Certified Gold Exchange, Inc.

ORE-VISION

Views and Analysis on the Economy and Precious Metals

A QUARTERLY NEWSLETTER

2nd QTR 2011

VOLUME 27, NO.2

International Turmoil

How the physical gold market is likely to be affected

By Peter Grant

The first quarter of the new year has been a tumultuous one, marked by geopolitical unrest in North Africa and the Middle East, major natural disasters in New Zealand and most recently in Japan, and of course ongoing economic turmoil throughout much of the industrialized world. This has resulted in rather extreme market volatility, amid fits of risk aversion associated with broad-based uncertainty about the likely impact of recent events.

Most importantly, our hearts go out to the people of the world who are suffering right now; be it due to political repression, natural disaster or economic hardship. However, in this increasingly interconnected world, it is important to remember that events on the other side of the world can indeed have a significant impact right here at home. Faced with the harsh reality that global markets have no sympathy, savers and investors the world-over need to make decisions that protect their interests and their wealth.

As you contemplate the best steps to take to preserve your wealth in light of global events, you may be feeling overwhelmed by all the information and conflicting reports so readily at our fingertips in this modern age. Sometimes its best to step back, take a deep breath and realize that frequently, the most obvious answer is the right answer. But before I delve into how investors are likely to behave in this particularly trying market environment, let me lay a little groundwork.

There is a great deal going on the world right now, all of it is worthy of discussion, but in this issue we will deal with the two major front-burner issues: Japan and the Middle East/North Africa.

Japan

While the immediate situation in Japan is a fluid one -- changing day by day and in some instances hour by hour -- it is above all else a humanitarian disaster. As of this writing, the death-toll is well over 6,000, with more than 10,000 people still unaccounted for. As recovery and rescue efforts continue, Japan is struggling mightily to contain the nuclear disaster that is a by-product of the earthquake and tsunami. We wish them godspeed in those efforts and as we consider potential prudent moves on our own behalves, we encourage our clients and friends to offer what they can to the relief efforts if they are in a position to do so.

When all is said and done, I have no doubt that Japan will rebuild and ultimately recover from the devastation. However, it may prove to be a long and rocky road for a country already saddled with massive debt and an ever-worsening demographic problem. While the country's debt-to-GDP ratio is in excess of 200%, Japan is a country of savers and the majority of that debt is held internally. In that respect, Japan is probably in as good a position to absorb the negative economic impacts of the earthquake as any industrialized nation. However, a rapidly aging population means the mounting debt burden is going to be shouldered by fewer and fewer working-age Japanese as time progresses.

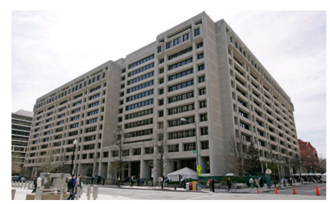
Additionally, Japan's export-driven industrial economy is largely reliant on raw materials and energy imported

Continued on page 2

Guess which policy your central bank will pursue

An IMF conference exposes a clear choice: who pays for this crisis – workers by unemployment or banks through inflation?

By Dean Baker



The International Monetary Fund headquarters in Washington, DC: the IMF is still promoting the policy of 'internal devaluation' for troubled economies like

Continued on page 2

Also Inside This Issue:

- **Economic Recovery Statistics**
  By: Prava.ur
- **Will The Internet And Our 'Markets' Survive**
  By: Christopher Laird
- **The Next Egypt**
  By: Gregory White

Guess which policy your central bank will pursue

Continued from page 1

Ireland, Portugal, Greece and Spain. Photograph: Matthew Cavanaugh/EPA

The International Monetary Fund (IMF) held a conference last week devoted to re-examining macroeconomics in the wake of the economic crisis. This conference was evidence of a glasnost that would have been unimaginable a decade ago. One of the organisers and speakers was Nobel Laureate Joe Stiglitz, a man who had previously been persona non grata at the IMF after he had trashed the institution in a piece in the New Republic back in 2000.

In addition to Stiglitz, the conference included several speakers who were quite critical of the economic policies pushed by the IMF in recent years. Given the format and the large number of speakers, there was limited opportunity for back and forth in these sessions. But at least the important questions were being asked.

