

# SWISS GOLD INITIATIVE

Version 04: A briefing analysis prepared for the SGI Initiative on the current global Gold market set in its historical context.

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04.03.2014

# SWISS GOLD INITIATIVE

- \* - The gold of the Swiss National Bank must be **stored physically in Switzerland.**
- \* - The Swiss National Bank **does not have the right to sell its gold reserves.**
- \* - The Swiss National Bank must hold at least twenty percent **(20%)** of its total assets in **gold.**

# *Nationalrat Luzi Stamm*

- \* Reason dictates that transparency, a **certain percentage of physical gold, and a gold-backed currency** which does not devalue are the principles which should be followed by all the central banks around the world. In this, the Swiss National Bank should serve as an example to others.

# SNB reveals location of Gold

- \* Of our **1,040** tonnes of gold, more than **70%** and thereby the overwhelming proportion is stored in **Switzerland**.
- \* The remaining **30%** is distributed between two countries. Roughly **20%** of the gold reserves are kept at the central bank of the **United Kingdom**, and approximately **10%** at the central bank of **Canada.**”
- \* <http://snbchf.com/2013/04/swiss-gold-location-gold-initiative/> | SNB & CHF

# Swiss Gold Location SNB

Swiss Gold Location		17.01.2014		
Location	Tonnes		%	
Switzerland	<b>728</b>		<b>70</b>	
United Kingdom	<b>208</b>		<b>20</b>	
Canada	<b>104</b>		<b>10</b>	
Total	<b>1040</b>		<b>100</b>	

# Gold as % of Total Reserves

## SNB Balance Sheet

Date	Gold as % Total	Comment	
1990 -2000	44	CHF backed by Gold in Constitution	
2000-2005	25	Gold Sales SNB 1300 Tonnes	
2005-2008	40	Rise in Price of Gold	
2008-2013	8	Purchase of 400 Bill Forex for PEG	
2013-	20	SGI Initiative	
Euro Area	61	Average	
CBGA 3 Signatories	40	Average	

# Hildebrand – Swiss Gold Sales

- \* “ In June 1999, the Governing Board of the SNB decided that **half of its then gold reserves of 2590 tonnes were no longer required for monetary purposes** and that it would inform the market and the public accordingly. This decision contributed to the process that eventually led to the first central bank agreement on gold sales. This so called Washington Agreement provided the framework for the subsequent gold sales of the Swiss National Bank, the ECB and thirteen European national central banks. Under this agreement, the **SNB’s realized sales of 1170 tonnes** which represented the bulk of the total sales of 2000 tonnes for all participating central banks. The SNB completed its gold selling program on March 30, 2005 after **selling a residual 130 tonnes** under the second central bank agreement on gold sales. After completion of the gold sales and the distribution of the proceeds from the sales to the Swiss government and the 26 cantons, the SNB’s balance sheet will consist of approximately CHF 90bn. With **the remaining 1290 tonnes of gold** reserves, the SNB retains roughly 20 percent of its assets in gold. By international comparison, the SNB continues to hold a very significant stock of gold.....
- \* Overall, the **gold sales proceeds amounted to CHF 21.1bn, or CHF 16,241 per Kg. Expressed in USD, the average selling price was USD 351,40 per ounce**, which was 17.2 USD higher than the average London fixing price between Mai 2000 and March 2005 (334,2 USD).” END
- \* Speech in Washington DC by P.Hildebrand 05.05.2005 <http://www.bis.org/review/r050509b.pdf>

# Swiss SNB Gold Sales

Swiss SNB Gold									17.01.2014
Sales	Gold	Gold	Gold	SNB	SNB	Difference	Difference		
Tonnes Gold	Price	Price	Price	Actual Revenue	Actual Revenue	to Actual Revenue	To Actual revenue	Exchange	Period
	US\$/oz	US\$ mill/To	CHF/Kg	US\$ mill	CHF mill	US\$ mill	CHF mill	1\$=CHF	
									Actual sales period
<b>1300</b>	<b>351</b>	11.298	<b>16'231</b>	14'687	<b>21'100</b>	0	0	1.437	May 2000 to March 2005
									Compared to
1300	1883	60.539	48'069	78'702	62'489	<b>64'015</b>	<b>41'389</b>	0.794	Peak price 24.08.2011
									or
1300	1207	38.805	34'537	50'448	44'898	<b>35'761</b>	<b>23'798</b>	0.890	Recent 31.12.2013
1 Tonne =									
Troy ounces									
32150									

<http://www.xe.com/currencycharts?from=USD&to=CHF&view=10Y>

<http://www.apmex.com/Commentaries/2438/closing-gold-silver-market-report-12-31-2013>

[http://www.exchangerates.org.uk/USD-CHF-31\\_12\\_2013-exchange-rate-history.html](http://www.exchangerates.org.uk/USD-CHF-31_12_2013-exchange-rate-history.html)

