Risk Management for nagivating your future.

Starboard Weekly Report Ending October 13, 2017

Chart of the Week

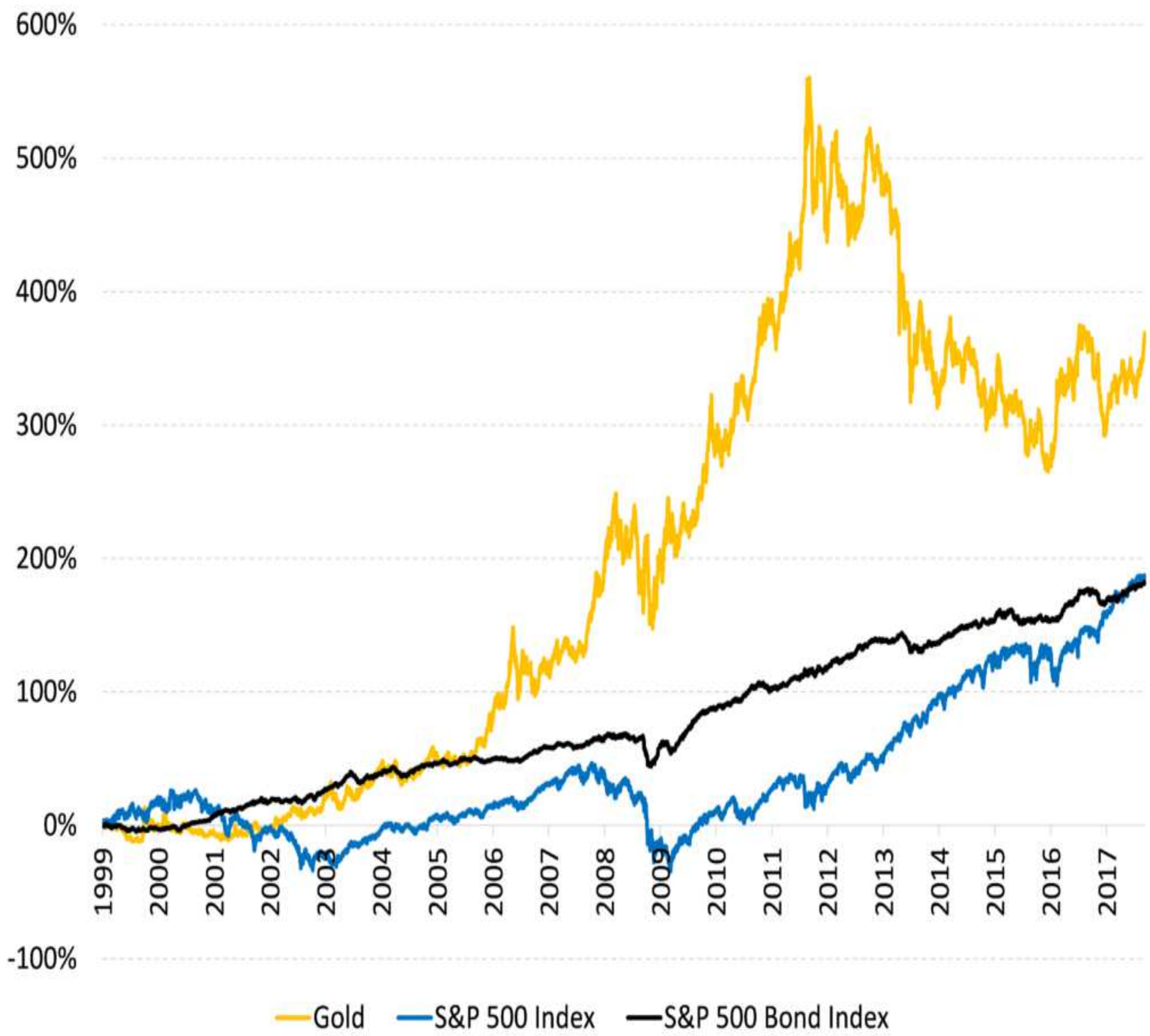

Chart provided by Tocqueville

Gold Strategy Third Quarter 2017 Investor Letter

By John Hathaway on October 11, 2017 (*his Commentary is attached to your email*)

TECHNICAL

The price of Gold has struggled technically since its 2011top. In September of that year its high was at 1920. It appears to have bottomed in late 2015 at the 1050 range. Early last year it had a strong rally into July to the 1375 area, only to pull back to 1125 in December of last year. This year it has been trying to recover from that late year 2016 selloff and it must convincingly break the 1375 high if it is going to move back into a bull market. It is struggling with 1300 and is showing signs of consolidation that could propel it through last year's 1375 high. The take away from this chart is Gold's long term outperformance against a very strong FED induced stock and bond rally. The performance comparison so far this year has Gold up 13.1% vs the S&P up 14.2%. Gold is in an early recovering stage while the S&P is at a nosebleed elevation; a strong indication that the yellow metal will continue its long term outperformance of stocks and bonds.

FUNDAMENTAL

Gold's next move will come about as developed world currencies lose their value due to their over borrowing. We have started to see a trend this year in the Dollar as it rises in Gold value faster than the other currencies. Another interesting currency development is the meteoric rise in the value of Bitcoin. This shift to another fiat electronic currency is starting to be noticed by the banking community. If it becomes much larger, then it is likely to get the attention of government agencies as it did in China where it disappeared through regulation. Bitcoin is not much different than other fiat currencies because it has no intrinsic value behind it. The real economic game changing currency development is the recent trend toward quantitative tightening. This will raise interest rates on developed countries debt as investors focus on debt to GDP levels. The effects of excessive sovereign debt will likely cause the next rally in Gold because currencies will sharply lose value. As rates normalize, it will cause the inflation that Central Bankers have been looking for, which will move Gold into a continuation of the rally that started in 2002.

ASIDE

"History teaches that resolution of fiscal impasses most often results in monetary debasement, which has invariably led to a rise in the nominal value and purchasing power of liquid assets that cannot be debased. Gold and silver constitute a short list of non-financial assets with monetary characteristics". John Hathaway of Tocqueville Gold

The timing of gold's next move will be dictated by the dollar. If it rallies over the near term then gold will decline, but ultimately the Dollar will have a serious decline. And that is when you will need Gold and Gold Equities to protect your purchasing power.