In spite of the increased openness of the discussion at the IMF, it is not clear that its policies have undergone a similar adjustment. In particular, it openly touts the route of "internal devaluation" for countries that have fixed the value of their currency to other currencies or don't have their own currency.

This is an incredibly painful process. The idea is that a country that has high unit labour costs relative to its trading partners will get its costs in line by lowering wages. The way they lower their wages is to force workers to take pay cuts under the pressure of high rates of unemployment. Latvia is currently the poster child for internal devaluation. Its unemployment rate was still 16.9% in the final quarter of 2010, falling from 18% the quarter before. The IMF path would have other countries with serious competitiveness problems such as Ireland, Greece, Spain and Portugal go the same path.

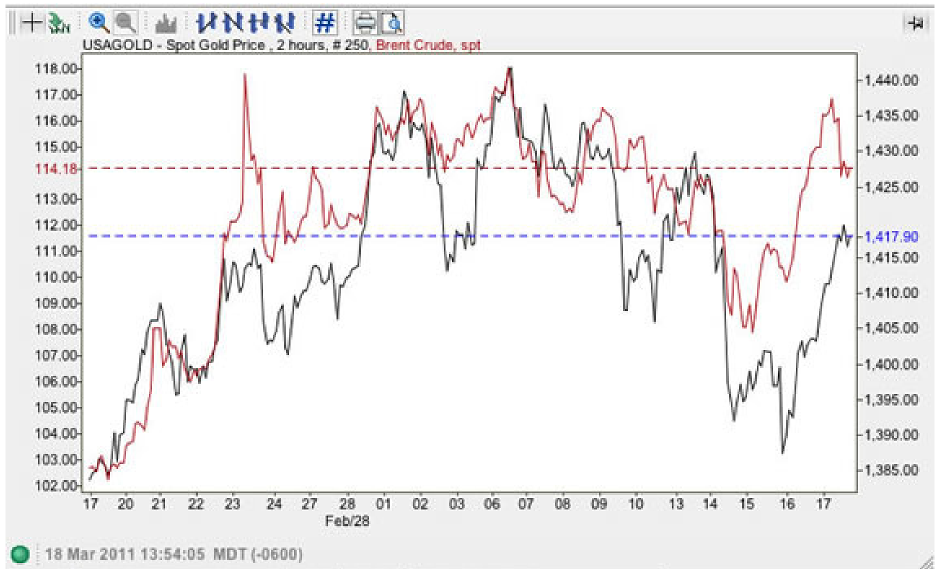
Continued on page 8

International Turmoil

How the physical gold market is likely to be affected

Continued from page 1

from abroad. More than a third of Japan's electricity comes from nuclear power, which has been a strategic priority since the oil crisis of the 1970s. In the months and years ahead, the people of Japan are going to have to come to grips with the trade-offs associated with nuclear power. If they decide that their location within the Pacific ring of fire makes nuclear too risky, it will leave their economy overly -- and dangerously -- dependent on the import of carbon-based fuels. Having their future even more dependent than it already is on volatile energy markets is not an enviable position to be in.



The relationship between gold and oil is well-known, but since the unrest in the Middle?East/North Africa began, that correlation has been particularly tight.

Meanwhile the crisis in Japan has prompted countries around the globe to review their nuclear policies. Industrial giant Germany vowed to close its seven oldest nuclear power plants, which would reduce its nuclear-powered electricity generation by about a third. Even China, not known for being timid in pursuing infrastructure projects, has suspended all approvals for nuclear power plants. You can imagine the long-term implications for energy prices as competition for increasingly scarce fossil fuels heats up.

Japan is the third largest economy in the world, a primary driver of the global economy. Nonetheless, Japan has struggled with anemic economic growth for decades, despite a zero interest rate policy (ZIRP) and quantitative easing (QE). Makes one wonder why the United States is pursuing the very same policies and seems to be expecting different results (more on that later). So the rest of the world is understandably concerned that the disaster will not only lead to a recession in Japan, but may well weigh on the nascent recoveries elsewhere in the world, including the one right here in America.

