WORLDWIDE PRECIOUS METALS
The Weekly Market Report

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In This Week's Report:

From The Desk of Worldwide Precious Metals

"Anyone already owning Physical Precious Metals in their portfolio, when the rest of the World finally realizes their supply has been constrained will have the ultimate upper-hand. Remember that Precious Metals should always be viewed as a long term investment, and the key to profitability is through the ownership of the physical metals."

~ John Downes - President Worldwide Precious Metals

Chart of the Week, Quotes & Quick Hits

Long term, if people are planning for themselves or their kids, I am emphatic and pounding the table harder than I ever have in saying that gold, silver, and anything correlated with it must be a prominent part of their portfolios." Stephen Leeb

"… this is the last opportunity for investors who don't have enough physical gold and silver. In the next few years gold will go up many thousands of dollars an ounce and will be a critical part of investors' portfolios in order to protect their assets from total destruction.

As gold and silver markets go up, the massive paper selling of gold and silver, which has been done by governments and bullion banks in order to depress the prices, will come back as a boomerang. This will happen because the West mainly has paper gold, while Russia, China, and other Asian countries have real physical gold. When the paper shorts are called upon to deliver, it will cause a massive…" Egon von Greyerz

The Inflation You Probably Didn't Notice

Does the Fed really have inflation under control…?

Living Expense	Jan-00	Mar-14	% Increase
Gallon of gas	$1.27	$3.51	176.4%
Barrel of oil	$24.11	$100.00	314.8%
Fuel oil per gallon	$1.19	$4.07	242.0%
Electricity per Kwh	$0.084	$0.134	59.5%
Gas per therm	$0.712	$1.078	51.4%
Dozen eggs	$0.97	$2.00	106.2%
Coffee per lb	$3.40	$5.20	52.9%
Ground Beef per lb.	$1.90	$3.73	96.3%
Postage stamp	$0.33	$0.49	48.5%
Movie ticket	$5.25	$10.25	95.2%
New car	$20,300.00	$31,500.00	55.2%
Annual healthcare spending per capita	$4,550.00	$9,300.00	104.4%
Average private college tuition	$22,000.00	$37,000.00	68.2%
Avg home price (Case Shiller)	$161,000.00	$242,000.00	50.3%
Avg monthly rent (Case Shiller)	$635.00	$890.00	40.2%
Ounce of gold	$279.00	$1,334.00	378.1%

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"The dollar's use in global commerce is declining. Given that the dollar is the most over-owned asset in the history of the planet, any decline in use in commerce can quickly turn into a collapse in demand worldwide. It is an outcome that would simply overwhelm central bank dollar purchases as they attempt to keep interest rates near zero. The swan dive by the dollar after the ECB announcement was just a tremor. The big quake is coming, and it is one that will

eventually send gold and silver soaring, while at the same time sending the dollar to the dumpster, and perhaps even to the fiat currency graveyard." James Turk

-"The anemic state of the global economy is why ECB head Mario Draghi launched a massive money supply growth scheme this week. Central bankers have gone to war against deflation in an attempt to generate growth. But that strategy didn't work in the U.S. and Japan, and it will also fail in Europe. This folly will continue until the money printers of the world learn that real growth doesn't come from inflation it just creates asset bubbles that dissolve the middle class. The truth is that the world is awash in sovereign debt. And the credit, currency and inflation risks associated with owning that debt has never be more elevated. Therefore, the only reason why yields are at historic lows is because they are predicting the chances of a meltdown in the global economy is extremely elevated at this time."

-"When the Fed purchases large amounts of Treasuries, they are trying to put money into the system but the money is being held in the banks in reserves. The Europeans went to negative interest rates because they are trying to force the money into the financial system. But with the economy where it is, people aren't borrowing. Companies are not borrowing for factories, they are not borrowing for expansion. The only people borrowing are the gamblers using leverage in the financial markets and the only winners at that are the major brokerage houses the banks. All these years of printing trillions of dollars have left the West with negative economic growth. So, yes, central banks in the West are pushing on a string. But my concern is that by pushing on a string, every day, every hour, central planners are piling up the debt and piling up the inflationary consequences as well. So this will end in disaster. It's just a matter of time." John Ing

-"So we are seeing clusters of events coming together in a way that really worries me and makes me very sad. Every data point I see seems to show that the United States has lost its way. This why I keep saying the only way for investors to protect themselves on a long term basis is by owning physical gold and silver. Long term, if people are planning for themselves or their kids, I am emphatic and

pounding the table harder than I ever have in saying that gold, silver, and anything correlated with it must be a prominent part of their portfolios." [Stephen Leeb]

