

NZ Gold Market Commentary For Sunday March 29th 2009

Splat! - that was the sound of gold and silver bugs being squashed as we offered our last commentary on October 12th 2008. Months on and not much *appears* to have taken place - **if the metals are measured in \$US terms**. At close on Friday 27th March 2009 we noted gold at **\$US923.10** and silver at **\$US13.34**. Thus, there has been little to really excite the holders of precious metals lately - **unless they happen to value their 'financial insurance' in New Zealand Dollars, Pound Sterling, Euros or just about every other currency.**

In effect, what has happened is that the price of gold and silver has been relatively stable against the \$US whilst other currencies have fallen against Uncle Sam's 'funny money'. The \$NZ has, of course, undergone a dramatic rout against the greenback before a modest recent recovery. It reminds us, that despite so many pundits writing off the US Dollar **'there is life in the old dog yet!'**

At **NZ Gold** we would suggest that recent currency events are a strong reminder **that it is not just the price of gold & silver in \$US that should concern us here in New Zealand or in Britain**. More important is how the precious metals are progressing in terms of our local money and, in this regard, there has been a stellar performance from gold. Indeed, we recently came very close to a major breakthrough as gold threatened **\$NZ2,000** per ounce and **£700** per ounce in the U.K. Prices have now dropped back - **particularly in \$NZ terms** - because the Kiwi has gone up against the \$US in recent weeks.

So what comes next? Well, as we always remind our readers, we can't be sure - **not because we want 'a bob each way' but because we do not have a crystal ball**. However, we remain persuaded - **that whilst the underlying financial pathology is deeply deflationary the ruling elite will seek to 'hyperinflate'**. Why? Quite simply to advance their utterly selfish, cynical, and highly destructive financial and political interests. Within this we read with much alarm reported suggestions from the IMF that New Zealand should consider so-called 'quantitative easing'. Well, what a surprise! Let's just dutifully destroy the remaining value of our currency so international 'banksters' can pick off the next generation's inheritance at mere cents on the dollar.

We have asked before, and we will ask again - are you holding gold?