In an effort to prevent a liquidity crisis and in the hope of mitigating the recession risk, the Bank of Japan (BoJ) acted swiftly and decisively, flooding the market with yen. The BoJ also pledged "powerful monetary easing", but with interest rates already at zero, further boosts to the money supply and additional asset purchases are really the central bank's only weapons. Interestingly, despite all the liquidity and loose policy talk, the yen rose dramatically against most currencies amid talk of the carry trade unwind and yen repatriation. In the face of a major catastrophe, the yen surged to a new all-time high against the dollar.

Think about that. A major natural disaster. An ongoing nuclear disaster. The threat of major economic turmoil stemming from both, and the BoJ's primary concern ends up being yen appreciation. On Friday, March 18 the G-7 intervened jointly in the foreign exchange market for the first time in a decade...and they were selling yen. It

Continued on page 5

Economic Recovery Statistics

By Pravda.ur

*Michael Snyder writes: Today there are two very different Americas. In one America, the stock market is soaring, huge bonuses are taken for granted, the good times are rolling and people are spending money as if they will be able to "live the dream" for the rest of their lives. In the other America, the one where most of the rest of us live, unemployment is rampant, a million families were kicked out of their homes last year and hordes of American families are drowning in debt. The gap between the rich and the poor is bigger today than it ever has been before. In fact, this article is not so much about "rich vs poor" as it is about "the rich vs the rest of us". Barack Obama and Ben Bernanke keep touting an "economic recovery", but the truth is that the only ones that seem to be benefiting from this recovery are those at the very top of the economic food chain.

Below you will find 14 funny statistics about this economic recovery and 14 not so funny statistics about this economic recovery. Actually, if you find yourself deeply struggling in this economy you will probably not find any of the statistics funny. In fact, you will probably find most of them infuriating. After all, there are very few people that actually enjoy hearing about how well the rich are doing when they are barely able to pay the mortgage and put food on the table.

In any event, the 28 statistics below show the stark contrast between the "two Americas" that share this nation today. Many liberals will likely try to use these statistics as an example of why we should tax the rich. But handing more money to the government is not going to magically create more jobs for the poor. What the American people desperately need are good jobs, and many liberals don't seem to understand that. Many conservatives will likely try to use these statistics as evidence that "capitalism" is working. But the truth is that what we have in the United States today is not capitalism. Rather, it is more aptly described as "corporatism", because money and power is increasingly becoming concentrated in the hands of gigantic corporations that individuals and small businesses simply cannot compete with. The truth is that when wealth is concentrated at the very top it does not "trickle down" to the rest of us. In the old days the wealthy at least were forced to hire the rest of us to run their factories and their businesses, but with the advent of globalism that isn't even true anymore. Now they can just move their factories and businesses overseas to places where they can legally pay slave labor wages to their employees.

Very large concentrations of money and power are almost always bad for the prosperity of average citizens. Our founding fathers never intended for our central government to have so much power and they never intended for giant corporations to have so much power. But we have abandoned the principles of our founding fathers.

When large concentrations of power (whether governmental or corporate) are allowed to flourish, it almost becomes inevitable that the gap between the rich and the poor will grow. We are seeing this happen all over the world today.

Unfortunately, it does not appear that any of this is going to change any time soon. In the United States, both the federal government and multinational corporations are constantly attempting to grab even more power. It has gotten to the point where individual Americans really don't have much power left at all.

In any event, hopefully you will find the following statistics informative or at least entertaining. The wealthy are most definitely enjoying an "economic recovery" while most of the rest of us are still really struggling....

Funny
Who said that the titans of Wall Street couldn't look hot? According to the American Society of Plastic Surgeons, facelifts for men jumped 14 percent last year.

Not Funny
According to the U.S. Labor Department, unemployment actually increased in 351 of the 372 largest U.S. cities during the month of January.

Funny
The average bonus for a worker on Wall Street in 2010 was only $128,530. It appears that more Wall Street bailouts may be needed.

Continued on page 4

Will The Internet And Our 'Markets' Survive

By Christopher Laird

I wanted to call this article 'Will the Internet and Markets Survive growth, but that was too complicated to get an idea I have across. It's a big idea.

Over 70 PCT of market volatility in stocks, and I am sure the majority of other markets is electronic program trading by places like hedge funds. They are done on supercomputers NASA would envy with over 10,000 transactions a SECOND.

