

Gold

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The facts below simply reinforces my argument that we will see a continued bull market in Gold in coming months.

The Australian Mint, which produces the popular Philharmonic gold coin, sold more gold in the two weeks from April 26 than in the entire first quarter of the year. My research has shown a soaring demand in Europe, I would cite that this is due to the Euro and it's devaluation which is making investors nervous and as I have said they will move to gold not USD or any other paper money. If they were looking for paper then perhaps the Yuan which will be allowed to appreciate shortly by the Chinese Government as its undervalued, it will appreciate, that said generally you can't hold this currency outside China. I have already identified perhaps the only Bank that allows one to hold the Yuan outside China. The reason for researching this is I am considering adding the Yuan to the holdings of the RIO Professional Investors Fund. If added it would be a very small percentage of the Fund.

My research has shown that the Mint sold 243,500 ounces of gold in coins and bars in that period, compared to 205,000 ounces in the entire first three months of the year.

Further investigation has indicated that the demand is exclusively from Europe, no surprise to me, no orders had been taken from the United States and Asia in the last few weeks, my comment would be that this is a clear sign that there is panic buying because of concerns about Greece and the Euro as more and more bad news comes out of this region the panic could well increase to a frenzy as gold demand yet again picks up as will the value.

Sales of its signature Philharmonic gold coin reached 108,000 ounces in the same period, also surpassing the 89,000 ounces in the first quarter.

The Mint has started working in three shifts again, minting coins and bars around the clock to keep pace with demand.

When called, the Mint commented that they currently don't have anything in stock.

This steady increase in the demand for the yellow metal will have a positive effect on gold in coming months. Again, I would mention that RIO Professional Investors Fund will very likely witness further gains in coming months. Last Thursday, I placed a further trade in gold, this additional gold acquisition for the fund was triggered by the correction I predicted. I have said that there is resistance to gold @ \$1,250, when this is breached, gold will move above \$1,300. When it does it will have risen into the territory forecasted by me over three years ago.

**William Gray
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