"Hence, a wise general makes a point of foraging on the enemy. One cartload of the enemy’s provisions is equivalent to twenty of one’s own."

Sun Tzu – the Art of War (5th Century)

In essence, if you are going to war, make sure the costs of war is borne by the enemy, not your own people. Instead of saying, “trade wars are good and easy to win”, Mr. Trump would be wise to follow the ancient general’s advice. Winning a trade war is not so easy, history shows that tariffs which are like taxes will hurt his own people in many ways.

And almost 1700 years later, Chinese Commerce Ministry spokesperson Gao Feng said, “US measures are essentially attacking global supply and value chains. To put it simply, the US is opening fire on the entire world, including itself. China will not bow down in the face of threats and blackmail and will not falter from its determination to defend free trade and the multilateral system.”

The world is changing and rather than a new industrial revolution, we are experiencing a new world disorder as President Trump’s tariff war redesigns postwar geopolitics. Part of it is rooted in the “disrupter-in-chief’s” nostalgic fixation on the glorious ‘60s with his Trumpian nationalistic focus fracturing relationships with America’s closest allies. Unfortunately, Canada and Mexico are to be collateral damage in a trade battle between America and its rival, China where both sides have slapped escalating tariffs worth tens of billions of dollars and threatening worse.
The Second Coming of The Dirty Thirties?
It has happened before. The last time in the ‘80s there was a big protectionist push in the US against Japan but America succumbed when it became apparent that consumers were to be the ones that would be hurt the most. Or, going back further in time, Newton D. Baker, former Secretary of War under Woodrow Wilson, described the passing of the Smoot-Hawley Tariff Act as, “a war declared by the Republican Party against the rest of mankind”. Like then, “beggar thy neighbour” nationalism had its costs and the Great Depression soon followed. And today the parallels are eerily similar to when politicians underestimated risk.

Indeed, the Smoot-Hawley Tariff Act enacted in June 1930 was the largest single tax increase averaging 20 percent to 44 percent on 900 imported products that sparked a massive retaliation by foreigners on American goods. Congress thought the Tariff Act would be a quick fix to the economy by boosting American goods at the expense of imports. President Hoover even reduced taxes. Within thirty days, countries retaliated and global trade collapsed. From 1929 through 1933, exports fell by some 50 percent as volumes fell by nearly two thirds in dollar value. When tariffs did not help, the resultant slowdown forced the government to boost federal and state taxes to make up for the revenue shortfall, which of course exacerbated the downturn. That is when the depression became the Great Depression, as contagion and a rolling series of bank panics (10,000 bank failures) destroyed any trust in banks.

A sidebar was that Homestake Mining mined gold during that period and while the gold price was fixed, Homestake shares rose 638 percent from $65 to over $480 per share as a hedge against deflation. Mr. Trump would do well to take heed of the past when reminiscent of the Thirties, we have overvalued markets, an escalating tariff war, and excessive borrowings. It is not so different this time.

It Is All About the Base
Yet for the past 70 years, America was the cornerstone of the global economy, leading the world in global trade and aligning its interests with its allies’ interests. However, Mr. Trump’s attempts to repatriate supply chains and eliminate trade deficits is instead building walls and isolating America, eroding decades of long trust. And worrisome in this new world of disengagement, Trump’s single-minded campaign promise to make “America first”, enjoys public support with a 50 percent approval rating. Mr. Trump believes the world needs the US more, than the US needs the world. Although, this politician is simply doing what he promised from Iran, to a NAFTA “reset”, to moving the American embassy to Jerusalem and, the appointment of a more conservative Supreme Court, half the population thinks he is doing a great job, the other half believes, we are in the midst of a civil war. To Trump, it is all about the base. So far, Mr. Trump has convinced his base that his protectionist crusade is good for them. Soon they will discover the cost.

While global leaders are aghast at Mr. Trump’s bellicose tactics and his focus on the bottom-line and competitor’s weakness, they would do well to take him more seriously, not literally. Change is coming. Noteworthy is that America is not the only country opting out of globalisation and seeking isolation. The British people voted for Brexit two years ago to make their country more isolated. Canada too has turned inward, rejecting the Chinese takeover of Aecon, an infrastructure behemoth. After new elections, Italy is threatening an Italian Brexit.