<http://www.bullionvault.com/gold-price-chart.do>

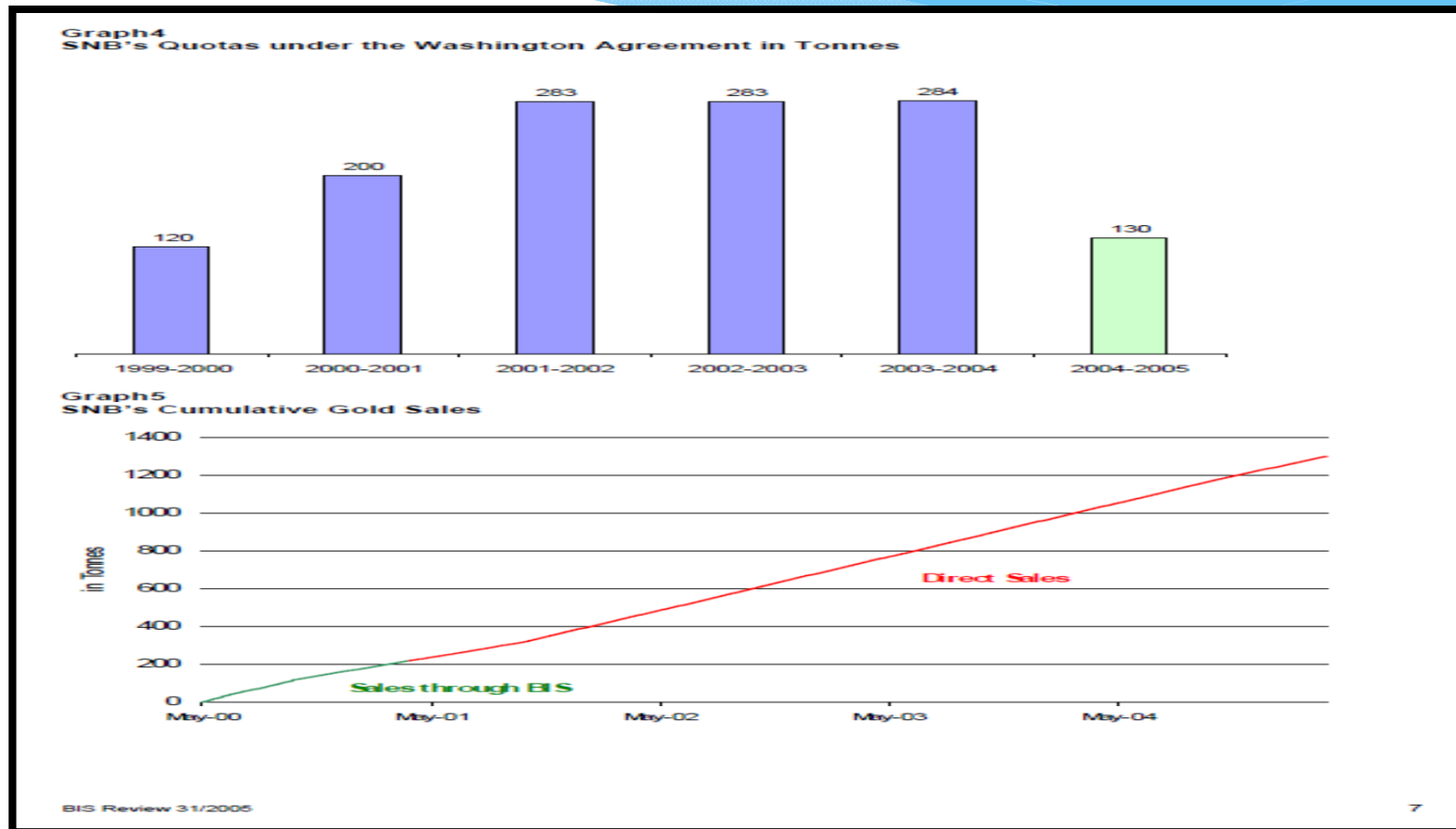
Figures based on

<http://www.bis.org/review/rosogob.pdf>



# SNB's Cumulative Gold Sales

<http://www.bis.org/review/r050509b.pdf>



# SNB Gold Sales 1999 – 2008

[http://www.snb.ch/en/mmr/reference/pre\\_20080929\\_1/source/pre\\_20080929\\_1.en.pdf](http://www.snb.ch/en/mmr/reference/pre_20080929_1/source/pre_20080929_1.en.pdf)

Date	Gold Sales Tonnes	Gold Reserves Tonnes	Comments
1998		2590	Pre sales Total
1999 - 2005	1300	1290	1 st Gold Agreement
2007 - 2008	250	1040	2 nd Gold Agreement

# SNB Loss on Gold Sales

- \* The SNB Gold sales program from 2000 to 2005
- \* If no Gold had been sold over this period, the SNB Balance sheet would have been higher on the dates shown below by the amounts :

1.	24.08. 2011	64.5 Bln US\$ ( 41.4 Bln CHF at 0.794= 1 US\$)
2.	31.12.2013	35.7 Bln US\$ ( 23.8 Bln CHF at 0.890 = 1US\$)

- \* In 2013 the SNB suffered a book loss of 9 Bln CHF on its Gold reserves

\* <http://www.bloomberg.com/news/2014-01-06/snb-sees-10-billion-loss-for-2013-as-gold-price-plummets.html>

# Fiat Currency versus Gold

- \* **Gold has outperformed all fiat currencies this century (01.01.2000 to 01.01.2014)**

- \* <http://goldsilver.com/article/race-to-debase-fiat-currency-vs-gold-fiat-currency-vs-silver-2000-2014/>

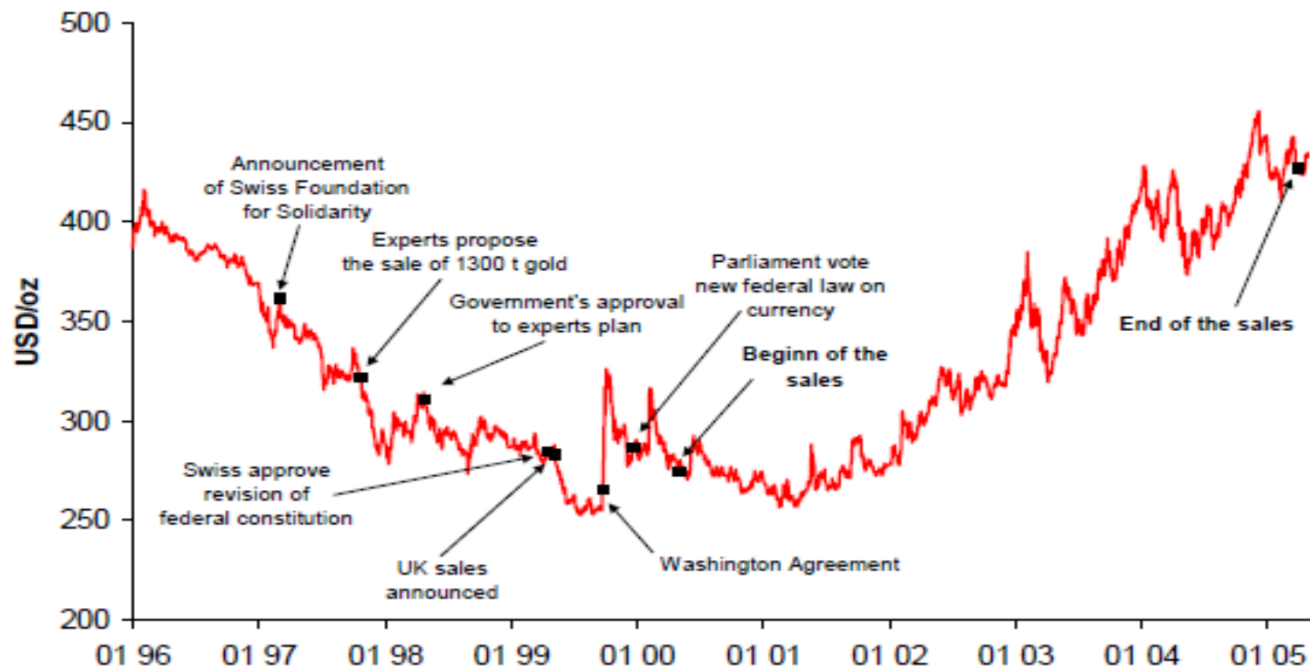
	Fiat Currency vs 1 oz Gold	1-Jan-2000	1-Jan-14	% Gain
	US Dollar	288.00	1,205.62	319%
	Swiss Franc	459.07	1,076.55	135%
	Euro	286.48	877.27	206%

