

## NZ Gold Market Commentary For Sunday October 12th 2008

**Splat!** Just when precious metals bugs might have been savouring the prospect of moving from their dank bunker - and in to Winston Churchill's 'broad sunlit uplands' - a great boot stamps on them. After an outstanding performance for gold and some recovery for silver (in \$NZ & £UK currency terms) the close on Friday October 10th was savage - particularly for prices when measured against the very resurgent U.S. Dollar. So what do we expect to see on Monday - a rush to panic sell gold & silver? At **NZ Gold** we doubt it, because what appears to be happening is that 'takedowns' of this kind are simply stimulating more demand as people try to swap their paper money for metal that has - theoretically - been attractively discounted. The only wee difficulty is actually finding any gold and silver - in physical form to buy.

Some enquiries suggest that even British sovereigns have been largely 'gobbled up' in the rush by Kiwis to buy some physical metal. As to silver it is not easy to get and discussions with the New Zealand Mint indicate delivery next year for their popular 1oz Silver Ferns. This situation requires readers to reflect on how they assess the chances of a Weimar style phenomenon in NZ some time hence. At **NZ Gold** we suspect that moves to guarantee bank deposits will, paradoxically, make such an outcome more likely. So readers may have to weigh up the frustration of paying for metal now - that will not be received for some time - against waiting for the current shortages to resolve with the risk that prices could move way beyond their reach in the interim. At **NZ Gold** we honestly do not know the answer, but we will post an update next Sunday entitled "*will they who hesitate be lost*". In the meantime, readers might wish to click on the thumbnail image below to access a PDF entitled Weimar Germany - how gold went to the moon. It is a reminder, that once hyperinflation takes hold it is simply too late for the ordinary citizen to protect the value of their cash - insured or not!

“Weimar Germany - how gold went to the moon” follows on next page: [↑](#)



*Weimar Germany*  
*How gold went to the moon*

Price per ounce:

January 1919 - 170 Marks

May 1919 - 267 Marks

September 1919 - 499 Marks

January 1920 - 1,340 Marks

May 1920 - 966 Marks

September 1921 - 2,175 Marks

January 1922 - 3,976 Marks

May 1922 - 6,012 Marks

September 1922 - 30,381 Marks

January 1923 - 372,447 Marks

May 1923 - 710,355 Marks

June 5th 1923 - 1,295,256 Marks

July 3rd 1923 - 3,315,831 Marks

August 7th 1923 - 68,382,000 Marks

September 4th 1923 - 269,429,000 Marks

October 2nd 1923 - 6,631,749,000 Marks

October 9th 1923 - 24,868,950,000 Marks

October 16th 1923 - 84,969,072,000 Marks

October 23rd 1923 - 1,160,552,662,000 Marks

November 5th 1923 - 8,700,000,000,000 Marks

November 13th 1923 - 17,400,000,000,000 Marks

November 30th 1923 - 87,000,000,000,000 Marks