

2013 Precious Metal Market Review

Gold Falls, Ending Bull Market Rally

The gold market of 2013 may be remembered for its robust losses. Gold's most colossal annual loss since 1981 may have ended the 12-year bull-market year run. January London gold rung in at \$1693.75 and December chimed out at \$1201.50. Thus, London gold was off 492 points or 29% year-to-date.

The \$140 single day gold drop of April 15th was the biggest single day drop since 1980. This federal tax-filing deadline date coincided with the Tsarnaev brothers Boston Marathon bombing. Gold prices swooned below \$1200 an ounce in June and December to the lowest markets since August of 2010.

Institutional gold investors lost faith in 2012 and started exiting the gold doors. Record gold liquidations in 2013 of electronically traded funds were about 30%. Large Comex sales, combined with ETF holdings sold, helped to account for the most colossal annual gold loss in 30 years.

The anticipated announcement of the Federal Reserve backing away from the central bank's bond buying program, or quantitative easing, came in December. This anticipation had pushed institutional investors from gold into stocks and other investments earlier in the year.

Worldwide investment demand pushed London gold to an all-time high of \$1,895 on September 5, 2011. Thus, December 2013 gold ended 37% below that lofty peak.

Consequently, losses in gold dragged prices in the precious metal complex lower as well.

Analysts of platinum and palladium expect both industrial metals to be in short supply.

| Market Update | | | | |
|-------------------------|--------------|--------------|--------------|--------------|
| Date | 9/11/01 | 9/5/11 | 1/2/13 | 12/31/13 |
| | | | | |
| | \$/ troy oz. | \$/ troy oz. | \$/ troy oz. | \$/ troy oz. |
| Gold | 287.00 | 1,895.00 | 1,693.75 | 1,201.50 |
| Silver | 4.18 | 42.71 | 38.87 | 19.50 |
| Platinum | 448.00 | 1,840.00 | 1,566.00 | 1,357.00 |
| Palladium | 460.00 | 767.00 | 1,711.00 | 716.00 |
| London Market Closes | | | | |

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