# Gold Price 1996-2005

## SNB Sales Period

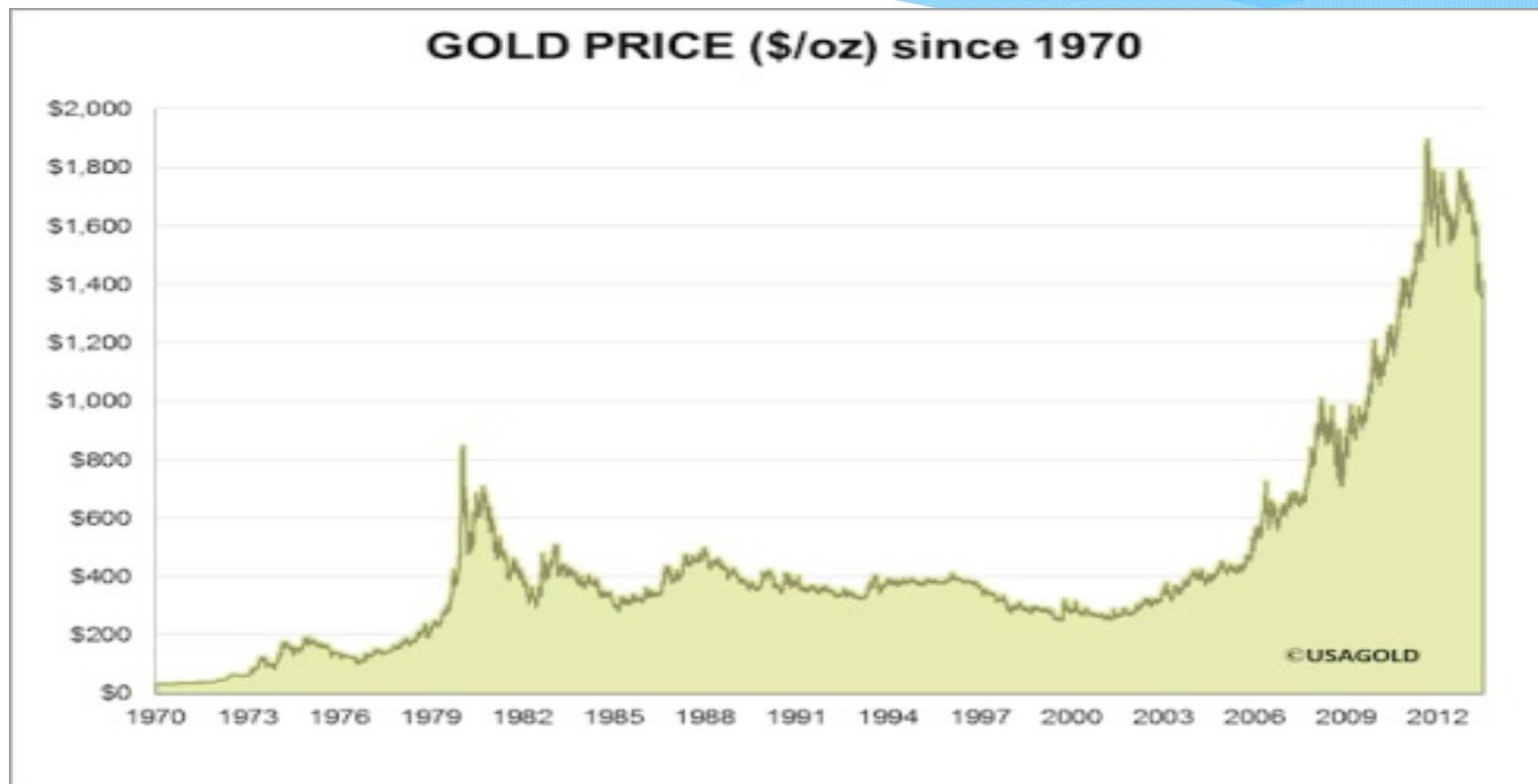
<http://www.bis.org/review/ro50509b.pdf>

**Figure 3**  
**Gold Price since 1996**



# Gold Price since 1970

<http://www.bis.org/review/r050509b.pdf>



# Bundesrat recommends rejection of the SGI

- \* **Botschaft**
- \* **zur Volksinitiative «Rettet unser Schweizer Gold (Gold-Initiative)»**
- \* vom 20. November 2013
- \* Sehr geehrte Frau Nationalratspräsidentin
- \* Sehr geehrter Herr Ständeratspräsident
- \* Sehr geehrte Damen und Herren
- \* Mit dieser Botschaft beantragen wir Ihnen, die Volksinitiative «Rettet unser Schweizer Gold (Gold-Initiative)» Volk und Ständen zur Abstimmung zu unterbreiten mit der Empfehlung, die Initiative abzulehnen.
- \* Wir versichern Sie, sehr geehrte Frau Nationalratspräsidentin, sehr geehrter Herr Ständeratspräsident, sehr geehrte Damen und Herren, unserer vorzüglichen Hochachtung.
- \* 20. November 2013 Im Namen des Schweizerischen Bundesrates
- \* Der Bundespräsident: Ueli Maurer
- \* Die Bundeskanzlerin: Corina Casanova
  
- \* <http://www.admin.ch/opc/de/federal-gazette/2013/9329.pdf>

# SNB Opposition to the SGI

*Jordan of the SNB opposes the SGI based on the following arguments:*

- \* *SNBs statutory mandate to ensure price stability is potentially compromised by the SGI.*
- \* *SNB's monetary policy would be restricted by rigid rules.*
- \* *SNB needs flexibility to expand its Balance Sheet to deal with crisis.(e.g. saving UBS)*
- \* *SNB would have to create money to manage their interest rate policies.*
- \* *The CHF peg to the Euro at 1.20 would not be possible under the SGI*
- \* *Gold's high volatility would endanger the price stability mandate of the SNB.*
- \* *Profit distribution to the Confederation and Cantons would be reduced because:*
  - \* *Gold pays no interest.*
  - \* *Profit taking impossible due to sales ban on Gold.*
- \* *Ban on gold sales removes gold from currency reserve classification, and prevents use in crisis.*
- \* *Storage in Switzerland. Although there is no conflict with monetary policy;*
  - \* *The regional diversification of risk is no longer provided.*
  - \* *Political stability of countries for SNB gold deposits plus assured immunity protection.*
- \* *<http://snbchf.com/2013/04/swiss-gold-location-gold-initiative/>*



# Counter arguments to SNB Opposition to the SGI

- \* *The 80% of non gold assets provide sufficient means for enacting a price stability policy.*
- \* *The 80% of non gold assets provide sufficient means for enacting monetary policy.*
- \* *The 80% of non gold assets provide sufficient Balance Sheet flexibility.*
- \* *SNB is already creating money massively to operate the Euro peg at 1.20.*
- \* *The PEG would still be workable in the short term, but all PEGS eventually fail.*
- \* *Currencies **fluctuate** as much as gold and are non valeur without some gold backing.*
- \* *The SNB's mandate is **price stability** and monetary policy should not be focused on speculation and profit distribution, the latter often in conflict of interest with the former.*
  - \* *Gold pays no interest but provides capital gains when fiat money supply is expanding in the absence of any corresponding sales of gold for fiat currencies.*
  - \* *Profit could be distributed from selling fiat \$, Euros, for CHF.*
- \* *The 20% proposed Swiss Gold level is well below the Euro area 60.9% and CBGA 39.7% levels.*
- \* *The **risk of gold confiscation** is historically greater when gold is stored abroad, particularly for a neutral country like Switzerland, which managed to stay out of WW1 and WW11.*

# Gold prevents Hyperinflation

[http://upload.wikimedia.org/wikipedia/en/8/88/The\\_Hanke\\_Krus\\_Hyperinflation\\_Table.pdf](http://upload.wikimedia.org/wikipedia/en/8/88/The_Hanke_Krus_Hyperinflation_Table.pdf)