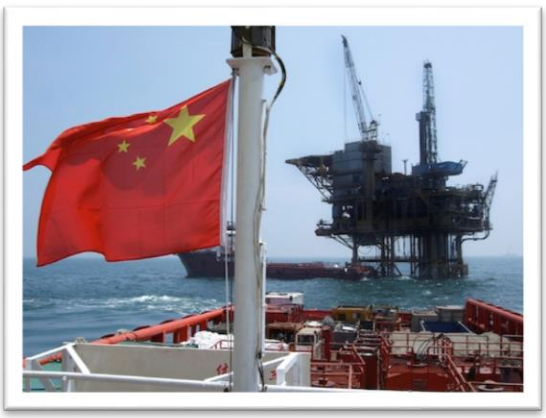
-"**Turning to the precious metals, they continue to be weak short term. Last week I mentioned there was a risk of lower levels before we turned. But from a wealth preservation point of view, this is the last opportunity for investors who don't have enough physical gold and silver.** **In the next few years gold will go up many thousands of dollars an ounce and will be a critical part of investors' portfolios in order to protect their assets from total destruction.**

As gold and silver markets go up, the massive paper selling of gold and silver, which has been done by governments and bullion banks in order to depress the prices, will come back as a boomerang. This will happen because the West mainly has paper gold, while Russia, China, and other Asian countries have real physical gold. When the paper shorts are called upon to deliver, it will cause a massive short squeeze. This will push gold and silver many multiples higher in price. In my view, precious metals such as silver, palladium, platinum, and gold, present the most unique opportunity of a lifetime for investors." [Egon von Greyerz]

-**World Bank Cuts Global Growth Forecast After 'Bumpy' 2014 Start**. **The World Bank cut its global growth forecast amid weaker outlooks for the U.S., Russia and China, while calling on emerging markets to strengthen their economies before the Federal Reserve raises interest rates. The Washington-based lender predicts the world economy will expand 2.8 percent this year, compared with a January projection of 3.2 percent. The U.S. forecast was reduced to 2.1 percent from 2.8 percent while outlooks for Brazil, Russia, India and China were also lowered. Read more here-http://bloom.bg/1pHlk9P**

-Fed Prepares to Maintain Record Balance Sheet for Years. Federal Reserve officials, concerned that selling bonds from their $4.3 trillion portfolio could crush the U.S. recovery, are preparing to keep their balance sheet close to record levels for years. Central bankers are stepping back from a three-year-old strategy for an exit from the unprecedented easing they deployed to battle the worst recession since the Great Depression. Minutes of their last meeting in April made no mention of asset sales. Officials worry that such sales would spark an abrupt increase in long-term interest rates, making it more expensive for consumers to buy goods on credit and companies to invest, according to James Bullard, president of the Federal Reserve Bank of St. Louis. Read more here- http://bloom.bg/1ubXT8r

-China's Record Oil Hoarding Seen Keeping Crude Above $100. China is hoarding crude at the fastest pace in at least a decade, shielding itself from supply disruptions and helping keep prices above $100 a barrel. The country imported a record volume in April as it emulates steps taken by the U.S. in the 1970s to create a strategic petroleum reserve, government data show. Chinese President Xi Jinping is building stockpiles as his nation clashes with Vietnam over resources in the South China Sea and faces potential risks to oil sales from Russia, Africa and the Middle East because of sanctions and violence. The purchases are helping drive oil prices higher, according to Barclays Plc, Citigroup Inc. and Nomura Holdings Inc. As China's thirst for crude grows with the expansion of its emergency stockpiles and refining, the International Energy Agency estimates that the Asian nation is poised to surpass the U.S. as the world's largest oil consumer by 2030. Read more here-http://bloom.bg/1xODgE5 and http://bloom.bg/1qAAj59



-Greg Hunter: Andy Hoffman Interview, Negative Interest Rates Signal Final Currency War. How will we know when the money printing game is coming to an end? Hoffman says, "The biggest alarm bell is the Fed. Forget what they are doing behind closed doors with the fake 'tapering.' When Janet Yellen is forced to come out and say we got to stop the taper, or we got to reverse it because of the failing U.S. economy, that will be the final alarm bell. After that,

there will be no way shape or form that the mainstream media, Washington or Wall Street, can pretend that it is anything other than what it is–failed central bank policy." Read more here-http://bit.ly/1q7WhiD

GOLD

-Former Greek leader says nations mull new gold-linked SDR. London gold fund manager Ben Davies reports a conversation in which a former prime minister of Greece acknowledged that world leaders have seriously discussed creating a reserve currency combining the International Monetary Fund's "special drawing right" with gold. Read more here-http://bit.ly/1oiQLKl

-Indian, Chinese Central Banks on track to absorb 90% of Gold mine output. Indian and Chinese central banks on track to absorb the equivalent of 90% of all mined gold production this year, said ETF Securities in its Precious Metal Weekly. China, India and central banks absorbed just over 80% of global mine supply in 2 013 according to recent data. Recent data indicates that these three entities alone are likely to absorb the equivalent of nearly 90% of mine production in 2014m said ETF Securities.

