

## NZ Gold market commentary for Sunday 27th March 2011

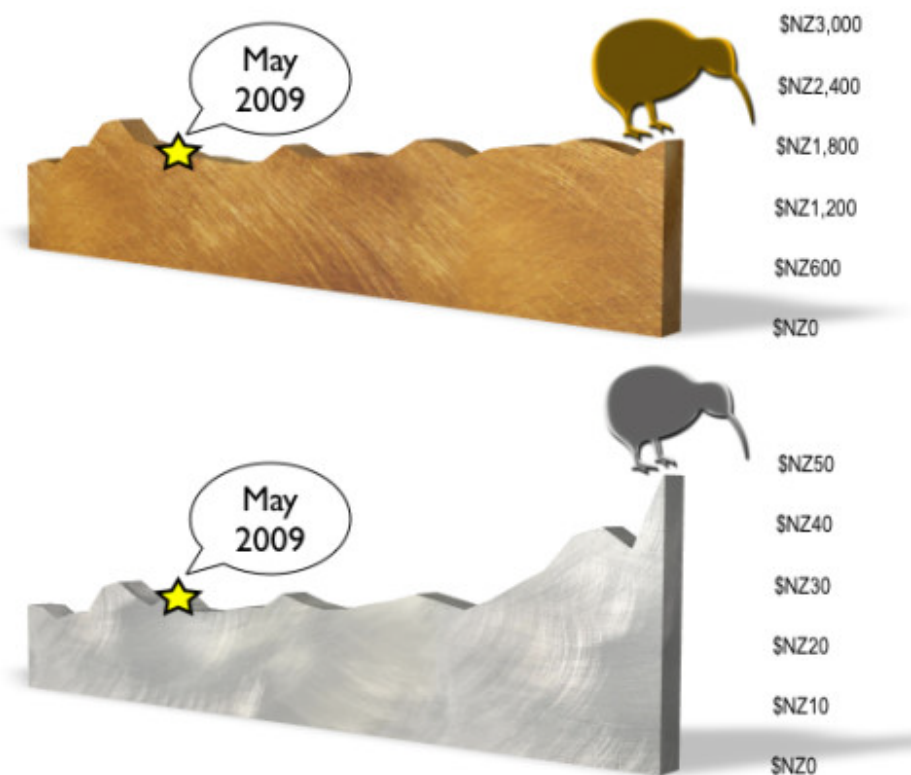
O.K., so at [www.nzgold.org](http://www.nzgold.org) we acknowledge there has been a rather long period since our last market update. Now we could go in to volumes of prose in order to justify our tardiness. Yet our view has always been, that ever since the infamous 'Brown Bottom' in 1999, gold and silver have been calling to us as monetary sentinels. Quietly at first, but of late much more loudly, they offer their words of denunciation via the movement in their prices. US Dollar, Pound Sterling, Euro, Kiwi Dollar and so on. All have been humiliated by the strident advance of the metals.

A picture, of course, "paints a thousand words". Thus we provide below a graphic depicting the "March of the gold & silver Kiwis" since August 2008. For our readers assistance we have also indicated May 2009 - when our last market update was posted. We feel this picture speaks volumes as to why it can be a mistake to become too obsessed with making short-term comment - on what is an issue of long-term financial topography. In our last update we raised the possibility that New Zealand bond tenders might begin to fail, as creditors become more and more reticent to finance the nations addiction to debt. We were thus interested to read the following at [www.interest.co.nz](http://www.interest.co.nz) recently:

*"New Zealand Debt Management Office (NZDMO) Treasurer Philip Combes confirmed to [interest.co.nz](http://www.interest.co.nz) that the offer of NZ\$50 million worth of bonds due to mature in April 2015, in a February 24 tender which was the first after the earthquake, failed to attract any bids".*

Perhaps the above is a mere aberration, or perhaps it is a warning of what is to come? Meanwhile, those who bought gold, and especially silver, in May 2009 will be pleased to have obtained some 'financial insurance'.

### March of the Gold & Silver Kiwis - Aug 08 to Feb 11



We are, of course, concerned that our silver kiwi has been rather over-doing it. Silver, as we have pointed out before, is the 'Siren Metal' and it can consume you if you 'sail to close'. Yet silver may be leading, indeed racing ahead, because it recognises that government after government now appears committed to monetizing everything.