Country	Currency name	Month with highest inflation rate	Highest monthly inflation rate	Equivalent daily inflation rate	Time required for prices to double
<a href="#">Hungary</a>	<a href="#">Hungarian pengő</a>	July 1946	$4.19 \times 10^{16} \%$	207.19%	15 hours
<a href="#">Zimbabwe</a>	<a href="#">Zimbabwe dollar</a>	November 2008	$7.96 \times 10^{10} \%$	98.01%	24.7 hours
<a href="#">Yugoslavia</a>	<a href="#">Yugoslav dinar</a>	January 1994	$3.13 \times 10^8 \%$	64.63%	1.4 days
<a href="#">Republika Srpska</a>	<a href="#">Republika Srpska dinar</a>	January 1994	$2.97 \times 10^8 \%$	64.3%	1.4 days
<a href="#">Germany</a>	<a href="#">German Papiermark</a>	October 1923	29,500%	20.87%	3.7 days
<a href="#">Greece</a>	<a href="#">Greek drachma</a>	October 1944	13,800%	17.84%	4.3 days

# Gold versus Fiat Currencies

- \* The world in 2014 is awash in **debt** which is no longer serviceable except by the issue of more and more debt in QE type programs underway in the USA and elsewhere.
- \* The Too Big To Fail Banks in the Banking System are at risk through **derivatives schemes** which cannot be unraveled without bailing in and out the TBTF Banks at taxpayer, bond, stockholder and depositor expense.
- \* The **Gold price** is claimed to be **manipulated downwards** by various governments in order to preserve the illusion of value for the world's fiat currency system.
- \* The Gold price manipulation is claimed to be carried out by the Bullion Banks (on behalf of the Federal Reserve, and various other of the World's Central Banks), and coordinated through the BIS, Basel.
- \* <http://fr.scribd.com/doc/201294033/TTMYGH-20-Jan-2014>

# Gold Storage and lack of Audits

- \* **The USA Gold** stored at **Fort Knox** and elsewhere is suspected to have been **sold off and/or hypothecated** in gold swaps and other derivatives over the last 50 years in order to prevent the collapse of the US\$.
- \* An **audit of the USA Gold reserves has not been held** since 1986.
- \* <http://www.ingoldwetrust.ch/a-first-glance-on-us-official-gold-reserves-audits>
- \* **Gold stored elsewhere in the USA, London and other countries**, is also suspected to have been **re hypothecated** (several times) through Gold Swaps and other derivative arrangements. An **audit** would establish how much is there and who are the owners.
- \* Many countries are considering **repatriating Gold** from the USA, England and elsewhere for the above reasons. These include **Venezuela, Germany, Poland, and Switzerland**.
- \* **Gold held in the USA** for foreign central Banks can be used to put diplomatic pressure on that country using the **threat of Gold confiscation**. (e.g. USA Iran)

# Gold's role in a Monetary System Reset

- \* **Gold** is scarce, noble, dense, and was adopted by natural selection as the **best available store of monetary value** through a historical process going back **5000 years** to dawn of history.
- \* The **monetary system** can only be **reset by revaluing Gold** to a level which reflects the amount of whatever old (or new) fiat currency is in circulation.
- \* **Countries with little or no gold** in their reserves will be **impoverished during the reset mechanism**.

# Gold Reserves by Country



Rank	Country/Organization	Gold (tonnes)	Gold's share of national forex reserves (%)
	As at June 2013 (Top 40 based on World Gold Council data) <sup>[10]</sup> <a href="http://en.wikipedia.org/wiki/Gold_reserve">http://en.wikipedia.org/wiki/Gold_reserve</a>		
-	G6 (EU)	8,972.6	76%
1	<b>United States</b>	<b>8,133.5</b>	<b>70%</b>
2	<a href="#">Germany</a>	3,390.6	66%
3	<a href="#">International Monetary Fund</a>	2,814.0	N.A.
4	<a href="#">Italy</a>	2,451.8	65%
5	<a href="#">France</a>	2,435.4	65%
6	<a href="#">China</a> new estimate at 2710 Tonnes end 2013 !	1,054.1	1%
7	<a href="#">Switzerland</a>	<b>1,040.1</b>	<b>8%</b>
8	<a href="#">Russia</a>	1,015.4 <sup>[11]</sup>	
9	<a href="#">Japan</a>	765.2	2%
10	<a href="#">Netherlands</a>	612.5	52%
11	<a href="#">India</a>	557.7	7%
12	<a href="#">European Central Bank</a>	502.1	27%
13	<a href="#">Turkey</a>	487.3 <sup>[12]</sup>	16.2%
14	<a href="#">Taiwan</a>	423.6	4%
15	<a href="#">Portugal</a>	382.5	84.0%
16	<a href="#">Venezuela</a>	365.8	66.0%
17	<a href="#">Saudi Arabia</a>	322.9	2%
18	<a href="#">United Kingdom</a>	310.3	12%
19	<a href="#">Lebanon</a>	286.8	22%
20	<a href="#">Spain</a>	281.6	23%
21	<a href="#">Austria</a>	280.0	48%
22	<a href="#">Belgium</a>	227.4	33%

# Gold Reserves by Country

Tonnes and as % share of Forex Reserves June 2013

**WORLD OFFICIAL GOLD HOLDINGS - World Gold Council**



[PDF]www.gold.org/.../World\_Official\_Gold\_Holdings\_as\_of\_June2013\_IFS....

1	United States	8,133.5	73.9%
2	Germany	3,391.3	70.6%
3	IMF	2,814.0	1)
4	Italy	2,451.8	69.5%
5	France	2,435.4	68.8%
6	China	1,054.1	1.4%
7	Switzerland	1,040.1	9.5%
8	Russia	990.0	8.8%
9	Japan	765.2	2.9%
10	Netherlands	612.5	56.9%
11	India	557.7	8.8%
12	ECB	502.1	31.1%
13	Turkey6)	427.1	15.1%
14	Taiwan	423.6	4.9%
15	Portugal	382.5	87.6%
16	Venezuela	365.8	70.1%
17	Saudi Arabia	322.9	2.3%
18	United Kingdom	310.3	14.1%
19	Lebanon	286.8	26.6%
20	Spain	281.6	26.9%
21	Austria	280.0	52.8%
22	Belgium	227.4	37.7%
23	Philippines	192.7	10.9%
24	Algeria	173.6	4.1%
25	Thailand	152.4	4.0%

## NOTES

\* This table was updated in **June 2013** and reports data available at that time. Data are taken from the International Monetary Fund's International Financial Statistics (IFS), **June 2013** edition, and other sources where applicable. IFS data are two months in arrears, so holdings are as of **April 2013** for most countries, **March 2013** or earlier for late reporters. The table does not list all gold holders: countries which have not reported their gold holdings to the IMF in the last six months are not included, while other countries are known to hold gold but they do not report their holdings publicly. Where the WGC knows of movements that are not reported to the IMF or misprints, changes have been made.