Another Day, Another Tariff
It is also notable that amid the decline in America’s global clout, Mr. Trump's obsession with a global trade deficit of $500 billion, only accounts for less than 3 percent of US domestic product. About $1.1 trillion in trade was carried out between the US and its closest neighbours, an important
but not significant part of America’s GDP. Although the ceasefire with Europe in exchange for buying more soya beans and natural gas is a positive development, his tariffs will be felt around the globe, from boosting inflation, to costing jobs, to reducing investment and disrupting the strongest global growth in a decade. In manufacturing, Canada is the US’ second largest trading partner and the US actually runs a surplus with Canada offset by strategic energy imports. A bigger problem, is the threat to the disruption of the deeply integrated trade system and the world’s network of supply and just-in-time inventories created by US multinationals. American car companies will feel that pain.

Maybe starting a trade war wasn’t the greatest of ideas. As with the truce with the EU, maybe negotiations are better than a trade war…. just saying.

We also believe this rising tide of protectionism of “all against all” will likely mean every country for itself. Trade deficits don’t matter, it will be the usage of leverage. To be sure, the World Trade Organization (WTO) faces a long overdue realignment but the swing to nationalism of global trade, raises the prospects of damaging multi-polar competition. Already China is pushing for a trade alliance with Europe. President Xi has pledged $23 billion in loans and aid to the Arab league as part of his Belt and Road initiative. Ironically, the latest trade deal was not with the United States but between the EU and Japan in one of the biggest bilateral trade deals. The growing shift in geopolitical trade tensions will likely result in the formation of very powerful competing blocs like an Eastern bloc with India, Japan and China, a European one, Middle East and another Latin American bloc. Trump’s myopic “us against them” attitude will open up huge areas and vacuums. Unfortunately as the world divides into different blocs, confrontation will become the norm, if not war.

You Don’t Go to War With A Knife

Does Mr. Trump actually want a trade deal or is he fighting yesterday’s wars? Consider that in starting what Beijing calls “the largest scale trade war” with China, Mr. Trump seems fixated on the past with an emphasis on the old world steel, coal, and auto sector. He believes that the Chinese with their massive trade surplus stands to lose more because America buys four times from China what it sells to them. However, America’s economy is based on consumerism and the threat of sticker shock on everything from iPhones to Mercedes to flat-screen TVs, has already sideswiped America’s businesses. Significantly, consumers will have to pay more for food. Ironically, there is talk of using the Community Credit Corporation (CCC), established by the Roosevelt Administration in 1933 to bailout farmers during the Dirty Thirties, to again support today’s farmers hurt by the Trump tariffs.

Most worrisome though is that the tariffs in the Dirty Thirties escalated into a currency war and competitive devaluations which exacerbated the Great Depression. Recently, the renminbi has fallen sharply to its lowest level in more than a year against the dollar, as China loosened the monetary reins to provide a cushion for its domestic businesses. The drop raises fears of a repeat of the depreciation of the renminbi in 2015, which created havoc in financial markets and much later, China pegged the renminbi against a basket of currencies in a shift away from the dollar. The threat that China could “weaponize” the renminbi to offset the impact of US tariffs is not an idle one since China has successfully opened its markets connecting its stock and future markets with the outside world (Hong Kong Connect).

China also has the world’s largest reserves in the world at $3.11 trillion of which one third is invested in US debt. Noteworthy is that China, once the largest buyer of US Treasuries has pared back its position and been absent from recent Treasury auctions. In fact, Japanese holdings too are
at the lowest since 2011. This is problematic because America relies on foreigners to keep funding its savings-short economy. It is America’s Achilles heel.

China Has Many Tools In Its Trade Toolbox
In terms of trade responses, China is more than happy to accommodate this president’s nostalgic throwback to the ’60s since they are intent on dominating the 21st century with technology. President Xi’s “Made in China 2025” industrial programme is a state-led effort to establish pre-eminence in the technologies of artificial intelligence, quantum computing, 5G, robotics, electric vehicles, batteries, etc. The programme is even open to foreign companies in a bid to woo investors. Moreover, China and the European Union recently formed a group to address technology policy and subsidies, further isolating the United States. China is simply playing the long game and in allowing Mr. Trump to reminisce about old economy stalwarts like steel, coal and aluminum, he underestimates his competition.

