



Friday, 17 May a.d. 2013

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Here's the weekly scorecard:

	10-May-13	17-May-13	Change	% Change
Silver, cents/oz.	2,363.20	2,233.90	-129.30	-5.5
Gold, dollars/oz.	1,436.80	1,364.90	-71.90	-5.0
Gold/silver ratio	60.799	61.099	0.300	0.5
Silver/gold ratio	0.0164	0.0164	-0.0001	-0.5
Dow in Gold Dollars (DIG\$)	217.52	232.55	15.04	6.9
Dow in gold ounces	10.52	11.25	0.73	6.9
Dow in Silver ounces	639.75	687.35	47.61	7.4
Dow Industrials	15,118.49	15,354.79	236.30	1.6
S&P500	1,633.70	1,658.18	24.48	1.5
US dollar index	83.17	84.28	1.11	1.3
Platinum	1,486.00	1,468.00	-18.00	-1.2
Palladium	704.60	739.50	34.90	5.0

Back when country music was still country and still music, an obscure artist named Stonewall Jackson in 1959 penned this lines in the song "Waterloo:

Waterloo, Waterloo

Where will you meet your Waterloo?

Every puppy has its day

Everybody has to pay

Everybody has to meet his Waterloo.

As stocks ground higher and ever higher to new all-time highs for the fourth week in a row and silver & gold continued to be slugged & kicked and the US dollar, of all scrofulous currencies, broke out upside, my mind kept returning to those lines: "Every puppy has his day." I reckon the central bankers are having theirs right now, but one day "Everybody has to meet his Waterloo." Meanwhile, the media are trying to convince us, in the words of a friend I heard today, that water runs uphill. I'm such a durned ol' fashioned, natural born fool that I just can't swallow that. Ain't no problem figuring out why I'm not president, is there?

It won't overload your credulity, I suspect, to note that stocks have risen further than I thought possible. When a market keeps edging higher like this, you just have to step out of its way. Both the Dow & S&P500 have thrown-over their resistance lines, built rising wedges, and gotten more overbought than doobies at a rock festival, but they keep going (and maybe for the same sort of reason). Anyhow, they are floating on a wave of newly created money from the Fed, not economic reality. At some point that cobweb breaks, but I can't predict when. I just don't believe in Zimbabwe-nomics, the doctrine that you can inflate your way to prosperity.

Hack, hack! Now that I've coughed that bone up out of my throat, let's proceed.

Dow today mounted on buzzard's wings & floated up 121.57 or 0.8%. S&P500 with a vulture's grace rose 15.64 (0.95%) to 1,658.18. Stupor mundi, or stupid mundi, one.

Dow/Gold today reached a new high at 11.25 oz. (G\$232.55 gold dollars), up 2.4% Dow in Silver vaulted 14.6 oz. (2.2%) to a new high at 687.35 oz. Those higher prices sent me scurrying back to the charts trying to make sense of it. Looking back at the Dow in Gold's fall from its last peak in 2007 at 21.06 oz., today's price doesn't quite reach a 38.2% correction. Today's close left the Dow/Gold barely above its long term (14 year) downtrend line. Right, I'm chewing my nails, too, wondering when reality will kick in.

I reckon with the Yen losing 25% of its value against the dollar in nine months that yen-holders would be looking around for someplace else to stash their cash, like US dollars. And with the euro facing a new crisis every fortnight & political paralysis, from that vantage point the dollar might look a little less scabby, too. Proving it has reached escape orbit speed, the dollar today mounted 53.4 basis points to 84.279, up 0.69%. It's top trend line points to 86 in about three weeks unless it stumbles. Above that stands only 89.

The Nice Government Men in Japan are obliging the dollar by sinking to ever new lows, a new one today at 96.86, down 0.95%. And somebody pointed out something to me in the euro today I hadn't noticed before, a head & shoulders with a neckline around \$1.2800. Euro closed today down 0.33% to \$1.2839. Once it breaks that neckline it will drop quickly to \$1.2600, maybe \$1.2000.

Silver & gold were humiliated again today. Silver dipped 30.4 cents to 2233.9c. Gold dove \$22.20 to \$1,364.90. No sign yet of turning round.