\*\*The percentage share held in gold of total foreign reserves, as calculated by the World Gold Council. The value of gold holdings is calculated using the end of month London pm fix gold price published daily by the LBMA. In April the end of month gold price was \$1469.00. Data for the value of other reserves are taken from IFS, table 'Total Reserves minus Gold'.

1. BIS and IMF balance sheets do not allow this percentage to be calculated. In the case of any countries, up to date data for other reserves are not available.

2. BIS data are updated each year from the BIS's annual report to reflect the Bank's gold investment assets excluding any gold held in connection with swap operations, under which the Bank exchanges currencies for physical gold. The bank has an obligation to return the gold at the end of the contract.

3. West African Economic Monetary Union including the central bank.

4. Includes both "Monetary gold" and "Other gold" as reported by the central bank.

5. Signatories to the third Central Bank Gold Agreement which commenced in September 2009. The signatories include: ECB, Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland. Estonia became a signatory upon joining the Euro in January 2011.

6. Gold has been added to Turkey's balance sheet as a result of a policy accepting gold in its reserve requirements from commercial banks. Please see this link for information on this policy action <http://www.tcmb.gov.tr/yeni/announce/2012/ANO2012-38.htm>

# World Official Gold Holdings



## WORLD OFFICIAL GOLD HOLDINGS

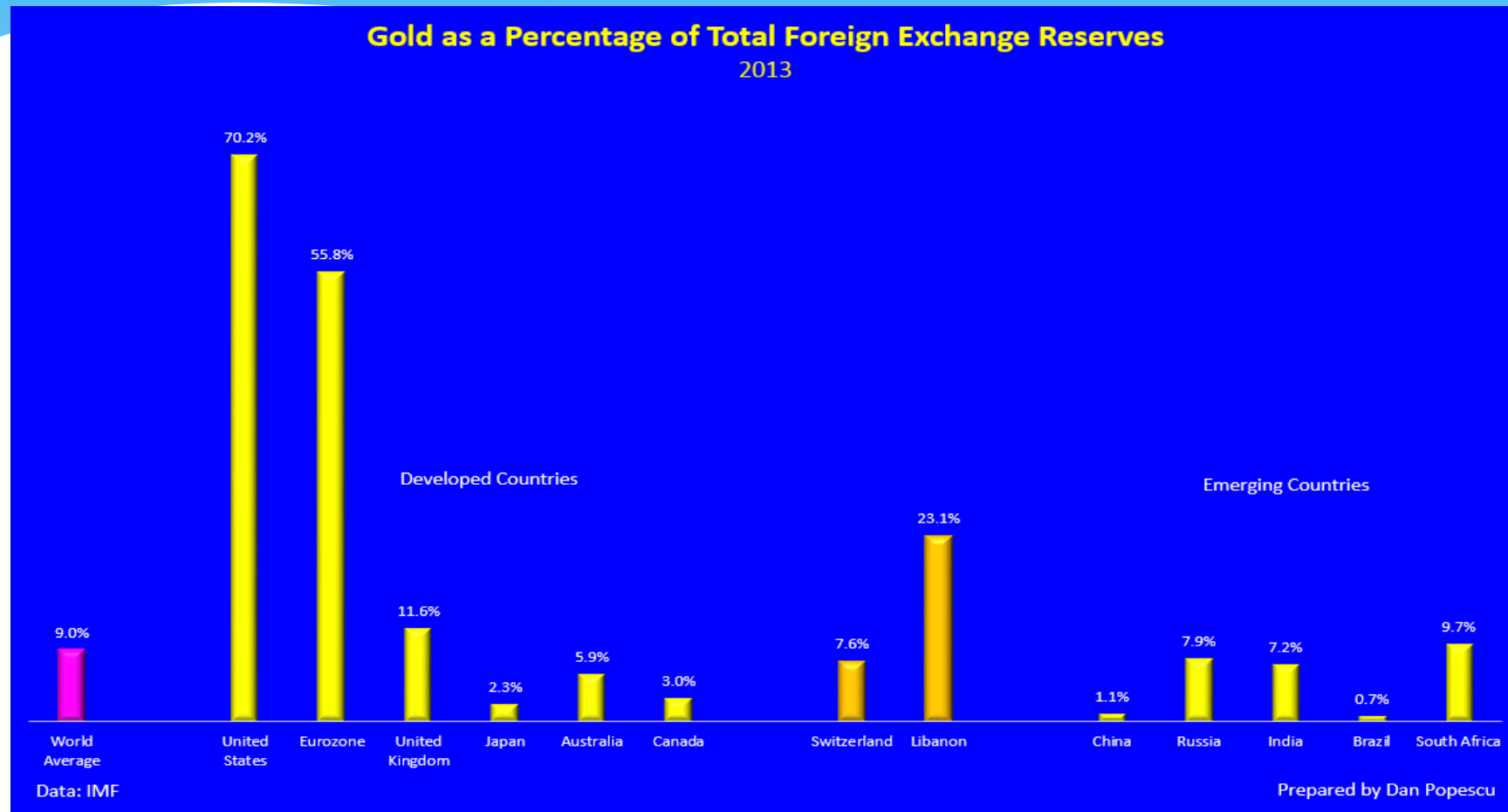
International Financial Statistics, June 2013<sup>\*</sup>

	Tonnes	% of reserves <sup>**</sup>
Other		
World	31,793.9	<sup>1)</sup>
Euro Area (incl. ECB)	10,783.4	60.9%
CBGA 3 signatories <sup>5)</sup>	11,949.2	39.7%



# Gold as a % of Total Foreign Exchange

Reserves <https://www.goldbroker.com/en/news/gold-anti-dollar-united-states-role-market-537>



# Gold Historical Estimates

- \* **Gold Reserves**
- \* A **gold reserve** is the gold held by a central bank or nation intended as a store of value and as a guarantee to redeem promises to pay depositors, note holders (e.g., paper money), or trading peers, or to secure a currency.
- \* At the end of 2004, **central banks and investment funds held 19% of all above-ground gold as bank reserve assets.**
- \* It has been estimated that **all the gold mined** by the end of 2011 totalled **171,300 tonnes**.<sup>[1]</sup> At a price of US\$1500 per troy ounce, reached on 12 April 2013, one tonne of gold has a value of approximately US\$48.2 million. **The total value of all gold ever mined would exceed US\$8.2 trillion** at that valuation.<sup>[note 1]</sup>
- \* [http://en.wikipedia.org/wiki/Gold\\_reserve](http://en.wikipedia.org/wiki/Gold_reserve)

# The Gold Series 2014

## Gold Properties, Supply, Demand, Investment

- \* <http://www.visualcapitalist.com/the-gold-series-the-most-sought-after-metal-on-earth-part-1-of-5>
- \* <http://www.visualcapitalist.com/the-gold-series-unearthing-the-worlds-gold-supply-part-2-of-5>
- \* <http://www.visualcapitalist.com/the-gold-series-the-eclipsing-demand-of-the-east-part-3-of-5>
- \* <http://www.visualcapitalist.com/gold-series-gold-investment-part-4/>
- \* <http://www.visualcapitalist.com/gold-series-history-gold/>