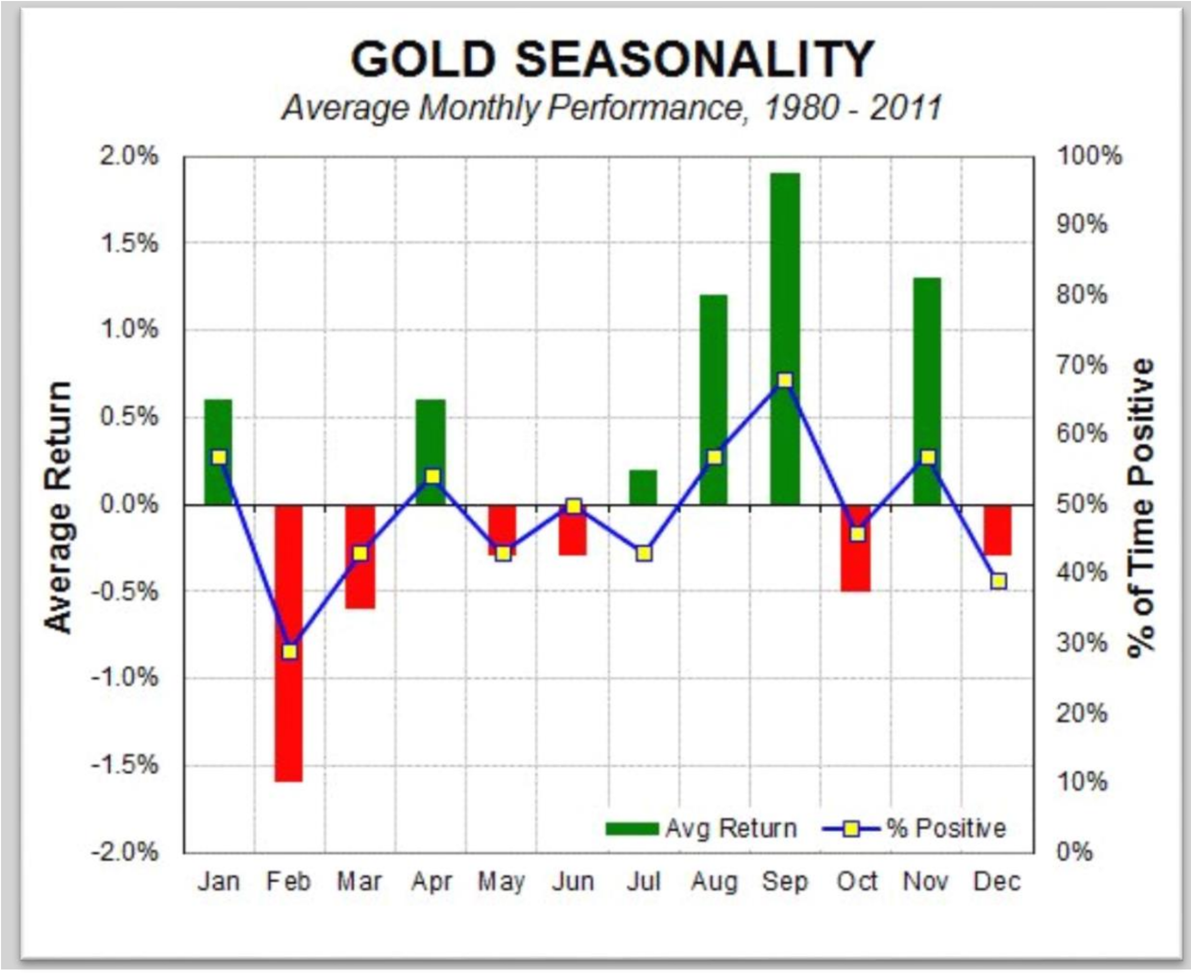
Demand from India is likely to increase with the curtailing of the 2013 import restrictions. Central banks purchased 122 tons of gold in Q1 which is essentially unchanged year-on-year and China's imports of gold from Hong Kong are up 18% year-on-year as of April . On a similar note, sales of US mint silver coins are on pace in 2014 to surpass the record 35 million ounces sold in 2013. The US mint must purchase its silver from US sources and the amount of silver mined in the US in 2013 was only 35 million ounces. Most of the demand for silver is for industrial purposes and inventories are the lowest in decades the majority in ETFs. Read more here-http://bit.ly/SOeljz