However, silver's lows yesterday and today ran about 2206c (different charts give different figures). That's enough to call it a double bottom with the 2200c low on 15 April, but not enough to say it won't drop lower. It will have to show that next week.

Gold's weakness today and a new low for the move at \$1,358.39 argue it will drop on down to \$1,322, the previous low. Can gold go lower? Yes. It can drop to \$1,250. Next week will tell.

About the only bright spot for silver & gold is the Gold/Silver ratio at 61.099. It doesn't seem to want to climb, which would signal lower prices for the metals. But it ain't too decisive, either.

Question everybody keeps asking me: Has the gold & silver bull market ended? Answer. NO! Inflation, the primary driver of monetary demand which drives silver & gold bull markets, is stronger than ever in the hands of hapless, feckless central bankers. As long as that cause remains, the effect, higher silver & gold prices, will resume. Our Masters are busily trying to con y'all out of your silver & gold, and y'all know you can trust 'em. I'm from the government, & I'm here to help you.

Don't miss this article on the Daily Bell at <http://bit.ly/1ourT48> It concerns groundwork being laid for the gold-plated system to replace the current monetary system. Makes you think a global currency is what they've been after all along (like since 1942). Maybe Ben & Mario aren't really stupid. Maybe they're acting dumb on purpose. Who knows?

On 17 May 1792 the New York Stock Exchange was founded at 70 Wall Street by 24 brokers who had just been released from prison.

Y'all are always very kind and encouraging to me, so I'm going to ask a little favor. I am facing a knotty problem, one that at times seems completely un-riddleable. I would deeply appreciate your prayers, that God would grant me wisdom and courage and strength. That's right, I am not made of steel. In fact, patches of rust are showing up & I would deeply appreciate y'all help.

Y'all enjoy your weekend!

*Argentum et aurum comparanda sunt —  
Silver and gold must be bought.*

— Franklin Sanders, The Moneychanger



## Market Snapshot

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18-May-13	Price	Change	% Change
Gold, \$/oz	1,364.90	-22.20	-1.6
Silver, \$/oz	22.34	-0.30	-1.3
Gold/Silver Ratio	61.099	-0.985	-1.6
Silver/Gold Ratio	0.0164	-0.0002	-1.3
Platinum	1,468.00	-17.60	-1.2
Palladium	739.50	-0.50	-0.1
S&P 500	1,658.18	15.64	1.0
Dow	15,354.79	121.57	0.8
Dow in GOLD \$s	232.55	5.56	2.4
Dow in GOLD oz	11.25	0.27	2.4
Dow in SILVER oz	687.35	14.60	2.2
US Dollar Index	84.28	0.53	0.6

**IMPORTANT NOTE:** The following are wholesale, not retail, prices. To figure our retail selling price, multiply the "ask" price by 1.035. To figure our retail buying price, multiple the "bid" price by 0.97. Lower commissions apply to larger orders, higher commissions to very small orders.

<b>SPOT GOLD:</b>	<b>1,361.90</b>			
<b><u>GOLD</u></b>	<b><u>Fine Tr.Oz.</u></b>	<b><u>BID</u></b>	<b><u>ASK</u></b>	<b><u>\$/oz</u></b>
American Eagle	1.00	1,400.03	1,410.93	1,410.93
1/2 AE	0.50	697.46	720.10	1,440.21
1/4 AE	0.25	352.13	366.86	1,467.45
1/10 AE	0.10	149.02	156.62	1,566.19
Aust. 100 corona	0.98	1,328.26	1,342.26	1,369.37

British sovereign	0.24	322.51	332.51	1,412.55
French 20 franc	0.19	254.27	257.27	1,377.97
Krugerrand	1.00	1,383.69	1,398.69	1,398.69
Maple Leaf	1.00	1,371.90	1,386.90	1,386.90
1/2 Maple Leaf	0.50	783.09	715.00	1,430.00
1/4 Maple Leaf	0.25	347.28	364.31	1,457.23
1/10 Maple Leaf	0.10	144.36	148.45	1,484.47
Mexican 50 peso	1.21	1,633.70	1,649.70	1,368.25
.9999 bar	1.00	1,366.67	1,377.67	1,377.67