While China might have to pay more for steel, it can easily survive the tariff war over the 20th century goods. China is the key export market for American food and airplanes while its steel industry is the world’s biggest consumer and exporter. China has astutely focussed their dollar for dollar retaliation on the very voters that put Trump in the White House. America’s champions like Apple, Harley Davidson, Boeing and GM plus states like Florida and Wisconsin are vulnerable. Then there is energy sector and the added pressure on crude oil as China threatens duties on American crude imports. And in an unintentional consequence, as a result of US sanctions on Iran, China is expected to buy more oil from Iran, and not the United States.

Retaliation could go beyond trade as China has other tools in their trade toolbox such as restrictions on services, regulations or boycotts, which could block or slow trade. For example, China, the world’s largest importer of scrap paper and plastic, recently took a non-tariff step by banning solid waste imports causing imports to collapse a whopping 57 percent from a year ago. Consequently, the ban has caused growing mountains of waste hurting the economics of many Western recycling programmes. China also fired another warning shot by blocking Qualcomm’s $44 billion deal to buy Dutch rival NXP Semiconductor which was set to become the largest ever transaction in the all-important chip sector.

Fiscal Irresponsibility
And still, America keeps digging a deeper hole. In 2011, Standard+Poor’s downgraded US debt. While the market focuses on tariffs, America’s debt levels have spiraled to record levels approaching $1.1 trillion a year or 5.1 percent of GDP, leaving America vulnerable to a jump in borrowing costs. The Fed has a bloated $4.5 trillion balance sheet as a legacy from rounds and rounds of quantitative easing. Today, two-thirds of the world’s assets are denominated in a fiat currency issued by a country whose authorities and policy actions are leading to a debasement of that currency. The world’s biggest economy has amassed the world’s biggest debt and Mr. Trump’s mammoth tax cut will add at least one trillion to the national debt by 2020 which has doubled since 2009 to $21 trillion.

It took almost 200 years for the federal government to accumulate its first $1 trillion in debt but less than 40 years for the next $20 trillion of red ink, excluding the unfunded entitlements such as of Medicaid, Medicare and Social Security. US defense spending alone exceeds $700 billion, more than the seven highest spending countries. And now the US Agriculture Department plans to extend billions to farmers caught in Trump’s trade war.
It seems reducing America’s debt is one campaign promise that Trump won’t keep. That should make the upcoming October debt ceiling discussions more perilous, particularly before the midterm elections.

**Greenback Fundamentals Are Shifting**
Surprisingly amid the escalation in trade tensions and growing protectionism, the US dollar has been super strong while gold is down some 10 percent from recent highs. Can this last?

In the past two thousand years, fiat currencies competed with hard currencies but history shows that the monetary discipline of hard currencies backed by gold outlasted fiat currencies. Once upon a time, Britain’s sterling was the world's reserve currency backed by gold. London was the centre of the world’s exchange system but sterling’s reserve currency status was undermined by two global wars for which it borrowed heavily from the US. The resultant loss of its economic pre-eminence and reserve currency status resulted in the abandonment of the gold standard in 1931.

Then, the Bretton Woods system after World War II established the US dollar as the dominant world currency, replacing sterling because the US held about three quarters of the world’s official gold reserves. The US was on the gold standard from its inception in 1798 until 1971 or 182 years. Under the Bretton Woods’ system, foreign governments were allowed to swap excess dollars for gold. However in 1971, Nixon closed the gold window, devaluing the dollar because America’s profligacy resulted in huge deficits which caused a run on their gold. Instead of gold, the fiat dollar was backed only by the good faith and credit of the United States. Subsequently, its circulation exploded leading to the Great Inflation of the ‘70s and at least a dozen financial crises, including 1987 and the 2008-2009 Wall Street collapse.

Nonetheless, the US dollar’s reserve status remains the keystone in the world’s financial ecosystem. The foundation of any currency is trust. However, Mr. Trump like presidents before him, has no inhibition in debasing or wielding the dollar as a financial weapon for strategic influence. Today that trust wanes with every tariff, insult, abrogation of an agreement or even sanctions. We believe that the tectonic plates of the dollar are shifting. It is the relationship between the dollar and the reaction by the world’s central banks that makes gold an attractive bet and a good index of currency fears.