This behavior was supposedly responsible for the Flash Crash a year ago roughly that let to a 1000 point Dow drop in about 5 minutes one day. The 'culprits' were never caught.

But I am concerned about a large scale issue with the internet. Not only the fact that there are thieves, big ones. Or that the technical complexity is getting to out of hand (does not mean out of control but its pretty messy, consider the Wikki case).

And to move ahead faster, imagine what would happen if, because of that huge diplomatic scandal they instituted internet licenses. Then you would be tracked, but that doesn't bother me.

But the really big danger? (or one that I am thinking of that is very real) is an internet 'war' where countries cause so much damage to each others networks that huge parts of the economy and millions of people can't get into their accounts, or markets crashed on their own and there is no liquidity.

In such a case your world would be turned inside out, because most of us are so tech immersed now in computers, or laptops, or IPods, or Internet phones that they don't even realize they are literally living inside an electronic world that is developing and growing like mad, unlike anything anyone has seen in human history…(I know I am professionally trained in the internet and databases)

A very BIG perception problem

Continued on page 4

Will The Internet And Our 'Markets' Survive

Continued from page 3

From a theoretical standpoint, I am very concerned over the immersion people have inside the internet. If you are not careful, as with anything of such power (how much power is not yet clear but the internet is so powerful that it is transforming the world right in front of us) you can literally get hurt - or drawn into evil things that are on the net as well, not just your personal business or the markets.

So the internet is so huge and powerful. News sites. Chat rooms. Bulletin boards, markets, videos, live broadcasts. Cyber wars like Wikki.

Governments are afraid of the internet. So, you can count on the Internet becoming regulated. And taxed. And, governments are going to try to control this social networking phenomenon that is like a plague of locusts whenever the social networks 'go viral' on any issues from pollution in China (leads to a protest developing with like 10,000 people in about two hours to the consternation of the Chinese authorities, or for example how the social networking methods vastly increased fund raising for candidates or resulted in a one million person march on Washington over the Tea party which kicked their enemies out of office by the droves, and got the US Congress to complain, something not good for the internet's future believe me.) Or, how about a fast crash, or flash crash or a world electronic market that gets out of control and crashes and spreads so fast that the worlds banks shut down. That almost happened in Fall 2007 and again in Fall 2008.

See, people don't need to crash banks in person to get their money out in person like in 1930. Now, electronic flight or panic can happen, and there are a lot more people today than in 1930 (1.4 billion compared to 7 billion today). There are reliable sources who stated the US was on the verge of a total bank collapse or other major banks were in Fall 2008, and there was so much money being

Continued on page 7

Economic Recovery Statistics

Continued from page 3

Not Funny
During this most recent economic downturn, employee compensation in the United States has been the lowest that it has been relative to gross domestic product in over 50 years.

Funny
According to DataQuick Information Systems, the sale of million dollars homes rose an average of 18.6 percent in the top 20 major metro areas in the U.S. in 2010. But is spending a million dollars on one house really worth it? After all, over the past several years there have been times when you could buy a house in some bad areas of Detroit for just one dollar.

Not Funny
In 2010, for the first time ever more than a million U.S. families lost their homes to foreclosure, and that number is expected to go even higher in 2011.

Funny
According to Moody's Analytics, the wealthiest 5% of households in the United States now account for approximately 37% of all consumer spending. Most of the rest of us don't have much discretionary income to spend these days, but at least we have Justin Bieber, American Idol and Dancing with the Stars to keep us entertained.

Not Funny
According to Gallup, the U.S. unemployment rate in mid-March was 10.2%, which was virtually unchanged from the 10.3% figure that it was sitting at exactly one year ago.

Funny
According to the Wall Street Journal, sales of private jumbo jets to the ultra-wealthy are absolutely soaring.... Sales of private jumbo jets are so strong that Airbus and Boeing now have special sales forces devoted to potentates and the hyper-rich.

Not Funny
There are now over 6.4 million Americans that have given up looking for work completely. That number has increased by about 30 percent since the economic downturn began.

Funny
Porsche recently reported that sales increased by 29 percent during 2010. Even Porsche jokes are coming back into style....