**SPOT SILVER: 22.27**

<u>SILVER</u>	<u>Fine Tr.Oz.</u>	<u>BID</u>	<u>ASK</u>	<u>\$/oz</u>
VG+ Morgan \$B4 1905	0.77	28.50	32.00	41.83
VG+ Peace dollar	0.77	25.50	29.00	37.91
90% silver coin bags	0.72	17,671.23	18,171.23	25.41
US 40% silver 1/2s	0.30	6,199.43	6,569.43	22.27
100 oz .999 bar	100.00	2,226.50	2,311.50	23.12
10 oz .999 bar	10.00	227.65	232.65	23.27
1 oz .999 round	1.00	22.37	23.27	23.27
Am Eagle, 200 oz Min	1.00	23.52	26.27	26.27

**SPOT PLATINUM: 1,468.00**

<u>PLATINUM</u>	<u>Fine Tr.Oz.</u>	<u>BID</u>	<u>ASK</u>	<u>\$/oz</u>
Platinum Platypus	1.00	1,493.00	1,533.00	1,533.00



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### Warnings and Disclaimers

To avoid confusion, please remember that the comments above have a very short time horizon. Always invest with the primary trend. Gold's primary trend is up, targeting at least \$3,130.00; silver's primary trend is up, targeting 16:1 gold/silver ratio or \$195.66; stock's primary trend is down, targeting Dow under 2,900 and worth only one ounce of gold or 16 ounces of silver. US\$ and US\$-denominated assets, primary trend down; real estate bubble has burst, primary trend down.

## Be advised and warned:

Do NOT use these commentaries to trade futures contracts. I don't intend them for that or write them with that short-term trading outlook. I write them for long-term investors in physical metals. Take them as entertainment, but not as a timing service for futures.

NOR do I recommend investing in gold or silver Exchange Trade Funds (ETFs). Those are NOT physical metal and I fear one day or another may go up in smoke. Unless you can breathe smoke, stay away. Call me paranoid, but the surviving rabbit is wary of traps.

NOR do I recommend trading futures options or other leveraged paper gold and silver products. These are not for the inexperienced.

NOR do I recommend buying gold and silver on margin or with debt.

What DO I recommend? Physical gold and silver coins and bars in your own hands. For additional information, please see our [Ten Commandments for Buying Gold and Silver](#).

One final warning: NEVER insert a 747 Jumbo Jet up your nose.

## Explanation of Terms

The **US DOLLAR INDEX** is the average exchange rate for the US dollar against the Euro, Yen, Pound sterling, Canadian Dollar, Swiss Franc, and Swedish Krona, weighted for each country's trade with the US. It gives a general measure of the US dollar's performance against all other currencies.

The **DOW IN GOLD DOLLARS** measures the Dow Jones Industrial Average in gold dollars (0.048375 troy oz. by law). The DiG\$ depicts the Primary (20 year) Trend of stocks against gold. When the DiG\$ is dropping, gold is gaining value against stocks in a trend that should last 15-20 years. The DiG\$'s chart is identical to the Dow in ounces of gold, but gives us one unvarying measure all the way back to 1896. Because it shows the primary trend ("tide") of gold against stocks, for investors it is the single most important financial chart in the world today. Since its August 1999 high at G\$925.42 (44.8 ounces), the DiG\$ has trended down, targeting a G\$80-G\$20 (4-1 oz. of gold will buy the whole Dow).

The **DOW IN SILVER OUNCES** shows how many ounces of silver are needed to buy the entire Dow. The DiSoz is trending down with a target of under 36 ounces.

The **GOLD/SILVER RATIO** is the gold price divided by the silver price, and shows how many ounces of silver it takes to buy one ounce of gold. The Ratio shows us the Primary (20 year) Trend of gold's value against silver. When the Ratio's trend is dropping, silver is gaining value against gold. This trend targets a gold/silver ratio of 16 ounces of silver to one of gold within the next 5-10 years. That implies that silver will massively, vastly outperform gold before this bull market ends. When both metals are rallying, the ratio often (but not always) drops, confirming the rally.

## Other Important Information

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