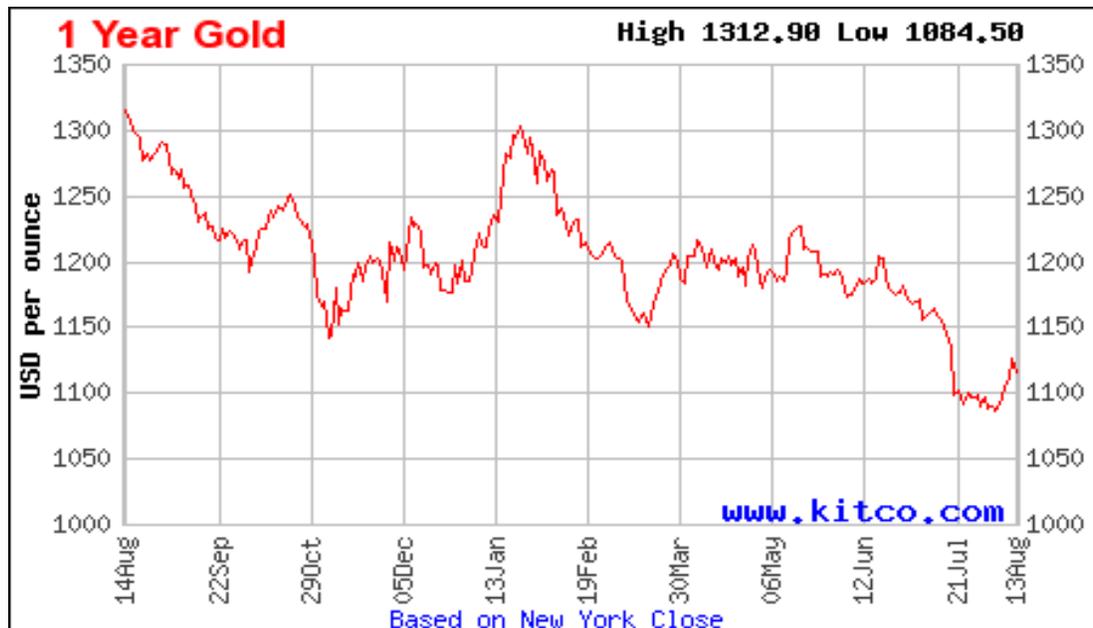


Starboard Weekly Report Ending August 14, 2015



G-20 Currencies vs. US Dollar				
Country	Currency	Ticker	% Change (Since 6/30/14)	52-Week Low
Russia	Ruble	RUB	-46%	12/16/2014
Brazil	Real	BRL	-37%	8/5/2015
Turkey	Lira	TRY	-24%	6/8/2015
Australia	Dollar	AUD	-22%	7/31/2015
Mexico	Peso	MXN	-21%	7/30/2015
France	Euro	EUR	-21%	3/16/2015
Germany	Euro	EUR	-21%	3/16/2015
Italy	Euro	EUR	-21%	3/16/2015
Canada	Dollar	CAD	-19%	8/5/2015
Japan	Yen	JPY	-19%	6/5/2015
South Africa	Rand	ZAR	-17%	8/5/2015
South Korea	Won	KRW	-14%	8/5/2015
Indonesia	Rupiah	IDR	-12%	7/31/2015
Argentina	Peso	ARS	-12%	6/29/2015
United Kingdom	Pound	GBP	-9%	4/13/2015
India	Rupee	INR	-6%	5/12/2015
China	Yuan	CNY	-0.1%	1/26/2015
Saudi Arabia	Riyal	SAR	0.0%	1/29/2015

Pension Partners
THE ATAC ROTATION MANAGER

The top chart from www.kitco.com covers the price of gold for the past year. The bottom table from Pension Partners represents the recent decline of various currencies versus the dollar.

TECHNICAL

In dollar terms, gold is down 14.88% over the past year. In 14 of the 20 currencies listed on today's table above, it shows gold, although down, is actually exceeding their money decline. Since the World's reserve currency is the dollar, then that means the gold investors of these countries have an appreciation in their assets by holding gold. China's recent devaluation makes this comparison in currencies very relevant, especially since their move could be the beginning of currency wars. The high value of the dollar could represent a dollar bubble based on the potential appreciation of the World's 20 other currencies as shown in this table. The gold chart advanced on the Chinese news and the mining stocks are coming off bottoms made during the July selloff. Before we can feel good about gold though, we need enough upside to bring the 50 day average over the 200 day. The 50 day is at 1142 and the 200 day at 1188, so we need a lot of work before we can say Gold has reversed to the upside.

FUNDAMENTAL

I am of the belief that gold is a currency. Paper or Fiat Currency is a promise to pay based on the economic strength of the issuer of the particular money. The value of a particular currency can also affect the economic activity within its country. China is trying to maintain 7% GDP growth by lowering the YUAN. As a consequence, the US is being harmed by making its goods and services more costly for the Chinese and that is not favorable for growth. Normally, a country's currency is strong because of strength within the economy. This year the US growth is an anemic 1.45% for the past 2 quarters. If China's currency devaluation is successful, or if other countries follow their lead, the American economy will be in for further deflation. Deflation will have a very negative effect on the dollar and it will be the source for the next crisis. How much longer can the world tolerate a much overvalued dollar is the key to when markets will adjust to the downside also causing gold to rally. Earlier this week, the Dow and the S&P started to reflect concern over the Chinese devaluation until some institution rang a bell and a Pavlovian response rally was created. Goldman Sachs had its largest single day of corporate buybacks since 2011. Magic! (This information comes, via Google, from the Goldman Sachs buy back trading desk.) This is yet another example of how short-term demand devices in the markets are masking the inevitable longer-term economic consequences. Last week we looked at the short-term paper selling in gold and now this week we have the same type artificial prop effecting equity markets, only in the opposite direction.

ASIDE

"The big companies and their short-term bottom line rule this country." Alexandra Paul These words by actress/political activist Ms. Paul are very accurate. If she included *with the help of the federal government*, then she would be spot on. What they cannot rule is economic supply and demand and when it catches up with the short-term greed then it creates a crisis like those that have reigned over our economy since 2000.

Nothing on this Weekly Report should be interpreted to state or imply that past results are an indication of future performance. There are no warranties, expressed or implied, as to accuracy, completeness or results obtained from any information posted on this or any "linked" website. Any reference to specific securities is not considered a recommendation. Every investment strategy has the potential for profit or loss.

Please note: It is the client's responsibility to notify Starboard of any changes that would in any way influence their financial requirements.