# Supply and Demand (Oct.2013)

<http://www.zerohedge.com/news/2014-01-17/sprott-manipulation-gold-central-banks-cannot-continue-2014>

Supply	YTD	Monthly Average	Annualized	Source
Mine production	2,149	238.8	2,866	China Gold Association
less Chinese domestic production	323	35.9	431	China Gold Association
less Russian domestic production	185	20.6	247	Union of Gold Producers
<b>Total mine production</b> (excluding China & Russia)	<b>1,641</b>	<b>182.4</b>	<b>2,188</b>	
Demand				
Hong Kong net exports to China	1,016	92.4	1,108	Hong Kong Census
Net imports to Hong Kong	573	52.1	625	Hong Kong Census
Thailand – net imports	172	19.1	229	UN COMTRADE statistics
Turkey – net imports	157	17.4	209	UN COMTRADE statistics
India – net imports	582	64.6	776	UN COMTRADE statistics
Central Banks – net purchases	297	33.0	396	GFMS
Other countries – jewellery, coin and bar demand <sup>7</sup>	884	98.2	1,179	GFMS
<b>Total Demand</b>	<b>3,681</b>	<b>376.8</b>	<b>4,522</b>	
Other sources of supply				
Gold recycling	1046.9	116.3	1,396	GFMS
ETF outflows	697.4	77.5	930	GFMS

# Gold Price Manipulation

Paul Craig Roberts- ex USA Asst.Treasury Sec.

- \* **The evidence of gold price manipulation is clear.** In this article we present **evidence and describe the process.**
- \* We conclude that ability to manipulate the gold price is disappearing as **physical gold moves from New York and London to Asia, leaving the West with paper claims to gold that greatly exceed the available supply.**
- \* The primary venue of the Fed's manipulation activity is the **New York Comex exchange**, where the world trades gold futures. Each gold futures contract represents one gold 100 ounce bar. The Comex is referred to as a paper gold exchange because of the use of these futures contracts. Although several large global banks are trading members of the Comex, JP Morgan, HSBC and Bank Nova Scotia conduct the majority of the trading volume. Trading of gold (and silver) futures occurs in an auction-style market on the floor of the Comex daily from 8:20 a.m. to 1:30 p.m. New York time. Comex futures trading also occurs on what is known as **Globex**.
- \* **Globex** is a computerized trading system used for derivatives, currency and futures contracts. It operates continuously except on weekends. Anyone anywhere in the world with access to a computer-based futures trading platform has access to the Globex system.

<http://www.paulcraigroberts.org/2014/01/17/how-why-gold-price-manipulation/>

# Gold Price Manipulation

BaFin, the German regulator, has launched an investigation into gold-price manipulation  
<http://www.gata.org/node/13681>

- \* **London gold fix may be manipulating half the time, research concludes**
- \* Submitted by cpowell on Mon, 2014-02-24 00:39. Section: [Daily Dispatches](#) Fears Over Gold Price Rigging Put Investors on Alert; German and UK Regulators Investigate
- \* By Madison Marriage  
**Financial Times, London**  
**Monday, February 24, 2014**
- \* Global gold prices may have been manipulated on 50 percent of occasions between January 2010 and December 2013, according to analysis by Fideres, a consultancy.
- \* The findings come amid a probe by German and UK regulators into alleged manipulation of the gold price, which is set twice a day by Deutsche Bank, HSBC, Barclays, Bank of Nova Scotia, and Societe Generale in a process known as the London gold fixing.
- \* Fideres' research found the gold price frequently climbs (or falls) once a twice-daily conference call between the five banks begins, peaks (or troughs) almost exactly as the call ends, and then experiences a sharp reversal, a pattern it alleged may be evidence of "collusive behavior.".....
- \* **BaFin, the German regulator, has launched an investigation into gold-price manipulation** and demanded documents from Deutsche Bank. The bank last month decided to end its role in gold and silver pricing. The U.K.'s Financial Conduct Authority is also examining how the price of gold and other precious metals is set as part of a wider probe into benchmark manipulation following finding of wrongdoing with respect to LIBOR and similar allegations with respect the foreign exchange market.
- \* [http://www.lbma.org.uk/pages/?page\\_id=52&title=statistics\\_faqs](http://www.lbma.org.uk/pages/?page_id=52&title=statistics_faqs) London Gold Fixing
- \* <http://www.zerohedge.com/news/2014-02-25/here-fts-gold-price-manipulation-article-was-removed>

# Gold price suppression covered fully by GATA secretary on 'The Larry Parks Show'

\* Gold price suppression covered fully by GATA secretary on 'The Larry Parks Show'

Submitted by cpowell on 07:36PM ET Sunday, September 21, 2014. Section: Daily Dispatches  
10:39p ET Sunday, September 21, 2014

Thanks to the interviewer's knowledge of the issue and willingness to spend time on it, your secretary/treasurer got to cover many aspects of the Western gold price suppression scheme last week on "The Larry Parks Show," broadcast on the Manhattan Neighborhood Network in New York. Parks was so adept because he is executive director of the Foundation for the Advancement of Monetary Education: <http://fame.org/>

Among the aspects discussed were the U.S. government's having authorized itself to rig all markets secretly, the U.S. government documents recently disclosed showing that central banks are trading secretly in all major U.S. futures markets, the other documents GATA has compiled proving the gold price suppression scheme, why the gold mining industry refuses to do anything about it, why the scheme will keep succeeding until gold investors shun "paper gold," and the treason of the central bankers in developing countries.

The interview being so comprehensive, it would be an especially good one for gold investors and anti-imperialists to recommend to government officials, financial journalists, and gold and silver company executives.

The interview is a half hour long and can be viewed at the Vimeo Internet site here:

<http://vimeo.com/106757886>

CHRIS POWELL, Secretary/Treasurer

Gold Anti-Trust Action Committee Inc.

# Gold Fix Study Shows Signs of Decade of Bank Manipulation

- \* The [London](#) gold fix, the benchmark used by miners, jewelers and central banks to value the metal, may have been manipulated for a decade by the banks setting it, researchers say.
- \* Unusual trading patterns around 3 p.m. in London, when the so-called afternoon fix is set on a private conference call between five of the biggest gold dealers, are a sign of collusive behavior and should be investigated, [New York](#) University's Stern School of Business Professor Rosa Abrantes-Metz and Albert Metz, a managing director at Moody's Investors Service, wrote in a draft research paper.
- \* "The structure of the benchmark is certainly conducive to collusion and manipulation, and the empirical data are consistent with price artificiality," they say in the report, which hasn't yet been submitted for publication. "It is likely that co-operation between participants may be occurring."
- \* The paper is the first to raise the possibility that the five banks overseeing the century-old rate -- [Barclays Plc \(BARC\)](#), [Deutsche Bank AG \(DBK\)](#), Bank of Nova Scotia, [HSBC Holdings Plc \(HSBA\)](#) and [Societe Generale SA \(GLE\)](#) -- may have been actively working together to manipulate the benchmark. It also adds to pressure on the firms to overhaul the way the rate is calculated. Authorities around the world, already investigating the manipulation of benchmarks from [interest rates](#) to foreign exchange, are examining the \$20 trillion gold market for signs of wrongdoing.

