Strategic Wealth Preservation

Inside the Vault

A Quarterly Newsletter Featuring Precious Metal Insights

October 2023

Buy Low, Sell High

Despite a lackluster performance in Q3 for the metals, influenced by a currently strong USD and a decade high return on bank savings deposits, the argument for investing in gold and silver remains as strong as ever, as highlighted by Senior Analyst Jeff Clark in this edition of Inside The Vault.

In fact, I'm quick to point out to our clients and followers, that now is the time they should actually be adding to their positions. Spot prices are low and product premiums have come way down from where they were 6-months ago. Combined, these two-factors make for good value investing. Remember, buying dips and cost-averaging down is a key to long-term investing success. Buy low, sell high.There is no better bet than gold and silver for wealth preservation.

Closer to home, SWP celebrates the opening of our brand-new state-of-the-art facility in the Cayman Islands. The new facility triples SWP's storage capacity in Cayman and provides a wonderful home for our staff and visiting clients. More to come on this soon!

We hope you enjoy this quarter's newsletter, thanks as always to regular contributors Jeff Thomas who in this edition provides his own version of a Look Inside The Vault, Jeff Clark, and of course Chris Vermeulen for his excellent market analysis and projections.

Mark Yaxley, CEO for Strategic Wealth Preservation (SWP). He has been focusing on the diverse needs of retail and commercial precious metal investors since 2006.

Follow Mark on Twitter @YaxleyYax

Gold & Silver Technical Analysis

Technical Analysis Video by Chris Vermeulen, Chief Market Strategist for **TheTechnicalTraders.com**

You can follow Chris on Twitter @TheTechTraders

Gold in Q3: Fighting the Fed, with Troublesome Monetary Concerns Lurking

By Jeff Clark, TheGoldAdvisor.com

The Fed raised interest rates last quarter, putting a pause on the "pause" and dampening gold's ascent. This was the backdrop for Q3.

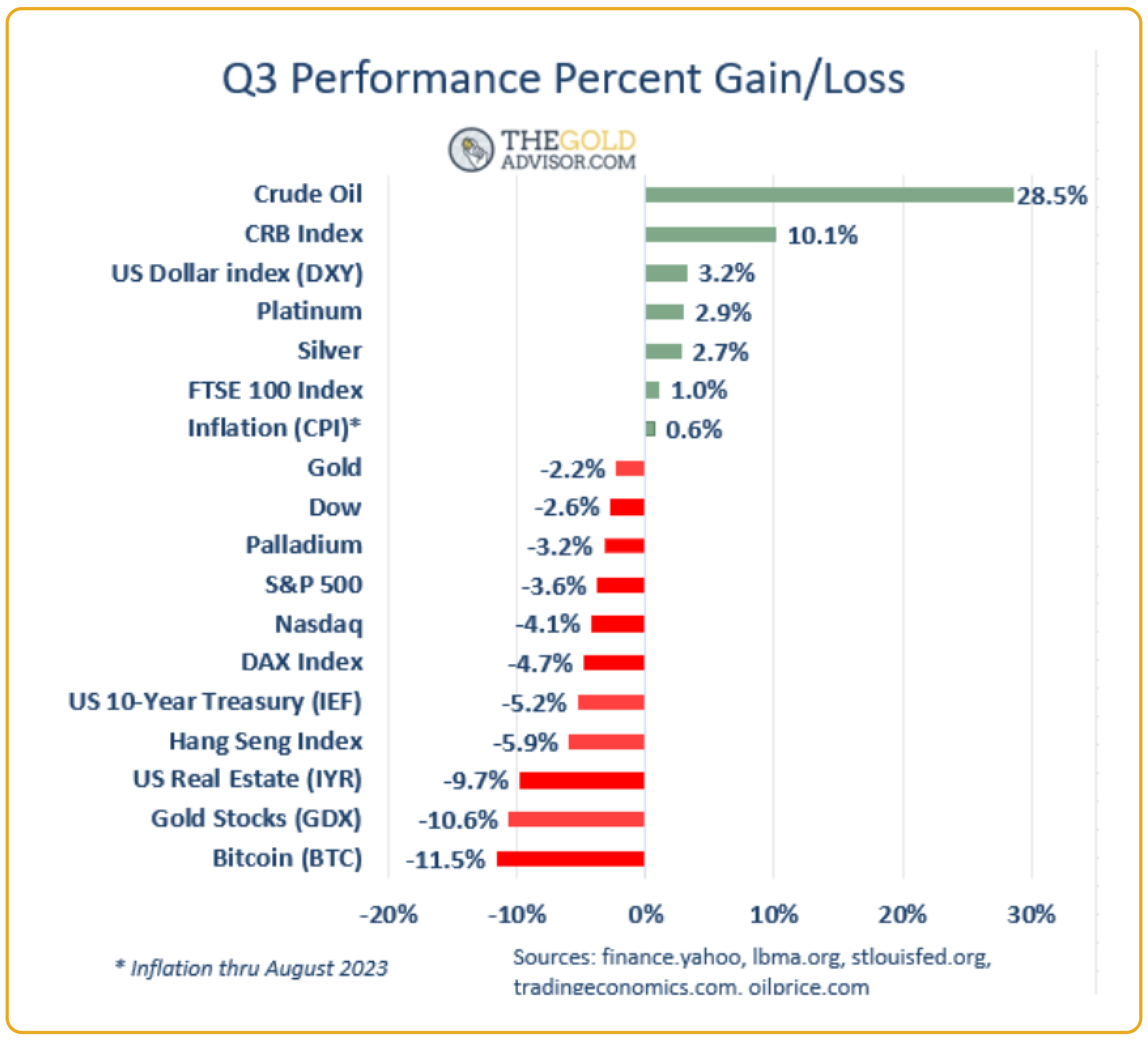
Our ITV quarterly report summarizes how gold and silver and other major asset classes performed in the third quarter and year-to-date, plus the major catalysts to watch in the remaining quarter of the year.