**Inflation is Back**
Another key catalyst that will hurt the dollar and cause a much overdue breakout in gold is the return of inflation. Inflation is back and the tariffs are just fuel for the fire. A study of history shows that tariffs are inflationary since they are a tax on consumers, raising the cost of imports, representing a shock to the supply side of the economy. Trump says that tariffs are the greatest. They are….. for inflation. Already US inflation has hit its highest rate in six years boosted by labour shortages, QE fiscal stimulus and a spike in energy prices. US producer prices too rose in June leading to the biggest annual increase in 6 ½ years.

Steel prices have risen 40 percent since yearend such that Commerce Secretary Ross has begun a probe into the steel industry for what he considers “profiteering." Washing machine prices are up 14 percent. Oil spiked to the highest levels in 4 years. In addition, when the US Commerce Department imposed 23 percent duties last year on the softwood pulp industry, those duties resulted in a 57 percent jump in lumber prices, a double-digit increase in US housing prices and a drop in US housing starts. We also believe that the next round of Chinese tariffs will mean higher prices for consumers because a large part of Chinese exports are cellphones (14 percent), computers (9 percent) and telecom equipment (7 percent).Going the other way, China’s largest purchases are
airplanes (13 percent) and soybeans (9 percent) so the inflationary impact on the Chinese is minimal. Consequently, long dormant inflation has returned which is good for gold, the historical defense against inflation.

**Gold Is an Alternative to the Dollar**

And today financial markets have been volatile and currencies in turmoil. Since Trump’s tariffs, China’s stock market has fallen 15 percent while the S&P 500 fell 5 percent. The dollar is the world’s currency. The world, specifically the non-US world has a vote on the dollar’s value. One can detect the decline in confidence in every part of the world. Trust drops with each tariff, tantrum or threat. Because the US consumes much more than it produces and owes abroad much more than it owns abroad, we are awash in dollars. We believe the holders of those dollars have been patient, until now. Without confidence in the dollar, the world has no valid reserve currency.

There are moves to reduce the reliance on the US dollar and a desire to set up alternative financial platforms and international payment systems. Some countries have already repatriated their gold in a quest to reduce their vulnerability to the American financial ecosystem. Turkey, Germany and the Netherlands have moved gold from the United States to their domestic vaults. We believe the move out of US debt into gold could be a precursor of what is to come.

Since 2005, central banks have been buyers of gold. They are the largest holders of gold led by the United States at 8,135 tonnes. China is the world’s largest consumer and producer of gold but their output fell almost 8 percent this year due to a crackdown on illegal mining. China’s mines also have a short reserve life. Russia has liquidated almost all of its US Treasury holdings boosting their gold holdings at the expense of their dollar holdings. Russia and Beijing have also arranged for trade settlements in their respective currencies, avoiding dollars altogether. Their central banks have become the fifth and sixth largest holders in the world with Russia purchasing 15.6 tonnes in June bringing its reserves to 1,944 tonnes, challenging France who is the fourth largest holder, after the US, Germany and Italy. Meantime, the Shanghai Gold Exchange (SGE) has become the largest physical gold trader in the world. China last reported its gold holdings at 1,843 tonnes in October 2016 which accounts for only 2.4 percent of their reserves, compared with more than 70 percent for the US and Germany. China is a buyer of gold.

**The Dollar and Markets Are Fake Safe Havens**

For all that, gold's underperformance in the wake of a looming trade war is just as surprising as investors thinking that trade wars are positive for the markets as stocks, bonds and the dollar moved higher in a flight to safety. Maybe Trump is right. Tariffs are winnable? Not so. We believe the flight to safety is a false detour and while it is too early for the effects to take hold, the consequences are not good.

We believe the disconnect between the trade impact and buoyant markets is fragile. We also feel that the initial reaction of complacency is due to the fact that American consumers have not yet been impacted. However, the escalation of the “easy winnable” tariff war together with increasing inflation pressures, will provide the catalyst to break gold from its trading range. The dollar and markets are simply “fake safe havens”.

We have long warned about the dangers of the debt bubble created after the financial crisis, which has now been exacerbated by Trump’s tariffs and a protectionist Depression-type environment. From equities to property to credit, bubbles have expanded. In fact, America is a bubble. The risk is clear. There are now eerie similarities between America today and that of the Thirties. The
biggest is excessive debt. Ironically, the tariffs will offset any benefits from Trump’s massive tax cut. The US remains dependent once again on a highly leveraged Fed whose balance sheet is tapped out. A perilous adjustment lies ahead. Gold will be a good thing to have in this post-bubble world.

