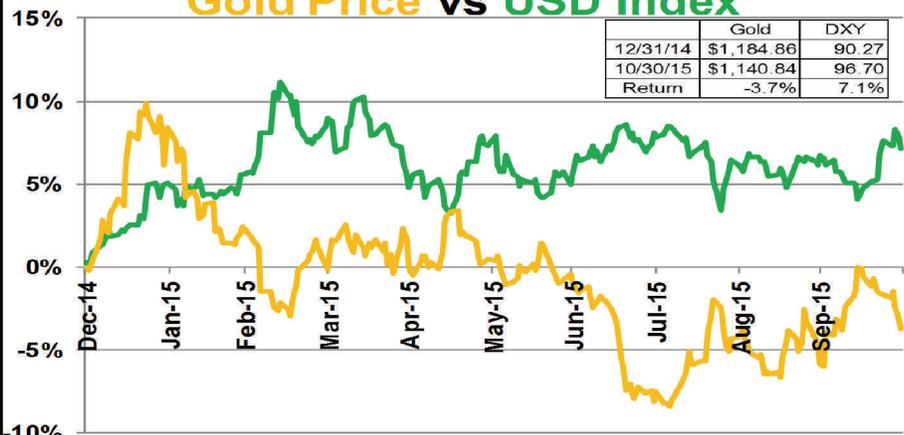
-The US Dollar on the Fed's long-anticipated bump-up in interest rates? or

-Gold based on still more QE in Europe, Japan, and around the world, and in US based on weak +1.5% 3Q15 GDP growth vs 2Q's robust +3.9%; mid-east war drums ensnaring the super powers; China confessing its true holdings; collapsing bond prices as rates rise; or a black swan event?

GSA comes down on the side of Gold.



Gold Price vs USD Index



Coverage Added: OceanaGold as a result of its acquisition of Romarco. Page 12