-Alasdair Macleod: Asian gold strategy clarifying. Read more here-http://bit.ly/UxyQm9

-Shrouding China's gold trade, more imports go under radar. Banks have started trial gold imports directly into the Shanghai free trade zone ahead of the launch of a gold exchange there, threatening to further obscure the level of buying by the world's top consumer. The bulk of gold bought by China used to flow through Hong Kong, making its export data a useful proxy for Chinese demand as Beijing treats data about imports of the precious metal as a state secret. But Reuters calculations using export numbers from data provider Global Trade Information Services show that China's direct gold imports jumped to nearly 150 tonnes in the first quarter. Excluding Switzerland, which did not disclose country specific data in 2013, direct imports nearly doubled in the period from a year ago. Read more here-http://reut.rs/1xJXE9o

-Clive Maund: Gold Market Update. A tragic irony of the past few years is that Precious Metal sector investors thought that they were protecting themselves from the consequences of the reckless extravagance of the political and ruling class, but have been made to look stupid, as not only has the sector suffered huge losses over the past 3 years, but mainstream investments have risen relentlessly. This has had the effect of "rubbing salt into the wound".

What has happened is that PM sector investors have underestimated the survival instincts of the ruling class, who will stop at nothing to preserve their position, up to and including mortgaging the future of everyone (except themselves) to keep the party going today, and they have even used the unusual conditions as an excuse to plunder the accounts of savers via eliminated interest payments and funnel their wealth into their pockets. It's the equivalent of a guy who borrows from his family and friends and everyone he knows to go on a wild gambling spree in Las Vegas one day he is going to have to come home and "face the music". The excesses of 2008 have not been addressed or corrected at all – instead they have been compounded, and that guarantees a worse collapse later, which is now looming. Read more here-http://bit.ly/1pPaKxq



-Law makes gold, silver coins legal tender in Oklahoma; does away with "nonsensical" tax. A new law signed by the governor makes gold and silver coins legal tender in the State of Oklahoma. Read more here-http://bit.ly/1lqbEPS