Gold is an effective hedge against Trump. Few take Mr. Trump’s tweets literally but they should be taken seriously. After all, if America is the largest debtor in the world, how can it repay its bills if other countries do not buy from the United States? History shows that no economy can live beyond its means in perpetuity. It is not so different this time.

The market thinks that paper dollars are the best refuge in the current tumultuous environment. They are wrong. The longer the market sustains the unsustainable, the bigger the risk. We are at that turning point. Technically, over the near-term we would watch the $1,275 level and then $1,375 an ounce on the upside. Good support exists at $1200 an ounce. Gold is simply stuck in a tug of war, but a breakthrough $1,375 an ounce would see gold closer to $1,700 an ounce.

**Recommendations**

Gold shares have been a major disappointment due in part to the super strong US dollar. Jewelry demand also declined and it appears that the gold backed exchange traded funds (ETFs) were also sellers in the latest quarter. However, taking advantage of the weakness, central banks have added to their reserves led by Russia, Turkey and Kazakhstan. Meanwhile, total mine supply is expected to decline in part because there have been so few new mines. Noteworthy in the latest quarter, the largest producers like Goldcorp, Barrick and Newmont reported declining production. Gold exploration budgets have fallen and despite a higher gold price in 2018, few producers increased reserves.

Miners’ cost cutting has more or less reached their limits. After restructuring costs, replenishing balance sheets and selling off high cost assets, the industry is poised to focus on organic growth to replenish depleting reserves. Unfortunately, the low hanging fruit has been plucked so, management is forced to be more selective, particularly after taking some $30 billion in write-offs a few years ago.

Growth and sustainability go hand in hand. Because of improved balance sheets, the industry has focused on bite sized acquisitions like Lundin Mining’s bid for Nevsun’s Timok deposit in Serbia, or McEwen Mining’s purchase of the Black Fox mine in Ontario for $35 million. Barrick, the world’s largest gold producer is even financing junior exploration plays like Midas in Nevada or Atac in B.C. in a portfolio approach. Goldcorp and Kinross are the exceptions focusing instead on potentially larger development project like Goldcorp’s Norte Abierto (formally Cerro Casales) or Goldcorp’s Kaminak in Yukon or Nuevo Union whose Phase 1 capex is a whopping $3.4 billion. Newmont will pay $275 million to Novagold for its stake in Galore Creek, which is more of a down payment because of the hefty capex price tag.

Exploration plays are few and far between except for Australian Novo’s Pilbara play or Keith Barron’s Aurania in the Ecuadorian Lost Cities play. Nonetheless we believe the neglect will be rewarded because gold stocks are trading at their lows with their market cap per ounce per in-situ reserves averaging a paltry $350 per ounce. It’s cheaper to buy ounces on Bay Street than to explore.

Within our coverage list, our favourites are **Barrick**, and **Agnico Eagle** among the seniors. We also like **B2Gold** and view **McEwen Mining** as an up-and-comer. Performance minded portfolio managers are under pressure to perform and there is a barbell effect with successful companies like
Agnico Eagle and Kirkland Lake Gold on one end and with underperforming ones like New Gold, Eldorado, and Detour on the other end.

Barrick Gold Corp.
Executive Chairman, John Thornton has created a partnership structure within Barrick so Kelvin Dushnisky’s replacement will likely come from within. Significantly, Barrick is on the road to recovery and we expect growth to come from its own in situ resource. Barrick has successfully executed a restructuring that sold assets, paid down debt and refocused management. Today, Barrick mines gold at a profit, generating free cash flow and is now poised for growth.

Barrick has the world’s largest gold reserve position at more than 65 million ounces. The drop in reserves was due to off loading higher cost ounces as part of asset sales. Barrick will nonetheless produce 5 million ounces under $900 an ounce. Barrick has slashed total debt by $10 billion and has a cash balance of $2.1 billion. Reports that Barrick was one of the players interested in Detour are misplaced. We believe that Barrick has looked at Detour Gold numerous times but would not be interested in this low grade open pit operation after off loading similarly high cost mines. Barrick’s core position is in Nevada and the company has been expanding the Deep South project as well as the existing Turquoise Hill in Nevada and Gold Rush’s four mile discovery. Regarding Pascua Lama, the Chinese Shandong Gold joint venture was upgraded and Lama might be jointly developed. We like Barrick here for its core assets, large reserve position and management expertise.