Question: Why did the blonde try and steal a police car?

Answer: She saw "911" on the back and thought it was a Porsche.

Not Funny
Approximately half of all American workers make $25,000 a year or less.

Funny
Cadillac recently reported that sales increased by 36 percent during 2010.

Not Funny
According to the U.S. Energy Department, the average U.S. household will spend approximately $700 more on gasoline in 2011 than it did during 2010.

Funny
Rolls-Royce recently reported that sales increased by 171 percent during 2010.

Not Funny
According to a new study by America's Research Group, approximately 75 percent of all Americans are doing less shopping because of rising gasoline prices.

Continued on page 6

International Turmoil
How the physical gold market is likely to be affected

Continued from page 2

pretty much drives home the point about 'uncertainty'. As governments around the world intervene in various ways in order to override organic market forces, it creates a whole new set of risks in the process -- some known, but many unknowable.

North Africa and the Middle East

What began as a food price riot in Tunisia has grown into unprecedented regional geopolitical upheaval. Long-ruling strongmen in both Tunisia and Egypt were ousted in a matter of weeks by popular uprisings. While it remains to be seen if the new governments in these countries will prove to be an improvement or not, those early successes prompted similar movements throughout the region: in Algeria, Syria, Jordan, Yemen, Bahrain and Saudi Arabia, among others.

Then of course there is Libya, where protests seeking to unseat autocratic ruler Muammar Gadaffi have turned into an all-out civil war. After weeks of dithering, which brought pro-Gadaffi forces to the brink of victory, the international community finally decided to act. On March 17 the UN Security Council authorized "all necessary measures" short of a ground offensive to halt Gadaffi's attacks on the rebels.

So the question now becomes: Is the West's action too late? And if we're not too late, are we actually fostering stability in the region, or are we making things worse? Only time will tell.

The Middle East and North Africa are home to more than 50% of the world's known oil reserves. It has been noted -- with a fair amount of concern -- that three of the last five global recessions have been the result of energy price spikes stemming from conflicts in the Middle East. Oil prices have been on the rise throughout most of the year, reaching 30-month highs in February. The prospect of ongoing -- and perhaps widening -- instability in the region is likely to keep crude oil underpinned for some time to come.

The Implications

Higher energy prices will drive inflation expectations higher, elevating risks to growth in the process. Higher food prices in particular will further stoke the geopolitical unrest in oil producing nations, increasing the likelihood of disruptions to the crude supply. It becomes a vicious cycle. Japan is particularly vulnerable to energy risks now for reasons we've already discussed, but the U.S. remains quite vulnerable as well.

Monetary officials in the United States are undoubtedly playing the same "what if" game we are. Do events in Japan threaten to trod on the latest "green shoots" of a U.S. recovery? If Japanese investors do in fact start repatriating their capital en masse, what are the implications for the U.S. Treasury market? With Treasury holdings of $885.9 bln, Japan remains the second largest foreign holder of U.S. debt. If they reduce participation in bond auctions, or worse yet start selling bonds to raise funds for rebuilding, the Treasury Department is going to potentially have both supply and demand problems that will put upward pressure on rates. The pricing of this risk has likely contributed to the rise in the yen and added further weight to the dollar.

It is likely that only the Fed would step-in to fill the demand void and absorb any excess supply if Japan where to turn inward. In recent months, the Fed has already surpassed both Japan and China to become the largest holder of our debt. Speculation that the Fed will extend its quantitative easing campaign beyond the scheduled end of QE2 in June has escalated in light of the recent events in the Middle East and Japan.

One thing we do know from history is that higher energy prices do not bode well for the U.S. economy. In our still-weakened state in the wake of the financial crisis we are especially susceptible: encumbered by huge deficits, high unemployment, a moribund housing market, budget battles, a looming fight over the $14.294 trillion debt ceiling, and the potential for a government shut-down. An oil shock on top of all that just might be the proverbial straw that breaks the camel's back.

Faced with rising price risks and interest rates already at zero, like the BoJ, the Fed's options are limited. And the onus is indeed on the Fed as our Representatives in Washington squabble over tens of billions of dollars when we have a multi-trillion dollar problem on our hands. Even the chairman of the Joint Chiefs of Staff, Admiral Michael Mullen has weighed in, calling the growing national deficit the "biggest threat to our national security."