<http://www.bloomberg.com/news/2014-02-28/gold-fix-study-shows-signs-of-decade-of-bank-manipulation.html>

<http://www.gata.org/node/13706>



# Gold market manipulation update, July 2014

Remarks by Chris Powell, Secretary/Treasurer  
Gold Anti-Trust Action Committee Inc.

- \* For control of the gold price, as Secretary Kissinger's deputy explained to him in 1974, confers control of the currency and bond markets and control of interest rates generally, which in turn confers control of the value of all capital, labor, goods, and services in the world -- the control of *everything* that has a price.
- \* A summary of the Western central bank gold price suppression scheme and the major documents confirming it is posted here:
- \* <http://www.gata.org/node/13644>      <http://www.gata.org/node/13829>
- \* Aug 13 (Reuters) - A federal judicial panel on Wednesday ordered that 18 lawsuits alleging a conspiracy to manipulate gold prices be consolidated into one proceeding in New York.
- \* The cases will be sent to U.S. District Judge Valerie Caproni in Manhattan, who has already been overseeing more than two dozen cases
- \* <http://www.reuters.com/article/2014/08/13/usa-gold-lawsuits-idUSL2NoQJ29320140813>

# Volker Rule

- \* **OCC: Volcker Rule: Final Regulations**
- \* <http://www.occ.gov/news-issuances/bulletins/2014/bulletin-2014-9.html>
- \* **Highlights The final regulations**
- \* prohibit banks from engaging in short-term proprietary trading of certain securities, derivatives commodity futures, and options on these instruments for their own accounts.
- \* impose limits on banks' investments in, and other relationships with, hedge funds and private equity funds.
- \* provide exemptions for certain activities, including market making-related activities, underwriting, risk-mitigating hedging, trading in government obligations, insurance company activities, and organizing and offering hedge funds and private equity funds.
- \* Rule effective 01.04.2014 for compliance by July 2015

# The Deutsche Bundesbank's gold holdings

## Distribution of holdings among storage locations

(as per 31 December 2011)

[http://www.bundesbank.de/Redaktion/EN/Downloads/Press/Publications/2011\\_12\\_31\\_gold\\_holdings.pdf?\\_\\_blob=publicationFile](http://www.bundesbank.de/Redaktion/EN/Downloads/Press/Publications/2011_12_31_gold_holdings.pdf?__blob=publicationFile)

*	Holdings in t	% share	Number of bars	Value in € billion*
* <b>BBk, Frankfurt</b>	1,036	31	82,857	40.5
* <b>Fed, New York</b>	1,536	45	122,597	60.1
* <b>BdF, Paris</b>	374	11	29,775	14.6
* <b>BoE, London</b>	450	13	36,036	17.6
* <b>Total</b>	<b>3,396</b>	<b>100</b>	<b>271,265</b>	<b>132.8</b>

# German BundesBank Gold Repatriation

<http://www.zerohedge.com/news/2013-12-24/year-later-bundesbank-has-repatriated-only-37-tons-gold-700-tota>

- \* Germany plans repatriation of **700** Tons to Germany
- \* The Federal Reserve responded that this would take **7 years**.
- \* On 23.12.2013 Buba head Jens Weidmann told Bild that gold valued at €1.1 billion has been repatriated so far. Putting a weight to this number: **to date the Bundesbank has received shipments of a paltry 37 tons of gold from its existing storage place in either New York or Paris to Germany: “**
- \* The repatriated amount over the course of all of 2013 represents just over **5%** of the total stated target of **700** tons, and is well below the **87.5** tons that the Bundesbank would need to repatriate each year if it were to collect the 700 tons ratably ever year in the 8 year interval between **2013 and 2020**.

# Half of German Bundesbank gold reserves will be stored in Germany by 2020

- \* According to the new gold storage plan, unveiled in January 2013, from 2020 the Bundesbank will store half of Germany's gold reserves of 3,400 tonnes in its own vaults.
- \* In addition - on the basis of how the gold holdings were allocated across the storage locations as at 31 December 2012 - 300 tonnes of gold will gradually be repatriated from New York City, and 374 tonnes of gold from Paris, to Frankfurt am Main.

\* [http://www.bundesbank.de/Redaktion/EN/Pressemitteilungen/BBK/2014/2014\\_01\\_21\\_gold\\_en.html?searchArchive=o&submit=Search&searchIssued=o](http://www.bundesbank.de/Redaktion/EN/Pressemitteilungen/BBK/2014/2014_01_21_gold_en.html?searchArchive=o&submit=Search&searchIssued=o)

# Gold - Sweden and Finland

<http://www.zerohedge.com/news/2013-11-03/guest-post-finlands-gold>

Location	Sweden	Finland
Bank of England	61.4	25.0
Swedish Riksbank	15.1	9.8
New York Fed	13.2	8.8
Swiss National Bank	2.8	3.4
Bank of Finland	-	2.0
Bank of Canada	33.2	-
Total Tonnes	125.7	49.0

# Finland – Gold Swaps

- \* **The evidence is mounting that Western central banks through the Bank of England have been feeding monetary gold into the market through leasing operations.** Indeed, the Finnish blog says as much: "Gold investment activities are common for central banks".
- \* **Head of Communications for the Bank of Finland** *"Throughout these years no more than half of the gold has been invested. **Gold** has been invested in for example **deposits similar to money market deposits and gold interest rate swap agreements**. Gold investment activities are common for central banks. Risks related to gold investments are controlled with limits, decentralising investments and limits regarding run times."*
- \* <http://www.zerohedge.com/news/2013-11-03/guest-post-finlands-gold>
- \* [http://www.suomenpankki.fi/fi/suomen\\_pankki/ajankohtaista/blogit/jenni\\_hellstrom/Pages/blogi\\_30102013.aspx](http://www.suomenpankki.fi/fi/suomen_pankki/ajankohtaista/blogit/jenni_hellstrom/Pages/blogi_30102013.aspx)