B2Gold Corp.
B2Gold had a strong quarter from Fekola in Mali and the Masbate mine in the Philippines. Fekola continues to operate above nameplate capacity and guidance. Otjikoto in Namibia produced in line with expectations. B2Gold's Nicaraguan mines, El Limon and La Libertad, however had a soft quarter in part due to a work stoppage at El Limon. Nonetheless, the company has boosted its exploration budget at Fekola because of recent good news. We like the shares here for its rising reserve and production profile.

Detour Gold Corp.
Detour is fighting hedge fund player John Paulson’s attempt to put the company into play. Ontario based Detour unveiled yet another life of mine plan and the company is of the view that they can go it alone. Management is optimistic and has focused on cost reduction. However, it is obvious that at current prices, Detour cannot make money. Detour's problem is that while the mine is well-built, grade is too low and thus cannot take advantage of efficiencies. Also, Detour’s expansion is in limbo partly due to protracted negotiations with the Moose Creek. We do not expect much to happen with respect to a sell process and believe that Paulson is “just talking his book”. We would take advantage of the strength and sell.

Iamgold Corporation
Iamgold’s crown jewel Essakane mine in Burkina Faso performed well and the company has been focusing on the Côté Lake gold joint venture with Sumitomo of Japan targeting a feasibility study next year. Iamgold also talked about Saramacca which ties in with the expansion at Rosebel in Suriname. Mid-tier Iamgold should produce about 875,000 ounces this year at an all in cost about $1000 an ounce. Westwood in Quebec is in the ramp up phase with underground development. Iamgold's expects to release a reserve at Saramacca in the second half. This likely will be followed by a production decision at the start of next year. In fact, 15 km northwest of Saramacca there is another potential discovery. Reserves are at 14.5 million ounces with Côté at almost 4 million ounces. However, we think that the start date is optimistic at this time. We prefer B2Gold here.
**Kinross Gold Corporation**

Kinross had a good quarter at Fort Knox in Alaska where the nearby Gilmore purchase added 2 million ounces to reserves, bringing reserves to 26 million ounces. However, pit wall instability continues to cost ounces. Meanwhile Kinross’ Tasiast operation is continuing but needed are higher prices. Kinross is still in discussions with the government of Mauritania, who rejected one of the key permits to expand Tasiast which has cast a pall over Kinross shares. Moreover, in Ghana there is a review of the mining code and tax policies which would adversely affect Kinross’ Chirano mine. While it is early days, the disappointment has hurt Kinross. Nonetheless, Kinross’ balance sheet is strong allowing it to weather potential problems. Kinross’ Nevada operations continue to perform well with Bald Mountain achieving strong results. Kinross has a portfolio of eight operating mines and while diversified, the heightened geopolitical concerns will see Kinross trade at a discount.

**Yamana Gold Inc.**

Yamana had a good quarter with a contribution from newly commissioned Cerro Moro in Argentina, which is milling at 900 tonnes per day or 90 percent of capacity. Cerro will produce 85,000 ounces and 3.7 million ounces of silver. Excluding cast-off Brio, Yamana operates five mine with all in costs less than $900/oz. El Penon and Chapada were strong contributors and the Company should produce 900,000 ounces plus 120 million lbs of copper. Disappointing however was little progress in paying down a whopping $1.6 billion debt, largely incurred to buy half of Canadian Malartic. We would avoid the shares here. Sell.

John R. Ing
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<td>321.8</td>
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<td>430</td>
<td>500</td>
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<td>0.06</td>
<td>0.09</td>
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<td>NEM</td>
<td>36.23</td>
<td>42.04 - 34.20</td>
<td>531.5</td>
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<td>5300</td>
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<td>950</td>
<td>1.00</td>
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<td>YRI</td>
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<td>950</td>
<td>0.01</td>
<td>0.04</td>
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Gold Price
- 2015: $1,200
- 2016: $1,350
- 2017: $1,300
- 2018E: $1,400

Rating:
- 5 – Strong Buy
- 4 – Buy
- 3 – Hold
- 2 – Sell
- 1 – Strong Sell
Rating: 5 – Strong Buy  4 – Buy  3 – Hold  2 – Sell  1 – Strong Sell

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Trading Symbol</th>
<th>*Exchange</th>
<th>Disclosure Code</th>
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