Where to turn

Historically, in times of uncertainty and turmoil, investors have moved out of risky assets into "safe-havens" like cash, government bonds and of course gold. Arguably some of the traditional safe-havens of the past -- most notably U.S. Treasuries and the dollar -- have been severely diluted due to the proliferation of supplies.

Look at the price action of the dollar index as the Middle East and North Africa became embroiled in unrest. Note the absence of a dollar bid following the Japanese earthquake and tsunami. It would seem that the greenback has lost its safe-haven status entirely, as it hurdles relentlessly toward losing its status as the global reserve currency as well.

Continued on page 8

First Person: Unemployed and Uncounted

I am, along with many others, one of the unemployed that isn't counted when you read about the unemployment rate. I have been unemployed for five years and barely make ends make, and even have difficulty paying my $30 phone bill each month. Hard to believe isn't it when $30 a month is a difficult choice to make when it comes to having a phone or buying food. But if I don't have a phone I won't be able to contact, or be contacted, by the potential employers out there.

I have a BA in business, worked for international companies and a very talented photographer. My girlfriend, the loving soul that she is, graciously takes on most of the bills that the both of us incur each month. I am just thankful we don't have any children at this time because we cannot afford the extra costs, nor would I want them to be affected by the plight that we are currently enduring.

We have mounting expenses: medical, dental and I have had to sell off most of my photography equipment. I have sold so much of my equipment that I cannot make any money with what is now a hobby, it was once a source of income, photography.

We have had to move from a nice house, out in the sticks where it is quiet, the people are nice and it is safe. The two of us, in our 30s, now live in a poor neighborhood, in a studio apartment. With the occasional gunfire, drug dealing and gang activity. What has happened to our world?

We do not qualify for any federal assistance; my girlfriend earns too much and I am too honest to lie in order to get the help that I have paid into. And every day I just look at the people who are in the same boat, without a paddle, traveling down the same creek. It is depressing and it has taken a toll on my hairline and general health. And sometimes I wake in the night to find my loving girlfriend crying because we have to make difficult choices in what to spend our money on; food or bills.

It is genuinely painful to wake in the morning at 6, get online and look for work. (We are fortunate to have a neighbor that lets us surf on her Wi-Fi signal; that is a godsend). Sending out resumes, calling the numbers listed on the various ads and not getting a response 90 percent of the time. And every time that I have a lead, get dressed up nice, trim what's left of my hair and head out to the interview only to find 30 or more other people applying for the same, single position that is available. The only money that I seem to be able to generate is from writing these articles, and that is very little.

By: Everrett Cook
March 23, 2011
Yahoo Contributor Network

Economic Recovery Statistics

Continued from page 4

Funny
According to the New York Post, Barack Obama enjoyed a total of 10 separate vacations that stretched over a total of 90 vacation days during the years of 2009 and 2010.

Apparently Barack Obama was not talking about himself when he told the American people the following....

"If you're a family trying to cut back, you might skip going out to dinner, or you might put off a vacation."

Not Funny
When 2007 began, 26 million Americans were on food stamps. Today, an all-time record 44 million Americans are on food stamps.

Funny
Ralph Lauren reported a 24 percent increase in revenue in the fourth quarter of 2010. It is good to know that preppies are thriving in this economy.

Not Funny
The Ivex Packaging Paper plant in Joliet, Illinois is shutting down for good after 97 years in business. 79 good jobs will be lost. Meanwhile, China has become the number one producer of paper products in the entire world.

Funny
Luxury jewelry retailer Tiffany & Co. recently announced that their profits increased by 29 percent in the 4th quarter of 2010. All of the men that did not buy their women jewelry during the holidays are trying to keep this particular news item from getting passed around.

Not Funny
Average household debt in the United States has now reached a level of 136% of average household income.

Funny
In 2009, only 18,288 vehicles with a price tag of $100,000 or more were sold in the United States. In 2010, 32,144 such vehicles were sold. It appears that "showing off for chicks" is now very much back in style.

Not Funny
The U.S. economy now has 10 percent fewer "middle class jobs" than it did just ten years ago.

