

GOLD STOCK ANALYST™

A Monthly Newsletter Finding **Undervalued** Investment Opportunities through Fundamental Analysis & Rankings of the largest North American-Traded Precious Metals Mining Stocks

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Where Are We Now?

Based on 9/30's \$996/oz Gold, and GSA's proprietary Market Cap/oz database compiled since 1994 for a Rising Gold market, Gold stocks trade as if Gold was \$997/oz. On average, Gold stocks are:

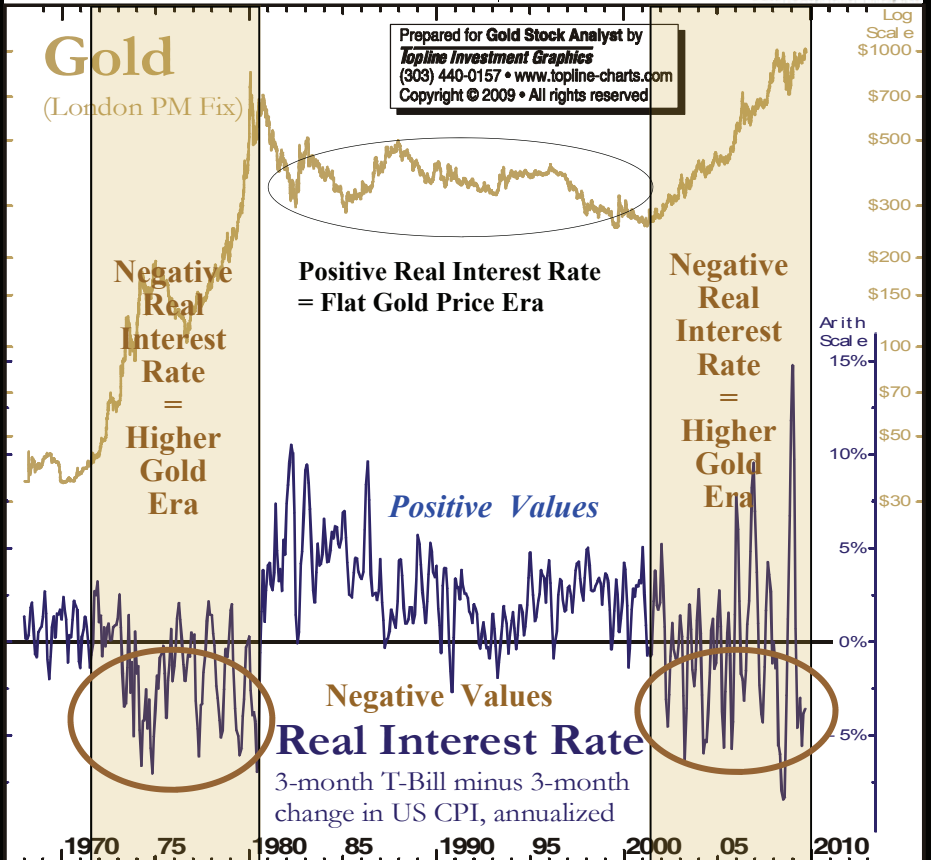
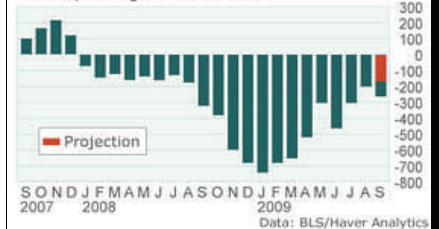
Fairly Valued

Negative Interest Rate Points to Higher Gold

Just as one robin does not mean the arrival of spring, one period of negative real interests rate does not signal a bull market for Gold, as a single data point can be an outlier. But, when the preponderance of data shows a negative real interest era (90 day Treasury yields minus the Consumer Price Index), the impact on gold price is dramatic, as shown in the graphic below.

Friday's report of 263K jobs lost in Sept, worse than expected, means it will be a long time before Fed raises interest rates. The \$2 trillion Fed has added to US economy will yield inflation and continued negative real interest rates to drive Gold still higher.

U.S. nonfarm payroll losses
Monthly change in thousands



- Editor interviewed 9/29 on Jim Puplava's excellent Financial Sense internet radio program: <http://www.financialsense.com/fsn/main.html>
- Editor speaks at the always knowledge expanding San Francisco Gold Show, Nov 21-22. For more info and free admission, go here: www.HardAssetsSH.com.