Gold in Q3: Make Up Your Mind, Fed!

Gold was down a modest 2.2% in Q3, after declining 3.4% in Q2.

The main culprit for gold's weakness was the Fed's "fight inflation at all costs" mantra. After pausing earlier this summer, they raised interest rates a quarter point on July 26, the range on the Fed Funds rate now 5.25% to 5.50%.

Silver did the opposite, rising 2.7% last quarter.



Oil was the big winner, along with the commodity index. US equity indexes lost ground.

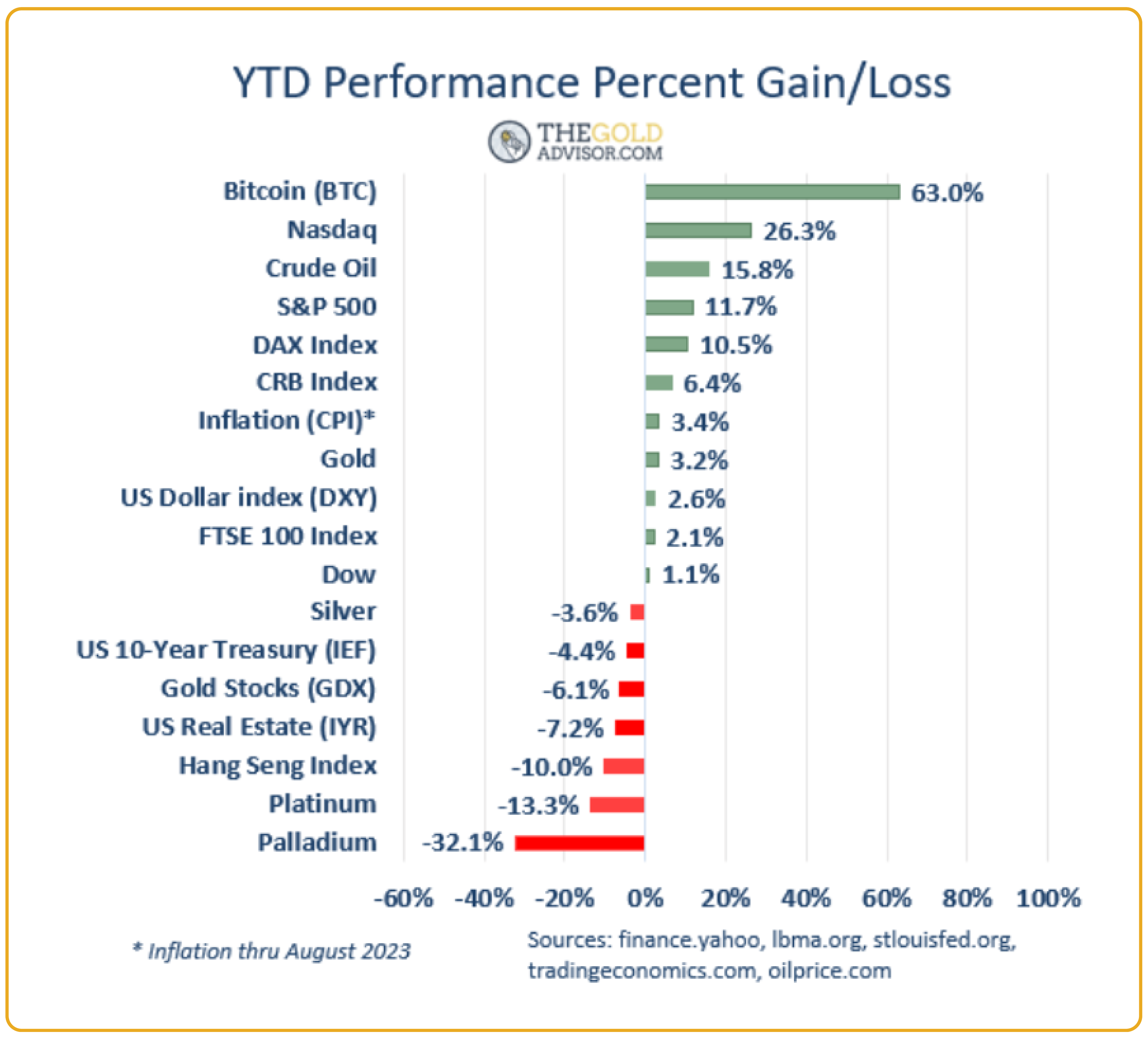
For the other precious metals, platinum gained 2.9%, while palladium declined 3.2%.

US real estate took a hit, along with gold stocks. The quarter's biggest loss came from Bitcoin, down 11.5%.

Gold YTD: Steady as She Goes

Gold is up 3.2% year-to-date. Silver has slid 3.6%.

It's noteworthy that both gold and the US dollar are up on the year. This shows that a rising dollar is not always negative for gold and that they can both rise together.



It's also noteworthy that the US Treasury bond is down more than silver!

Platinum and palladium are struggling in 2023, down 13.3% and 32.1%, respectively.

The big winner so far this year is bitcoin, along with the Nasdaq and oil.

The Watch List: How Does 2023 End?

There are numerous issues that could impact the economy, markets, or geopolitics. The water in the pot indeed seems to be getting hotter—and much of it is interconnected, as this list shows...

US Federal spending is up 30% since January 2020... which has led to M2 Money supply rising a whopping 36%... which has led to the US Federal debt now reaching over $33 trillion.

Interest payments on Federal debt reached $909.5 billion in Q2, which means it will be a trillion dollars annually by year-end. For comparison, it was $517.6 billion at the end of 2020. The trend seems to be accelerating, too; on October 3, the US added $275 billion in debt—yes, in one day.

According to Bloomberg Finance, short positions in US Treasuries hit the highest levels EVER at the end of September.

Rising rates weigh on, among other things, corporate profits. Borrowing costs for S&P 500 companies have ticked up by the largest amount in nearly two decades. This will affect profitability, which in turn would logically impact stock prices.

This also affects investor psychology. Investors withdrew $78.6 billion from U.S. taxable bond funds through August. Even though yields are at a 15-year peak, investors are opting for safer, cash-like assets. As Bloomberg says, "the hesitancy remains prevalent as the market awaits clear signals of rate stabilization."

The commercial real estate market appears set to weaken substantially. Bloomberg's Markets Live Pulse survey said respondents believe office prices are "due for a crash." Further, they believe they will only rebound after a severe collapse! An even greater majority says that US commercial real estate prices won't hit bottom until the second half of 2024 or later.