Funny
Porsche has announced that they will soon be taking orders for their first hybrid sports car, the 918 Spyder. The price tag on one of these puppies will only be $845,000.

Not Funny
The average CEO now makes approximately 185 times more money than the average American worker.

Funny
Barack Obama recently played only his 61st round of golf since moving into the White House. Many are now concerned that Obama is simply not getting enough free time.

Not Funny
According to one recent study, 21 percent of all children in the United States were living below the poverty line during 2010.

* Michael Snyder
http://theeconomiccollapseblog.com/

Article by:
http://www.pravda.ru/
March 27, 2011

Will The Internet And Our 'Markets' Survive

Continued from page 4

withdrawn from banks that the US Fed was handing out literally trillions of USD that fateful day to panicking banks. The Fed had to guarantee US money market funds to stop it. Something that was not in FDIC purview or anyone's. The Fed stated they were within two hours roughly of losing control of the situation. About two hours from total world bank meltdown.

Mathematicians stated that markets are now so huge and spread around the world it is just a matter of time before the complexity alone causes a total crash, and perhaps even a technical breakdown shuts the internet down for days in the middle of a crash, allowing some to get out before the others….I am thinking of large traders being given preferential treatment since the markets are not trackable in huge crashes. (Flash crash for example).

Spiritual dangers

And then there are the spiritual dangers of getting so caught up in the internet that people are becoming virtual people, and not going out, not exercising, and becoming frankly some kind of internet addict with many of the same harmful psychological effects of other known addictions.

The Interment is a world. It is a wild west. One thing of major concern to me as a financial writer is that the internet puts itself between you and the rest of the world (and your bank accounts too; have you ever counted your money in cash?).

This makes it easy for financial media to plant stories, manipulate markets, and generally lead you astray while the mega investors get privy information (impossible now to track insider trading and how many cases have you seen tried since the crashes of the last several years?) the regulators basically exist in a vacuum. By the time they try to find out what happens the people have erased all the tracks like emails so they give up. I am serious.

So, you like the virtual power of the internet, the speed, the convenience. Well by interposing the internet (or allowing its interposition) between you and the world, you are easily led or deceived. Credibility of sources are a concern of the internet. News sites and financial media try to vet their sources but the speed of news on the net makes that very difficult. But of more concern is deliberate misinformation by media and internet sites our sources. This is not a rare occurrence. This causes mistrust. It leads to panics. It will lead to revolutions.

So not only is the internet huge and growing fast and absorbing the spirit of the markets in total now, (it dominates everything it touches) but the world is changing so fast because of this that in the 'real world' that things are out of control.

They are out of control. There are things you can to do try and mitigate the disinformation problem. One is to have a market researcher who can see what this technical revolution means, not only to market news writers, but to market makers, and also geopolitically.

In any case, get ready for an exciting next few years/decades because things are moving fast!

I had one potential subscriber ask me if our newsletter has much more content than these public articles, ie, if it was worth subscribing. The answer is that the public articles have less than 10% of our research and conclusions that subscribers see, not to mention the subscriber email alerts of important breaking financial news. We have anticipated many significant market moves in the last year, such as imminent drops in world stock markets within days of them happening, and big swings in the gold markets within days of them occurring. We have also made a number of good calls on big currency swings, such as with the USD, the Euro and the Yen. For example we called the USD rally right at the start in November.

We invite you to stop by and have a look.

Article by:
Christopher Laird
January 12, 2011
www.PrudentSquirrel.com

THE NEXT EGYPT:

Spain's Youth Unemployment Problem Swells, One In Five Under Thirty Still Hunting For First Job

By Gregory White

With the focus in Europe squarely on its debt and banking crisis, it's easy to ignore the on the ground impact of what's actually happening there.

But the unemployment situation in Spain has gotten so bad, it's impossible to ignore.

A quick look in, from The Guardian:

- One in five under the age of 30 is unemployed, looking for first job
- 64% of those age 16 to 19 are unemployed
- 43% of Spain's youth, overall, are unemployed; higher than both Egypt and Tunisia

What may be most worrying is, that this highly educated generation of Spanish students are now leaving the country to pursue work.

