



The ARC Bullion Account Sterling gained 0.12% during September, while in comparison the gold price had fallen 1.01% in the same four week period.

The current short-term economic conditions are technically bearish for Gold, as the falling price demonstrates. However, the alarm bells are beginning to ring as the global economic outlook worsens, which is good news for Gold.

In China, we see just one example of the trouble brewing: the slow collapse of property giant Evergrande looks to have escalated to a new level this week. These increased tensions have swiftly appeared in the first month of resumed trading, and shares have been halted once more as this company comes under increasing pressure. Rumours have suggested that the company's executives are under surveillance and house arrest - are we nearing breaking point? Some consider Evergrande too big to fail, and it is unclear how significant and widespread the impact could be worldwide if it were to collapse.

Equally concerning is that years of cheap/free money have caused debt to rise exponentially. This massive escalation was not held in check following months of interest rate hikes; this is a bubble waiting to pop!

There are plenty of reasons to hold Gold as portfolio insurance; another compelling factor is that markets are watching the 10-year meltaway, and they may soon start to panic, causing a run to safety assets such as Gold. Especially since these 10-year treasuries are considered to be the collateral for the whole financial system and with what is rumoured to be hundreds of billions of dollars in MTM losses suffered through the collateral system.

For clarity, the "MTM" refers to unrealized mark-to-market losses; we could be yet another spot light on a financial system's failing. And with geopolitical tensions building, there could be trouble ahead!

Any, and potentially all of the above, may soon negatively impact the global economy. Those invested in physical Gold, such as that held by the ARC may soon benefit - **Gold is a buy.**

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