Roughly $1.5 trillion of commercial real estate debt is due before the end of 2025. Refinancing at current interest rates will be painful and complicated, and selling won't be easy since so many buyers are convinced the market is not close to the bottom.

The US credit card delinquency rate is starting to buckle. Rising gas prices and student loan payment restarts this month make the delinquency rate likely to rise further.

Defaults in corporate private credit are also at risk. Private debt defaults will reach 5% by early 2024, says Bank of America, as portfolios see an estimated one-third of deals come due in the next two-and-a-half years.

Add all this up and…

Recession fears appear more valid than ever. On top of the inverted yield curve (2-year Treasury higher than the 10-year), we have major auto and healthcare worker strikes, the resumption of student-loan repayments, a government shutdown that may yet come back after the stop-gap spending deal lapses, dwindling pandemic savings, painfully high interest rates, and soaring gas prices. A recession appears baked in the cake more than ever. Gold typically rises during recessions.

Meanwhile…

Gold demand remains high… in widely reported news, Costco, who has been selling one-ounce gold bars, reported it has typically sold out of them "within a few hours." The retailer limits them to two per member, but Reddit users have posted prolifically about their struggles to get their hands on them.

At the end of September, American Eagle silver sales at the US Mint exceeded full-year sales in 2018, 2019 and last year, with a full quarter to go. Meanwhile, the current 3-year supply deficit in silver totals an incredible 430.9 million ounces.

Gold buyers in the UAE are piling in. One retailer reported, "This year's festival buying has certainly started early for gold."

Gold/silver ratio: The ratio (gold price divided by silver price) remains stuck in the 80s, a full third above its long-term average of 55. It fell to 32 in 2011, and 20 in 1980. As such, silver remains deeply undervalued relative to gold. Silver usually trails gold in the initial stages of a bull run, but it has surpassed gold by the time that run is over.

The need for a crisis buffer remains high. Recession risks, a vulnerable stock market, and a stubborn Fed leave investors with few places to turn. History shows gold is a strong choice when the fallout begins.

Follow Jeff on Twitter @TheGoldAdvisor

Offshore Gold Storage – A Look Inside the Vault

"If your gold is outside the US, it gives you another degree of insulation should the United States decide that you shouldn't own it—it's not a reportable asset."

Doug Casey, May 2017

I've been a holder of gold since the 1970's. At that time, I was purchasing gold and silver for business reasons and found that, as the price was steadily increasing, I would be wise to buy more than I needed immediately, as I would most certainly profit from it in the near future.

At that time, I was buying most of my precious metals in Hatton Garden, the centre for metals in London and, in talking with my more experienced associates, I learned that gold doesn't just make pretty jewellery, it has, for over 5000 years, served as man's best economic insurance policy.

Since the creation of the first fiat currency in China, ca. 600 AD, governments have had the annoying habit of creating fiat currencies. It has taken many forms, including tobacco, shells, cattle, even tulips in 17th Century Holland.

Over the centuries there have been countless fiat currencies. Most of them have been paper currencies and, with the exception of the present-day fiat currencies, all have eventually become worth exactly zero.

Not a very good track record. But whenever this has happened, gold has regained its lustre and saved the day, providing a solid means to store wealth. Although governments and bankers have done all they can to discredit gold and discourage its use, gold invariably outlives them all. Whenever history has seen periods of dramatic overreach by banks and/or governments, gold once again re-establishes the very definition of money.

Today, we're passing through one of these eras of overreach and, not surprisingly, those who are farsighted are quietly building up their store of gold, to protect them when the latest form of fiat currency joins the rest that have collapsed over the centuries.

But, having realized the need to own gold and then beginning to build up a portfolio, the holder asks himself, "Where should I keep it?" The obvious answer is at home, or somewhere very close, so that he may get to it if need be. During good economic times, this may well mean in a safe deposit box in a bank, but in times like the present, when governments (the EU, US and Canada, amongst others) have recently passed laws allowing banks to confiscate deposits and raid safe deposit boxes, the last choice for safe storage would be a bank.

This leads us to the "at home" option. This is actually a good one. If you have a yard where neither dogs nor gardeners tend to dig holes, "midnight gardening" can indeed be a good solution for small amounts of gold storage. Or, for a neater and more easily accessible solution, a home safe might work well. (You would, of course, want it to be well-concealed and you'd need to install it yourself, or the installers might get ideas.)

