My recent report on the ARC has provided quite a response from the membership and I have received 38 emails today alone from members, all of whom have raised questions and made comments. Hence, a few more lines on this topic.

If you buy gold at the current price, which is $1,321, it is still an excellent investment, but it will not provide a major return overnight. Gold will likely remain in its current trading range before challenging its next resistance level, which is $1,400, as one new member correctly pointed out in his email. In my response I commenting that, should this commodity break through the $1,400 mark it will head higher. The main driver will be any bad news from markets or an announcement from China on its gold reserves status, as I mentioned in my last report.

A simple recommendation would be that one should include gold in the portfolio. I recommend members to invest in physical metal only! A SCANDAL IS DUE TO SURFACE SOON ON PAPER GOLD.

The ARC holds 100% real gold bullion coins: US Eagle, Canadian Maple, Chinese Panda, and Australian Nugget and, of course, the Isle of Man golden angel, which has the Archangel Gabriel aptly depicted on its reverse, as can be seen on the ARC factsheet.

For those who posed the question on old coins, I don't recommend buying these or commemorative coins since the premium is too high at present- I regret that you've missed that boat already, unless you took my previous advice, especially when I recommended buying the 1986 gold eagles. At their current price members who heeded my advice would have banked at least another 84.7% profit, that is on top of the gold value per ounce.

You can buy some other forms of gold, such as the Electronic Traded Fund (ETF) shares, a certificate by a bank or an organization, mining shares, futures contracts and options, but they are all simply paper gold. I can't stress enough to stay away from this form of gold or suffer losses much of which will come soon as a result of coming bad press (financial scandal) on the topic.

EFT's have sold well in recent years, but already are beginning to attract negative press, as I predicted. The question is does the bank or institution issuing the paper have enough gold in its vaults should you want physical metal not paper money, fiat currency. ETF's are the same as bank certificates. Investment managers worldwide are steadily moving away from these types of holdings in favour of investing in physical metal which will soon drive the differing values of physical metal and paper gold even further apart.

There are many rumours that many central banks have sold out their gold reserves already or leased them to commercial banks and have never retrieved them. This would cause another major gold related financial scandal, if ever proven.

I always recommend investing in gold bullion to protect your wealth against monetary history, inflation knowledge and the long term trend of paper currency.

Alan, a long standing member, recently remarked that he felt that the gold price looked high, gold was at $1,250. It is now higher, and destined to increase further once China makes an announcement on its reserves. Further gain would be seen should there be any escalation of the situation in Ukraine.

Finally, for the 20 or so members who asked what could further push gold higher? There are many catalysts for gold prices to rise sharply, too many to put down on paper.

Briefly, global gold production is one (and this is beginning to look short), War is another and people are at last realising the difference between paper gold and real gold bullion. This leads to my favorite axe to grind. The gold ETF's cause a short squeeze in the futures markets, Insolvent countries may elect to simply default on issued paper, and there is the problem of super inflation in some larger countries. Then, of course, the next Chinese government public announcement on their gold reserves. And so on.

What about the downside for gold, as one member asked? The current situation is that, should gold move lower to $1,150, say, gold miners would get into difficulty, thus negatively affecting the supply/demand ratio, with the result that gold would once more rise in value.

The ARC will continue to outperform gold bullion in bar form and is the ultimate in bullion investment vehicles.

Finally, a report on RIO Property Group and RIO Professional are to follow next week.

William Gray