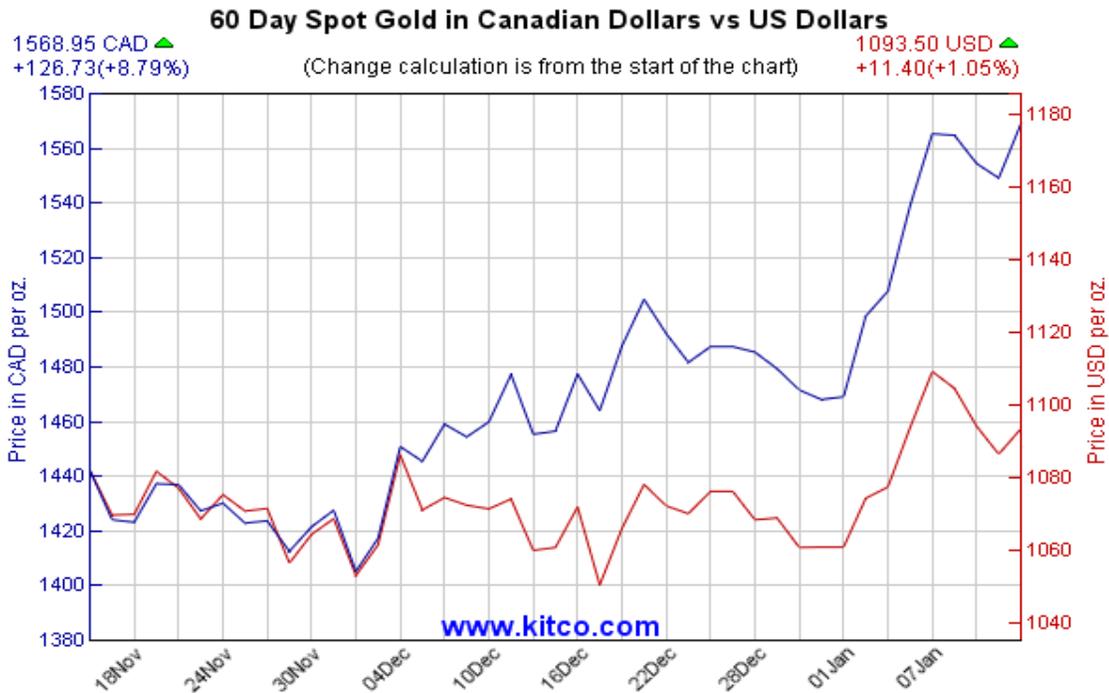


Starboard Weekly Report Ending January 15, 2016  
Charts of the Week



Both of the charts above are from Kitco.com and the top one represents the past 5 years, while the bottom one covers just the past 60 days. They both show the same relationship of the Loonie and the Dollar versus gold valued in each currency.

## TECHNICAL

These charts show how gold is the constant that currencies evolve around. Please note in the top long-term chart, the appreciation of gold in both currencies moved in lock step until 2013. That is when the Canadian Dollar (Loonie) began to separate from the US Dollar regarding its appreciation. What happened is at this point the Loonie started a precipitous drop and the dollar began to rise. This clearly shows the value of holding gold while a currency is dropping. Gold has not been attractive in dollar terms because of the US Dollar rise. Gold to the dollar was down 19.68% versus a 16.77% gain to Canadian citizens in their currency. That is a huge total difference gap of 36.45% over the past 5 years. The takeaway would be, if and when the dollar drops, we will start to see meaningful appreciation of gold in the United States. Over both of these periods, a good number of countries have enjoyed appreciation in gold priced in their native money. This is due to dollar strength. Currency debasement is a serious form of inflation and the only remedy is gold or precious metals. The dollar is looking very topky here and it cannot rise forever. When it does drop then gold will do the opposite.

## FUNDAMENTAL

We see fewer vacationing Canadians here in sunny Florida since their purchasing power has diminished. We can only guess that the ones we do see were smart enough to have bought gold. An overly inflated currency is a huge benefit for a government like the US because they can borrow at higher levels and then pay back at lower exchange levels. We have not lost out on that opportunity judging from the huge rise in our debt levels. Gold is politician insurance. It protects us from the inevitable debasement of our money as the politicians go about their job of making everybody happy, regardless of the consequences.

## ASIDE

*"I never look at it like I'm wasting money when I'm buying gold".* Big Sean

In order to show that I'm diverse on the Weekly's quoted wisdom; the quote above comes from a Rapper. Along with a large number of Canadians, I certainly agree with Big Sean, as do many others on the planet who have suffered currency debasement.

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