But, when turbulent times come, as they have recently, this only works well if you own a small amount of gold, say ten ounces or less. If you hold more at home, you run into the problem of governments. In 1933, US President Franklin Roosevelt demanded that all gold be turned in to the government. He subsequently revalued it and, in doing so, robbed its rightful owners of a 69% increase in their wealth.

Unfortunately, since we know that the EU, US and Canada have all passed confiscation laws, those jurisdictions are no longer safe places to store wealth. Ten ounces of gold may be regarded as an emergency stash but, beyond that, another jurisdiction is needed – one that's not threatened by confiscation laws.

What I recommend to investors is to first choose the best jurisdiction that's relatively near to you, then pick the safest storage facility within that jurisdiction. In Europe, Austria is a good choice and Das Safe is an excellent depository. In Asia, Singapore is an excellent jurisdiction and The Safe House is an exceptional choice.

However, the Western Hemisphere is a different story. There are quite a few excellent depositories in the US and Canada, but, as stated above, these jurisdictions are no longer safe. In my travels elsewhere in the hemisphere

I've been disappointed to find that, whilst there are jurisdictions that are safer than North America, the depositories there leave a great deal to be desired. (On one occasion, in Uruguay, I looked at the outside of the building and never even went in. Although it was considered the premier facility there, it didn't come close to my expectations.) Others, such as those in Panama, have been equally disappointing.

What the depositor should be after is a facility that's heavily reinforced on all six sides (meaning that ceiling and foundation must be just as impenetrable as the walls). In addition, it would need a Class III bullion vault – the equal of the best bank vaults. In addition, it should have multiple security doors and man-traps, assuring that no one who enters can make a dash for the door, eliminating the temptation for theft.

Unfortunately, to my present knowledge, there's only one depository in the Western Hemisphere that ticks all the boxes. Or perhaps I should put that another way: Fortunately, there is a depository in the Western Hemisphere that ticks all the boxes.

That depository is Strategic Wealth Preservation (SWP) in the Cayman Islands. Most importantly, it's located in an exceptional jurisdiction as regards wealth safety. And, by this I mean:

- No direct taxation. No taxes or duties that apply to the purchase, ownership, storage or sales of precious metals. No capital gains tax; no inheritance tax.
- World-class financial system to provide auxiliary services.
- Stable government with a consistent history for economic stability that caters to international investors.
- Minimal wealth legislation and regulation, to assure a minimum of red tape in processing purchases, sales, transfers and shipment of metals.

Secondly, SWP ticks all the boxes as to being a top bullion storage facility. Further, the SWP contracts were designed to take the best from each of the world's other depositories, having been vetted by one of the world's most respected gold analysts (who, possibly not coincidentally, became the first depositor). Also, it's only an hour by air from the US.
It's also essential that your deposit is fully insured and that the storage be fully documented, allocated and segregated.

Over the past decades that I've been advising people on geographical economic diversification, I've often said that the coming events themselves are relatively easy to predict, but the timing is not. To me, the one clearest indicator of timeframe is that, the closer a crash gets, the more events will increase in both frequency and magnitude. Based upon that premise, we're drawing quite close to the first of the crashes, as we're now seeing significant events almost daily.

This tells us that our time is limited and that our long-term plans for wealth preservation need to be in place now. Whatever choice the reader makes to safeguard his wealth, he will need to do it very soon. Time is very clearly running out.

by Jeff Thomas

Strategic Wealth Preservation Capital

It's Our Birthday and We're Giving You a Discount!

From now - November 15 you can borrow against your metals at an interest rate sale of 9% p.a. (50 bps off our standard rate of 9.5% p.a.)

Why borrowing against your metals makes sense:

1. Get your money within 10-days.

2. No monthly payments of interest and/or principal.

3. Interest rate is fixed for the entire term of the loan.

4. Renew the loan at the end of the term.

5. Make bulk principal payments or pay the loan off at any time.

6. The interest charged is competitive to most Lenders.

SWP Capital is here to provide flexibility and convenience for our clients who prefer a loan structured using their precious metals, by a company they can trust.