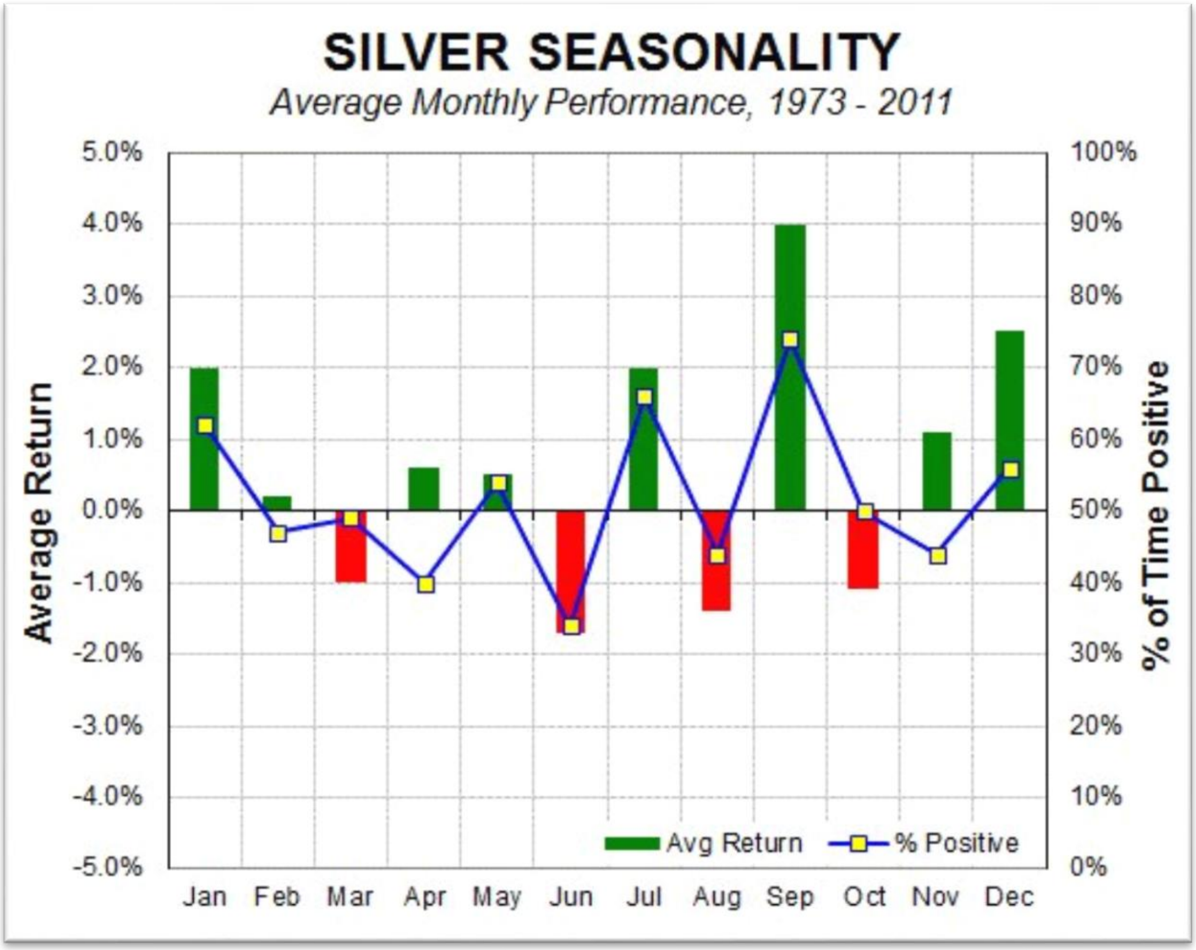
SILVER

Gold to silver ratio at 50 to 1 with gold at $2,000 the silver price would be $40.00
Gold to silver ratio at 30 to 1 with gold at $2,000 the silver price would be $66.67
Gold to silver ratio at 15 to 1 with gold at $2,000 the silver price would be $133.33

-Alasdair Macleod: Market positions for gold and silver. Read more here- http://goo.gl/B9g0Ej

-INFOGRAPHIC: Silver: The Undercover Super Metal. See more here- http://bit.ly/1oYUqsx

-Clive Maund: Silver Market Update. So, almost all the pieces are in place for a major rally in silver to begin soon, and the only factors that could use some improvements are the seasonal influences, which get better after this month, and gold's COT structure. If silver does break below last year's lows there is expected to be little downside follow through, and any such further short-term weakness will be regarded as throwing up a major buying opportunity in a wide range of silver investments. Finally it should be noted that such a breakdown may not now occur, given the big improvement in silver's COT structure to date. If we see any really big volume up days soon it will be a sign that the major new uptrend is beginning. Read more here-http://bit.ly/UxFOHQ



-Goldreporter: U.S. Bank's Silver Short Positions send Buy Signal. Read more here-http://bit.ly/1oUAOYB

-Peter Cooper: $500 an ounce silver when gold makes its epic run predicts new book. Read more here-http://bit.ly/1oUz5T0

PLATINUM-PALLADIUM

-Lawrence Williams: Platinum prices will still take some time to peak. Even if the South African platinum strikes were to end tomorrow, it will take a long time for the industry to regain its old output levels leading to a substantial deficit this year and next. Read more here-http://bit.ly/1n7C73k

-Palladium Surges To 14 Year High: "Can Go To $1,000" On Miner Strikes. Palladium prices last traded this high in March 2001. The recent price spike has been driven by investors' concerns that a mining strike in no.2 producer South Africa could chock off supplies at the same as an over-exuberant auto manufacturing world drives demand for the car-exhaust metal. Palladium's industrial uses, and the dependence on South Africa for supplies, have helped keep the metal aloft even as other precious metals stumbled this year. Miners in South Africa went on strike in January for the second time in two years, demanding higher wages and better working conditions. As WSJ reports, the walkout has sharply reduced palladium exports from South Africa, leaving global palladium inventories have dwindled and are now sufficient to meet only 16 weeks of demand and investors exclaiming. "There is no reason to sell palladium right now," said Frank Lesh, a broker at Future Path Trading. "This thing can go to $1,000." But not everyone's so bullish. Read more here-http://bit.ly/1oSztRP and http://bloom.bg/1qCnc3l and http://reut.rs/1ppwRNd

BANKS

World's Soundest Banks No Immunity for Risks in Canada- Even with the world's soundest banks, Stephen Poloz is grabbing a microphone to warn about risks to Canada's economy. Read More: http://goo.gl/TjNI8w