This is worrying for multiple reasons. If Spain starts to experience a significant brain drain during the crisis, it is going to have trouble kick-starting its economy thereafter, as it won't be able to attract international companies in need of an educated work force.

And it doesn't appear that its unemployment problem is, in any way, a priority at the moment. Banking sector restructuring and avoiding the fate of Ireland and Greece is still front and center, and that's where government aid is going. The imminent ECB rate hike could also have a slowing effect on an already slow economy.

Fortunately, for Spain's government, their youth have yet to revolt and protest in any meaningful way

Article by:
Gregory White
March 30, 2011
http://www.businessinsider.com/

International Turmoil

How the physical gold market is likely to be affected

Continued from page 5

The long-term downtrend in the dollar appears poised to re-exert itself in the face of a myriad of risks, both foreign and domestic.

Meanwhile gold has held up remarkably well, save for an initial bout of deleveraging -- primarily associated with the selling of paper representations of gold – Which moved the yellow metal a mere 4% off its recently established all-time high. In a deleveraging event, it is generally physical buying that establishes support.

Gold's safe-haven status is intact and the underlying trend is further supported by gold's well-established roles both as an alternative currency and the traditional hedge against inflation.

Demand for physical gold so far this year has been described as "explosive" and "voracious". There is little to indicate the quest for appropriate adjectives will end anytime soon, and in fact recent global events may spur even more robust global demand in an environment of tightening supply.

Article by:
Peter Grant
March 21 2011
www.usgold.com

The Outstanding Public Debt

National Debt:
14,217,238,598,030.65
The estimated population of the United States is **310,307,554**
US citizen's share of this debt is
$45,816.60
The National Debt has continued to increase an average of
$4.07 billion per day
Business, Government and Financial Debt exceeds
$100 Trillion

Guess which policy your central bank will pursue

Continued from page 2

The alternative would be to promote a somewhat higher rate of inflation in the surplus countries – most importantly, Germany. Higher inflation in the surplus countries would allow the deficit countries to regain competitiveness simply by having their wages rise less rapidly than the inflation rate in the surplus countries. This could be accomplished without the double-digit unemployment rates that the latter countries are not enduring.

This route is consistent with the path suggested by Olivier Blanchard, the IMF's chief economist, in a paper he wrote last year. A higher inflation rate would also have the benefit of eroding the real value of the debt for both heavily indebted countries and heavily indebted homeowners. This would allow these economies to get back on a normal growth path more quickly. Remarkably, IMF policy still doesn't seem to allow for the possibility that somewhat higher rates of inflation might actually be the best path under some circumstances. Many of the speakers seemed still to believe that the policy of inflation targeting, in which central banks target a 2.0% inflation to the exclusion of all other concerns, is the best route to pursue. This certainly seems to be the practice at the European Central Bank, as well as at many other central banks around the world.

This should have populations everywhere rising up with their pitchforks. Inflation targeting has led to an enormous economic and human disaster, likely costing the world more than $10tn in lost output and leaving tens of millions of people unemployed. If this experience is not enough to discredit a policy, it is difficult to imagine any possible set of events in the world that could lead the inflation targeters to change their minds.

In this respect, the arguments set out in the IMF conference should be useful for political purposes - even if they have little immediate effect on the conduct of central banks or the policy prescriptions of the IMF. The fact that many of the world's most prominent economists, including even the chief economist at the IMF itself, can make policy prescriptions that are essentially ignored by those conducting policy, provides more evidence that policy is not being guided by neutral individuals seeking the best outcome.

This is yet more evidence that the central bankers and others directing policy place the interests of the financial sector at the centre of their concerns. For the financial industry, a modest rise in the inflation rate would genuinely be bad news, reducing the value of their assets and the real value of their interest income. In order to ensure that the major banks of the world do not have to deal with this situation, the central banks are prepared to force tens of millions of people to remain out of work.

If we had real democracies, the central bankers who couldn't do their job would be the ones out of work right now.

Article by:
Dean Baker
March 15, 2011
http://www.guardian.co.uk/

ORE-VISION

Views and Analysis on the economy and Precious Metals

Published by Certified Gold Exchange, Inc.
PRECIOUS METALS ASSET MANAGEMENT