We remain transparent and responsive at all times and are standing by to assist. Terms range from 3-months to 12-months (renewable) with a minimum PMML/PMBSN of $100,000.

Talk to your client representative or contact **Bruce John**, Managing Director of SWP Capital at bj@swpcapital.com for more information.

Personal Service with Convenience, Flexibility and Speed.

Trust the Turtle for your Self-Directed IRA

An important reminder to you, your loved ones and friends: **please only buy metals for your Self-Directed IRA through a reputable dealer.**

We have been personally made aware of two cases in the last month (and we know there are more), where elderly female investors in this case, but it can happen to anyone, have been defrauded of the majority of their life savings by being sold overvalued metals by as much as 75%. Fortunately, preferred Trust reached out to us regarding a third situation, and we were able to assist their client before they lost their savings.

I wish we could say that these experiences are few and far between, but unfortunately they are not. The US market for IRA precious metals investment is a ruthless one. Please see this Precious Metals Whitepaper prepared by Preferred Trust on this very important subject. SWP has partnered with both Preferred Trust and Advanta to create a simple and trusted way to add precious metals to your self-directed IRA without any of the gimmicks, tricks, padded fees, and hassle associated with some other companies.

This allows you to safely purchase and store your precious metals IRA investment with SWP domestically in the United States, at two secure facilities conveniently located in Texas and Delaware, allowing you the same high-level of service and integrity you have with all of your SWP interactions.

We believe flexibility is key to wealth preservation and we are pleased to offer you this safe and easy way to diversify your domestic self-directed IRA with precious metals. Contact your account representative today and find out how easy it is to add precious metals to your self-directed IRA with SWP.

SWP
Strategic Wealth Preservation

What's New

New Building

Although we're not quite ready to do the big reveal, we are happy to say that we are now in our new home! We designed the new SWP facility to be an absolute fortress and we are not disappointed.

This Class III Vault is a first-class facility that will not only keep your metals safe and secure, it also offers you the opportunity to do self-audits and visitations in a five star setting. More photos coming soon!

New Podcast

We're pleased to announce that SWP has launched its new **Inside the Vault podcast live on AnCap Radio/ X/ Twitter Spaces. Tune in every Wednesday at 12 noon EST.**

Every week you can join Mark Yaxley, Jeremy Varlow, and our expert guest of the day. We'll discuss everything "Precious Metals" and have a regular Market update and Bullion Basics segment for new and old investors alike. Send in your questions or topics in advance or join us live on X/Twitter and ask your questions in real time.

Not on Twitter? We will be posting each podcast on our website and our YouTube channel for you to listen to at your leisure.

About AnCap Radio: The home of Anarcho-Capitalism. Live on X/Twitter Spaces every Wednesday at 12 noon EST: @AnCapRadio

Talk Podcast Inside The Vault, Episode 1

Talk Podcast Inside The Vault, Episode 2

About Us

Strategic Wealth Preservation (SWP) is an international precious metals dealer and secure storage provider headquartered in the Cayman Islands. We specialize in the acquisition and secure storage of precious metals for individuals, companies, trusts and wealth management professionals on behalf of their clients.

We deliver precious metals worldwide to homes and businesses and offer secure storage in vaults located in the Cayman Islands, Canada, the United States, Switzerland, Singapore and New Zealand. We also offer corporate disaster recovery services for businesses located in the Cayman Islands.

One Account, One world

Benefit from SWP's global reach under one single account. Store with SWP in the Cayman Islands, Canada, the United States, Switzerland, Singapore, or New Zealand.

Quick Links

- Learn More About Buying Gold
- Learn More About Secure Storage
- Read More Articles
- View Our Videos
- Frequently Asked Questions
- Contact Us

Disclaimer

The views expressed in this newsletter are those of the authors and may not reflect those of Strategic Wealth Preservation Ltd. The authors have made every effort to ensure the accuracy of the information provided; however, neither Strategic Wealth Preservation Ltd., nor the authors can guarantee such accuracy. These articles are strictly intended for informational purposes only. They are not solicitations to make any exchange in commodities, securities or other financial instruments. Strategic Wealth Preservation Ltd. and the authors of these articles do not accept culpability for losses and/ or damages arising from the use of this publication.