# Ecuador Used Gold Reserves for Goldman Sachs Loan Collateral

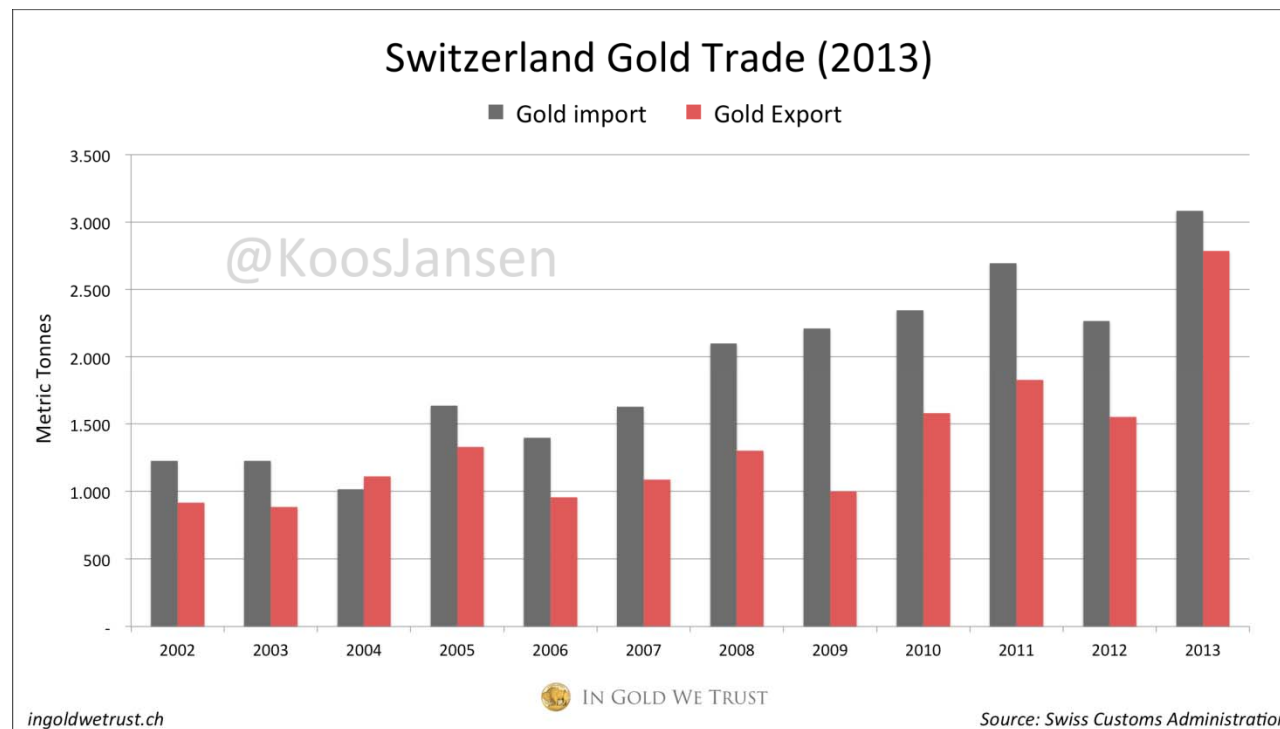
<http://www.bloomberg.com/news/2014-06-04/ecuador-used-gold-for-goldman-sachs-loan-collateral-correa-says.html>

- \* The government of Ecuador, faced with a [budget deficit](#) forecast to hit a record this year, said last week that it “invested” 466,000 ounces of gold with Goldman Sachs in return for “instruments of high security and liquidity.” The transaction added to reserves of “monetary gold” and would generate as much as \$20 million in profit, according to a central bank statement.
- \* The gold reserves “serve as collateral for a loan,” Correa told reporters today at the presidential palace in [Quito](#). “With this loan, we can invest in the country.”
- \* The deal, amounting to 1,165 gold bars worth about \$580 million at current prices, comes on top of government attempts to sell about \$700 million of bonds this year in what would be the nation’s first foreign debt sale since it defaulted on \$3.2 billion of its notes in 2008 and 2009.



# Switzerland Gold Import and Export Trade

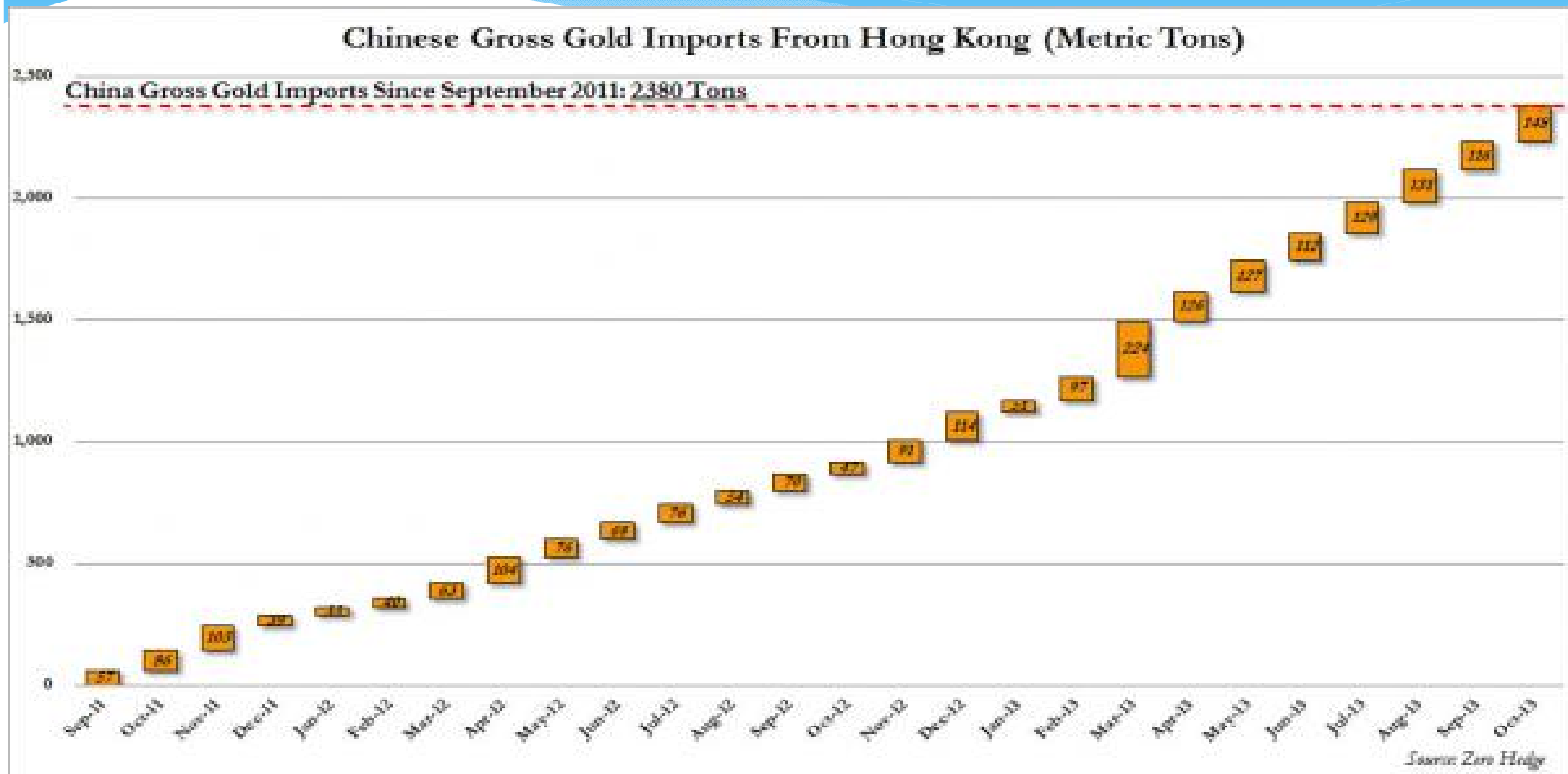
<http://www.ingoldwetrust.ch/gold-trade-numbers-2013-broke-records>



# Chinese Gold Imports

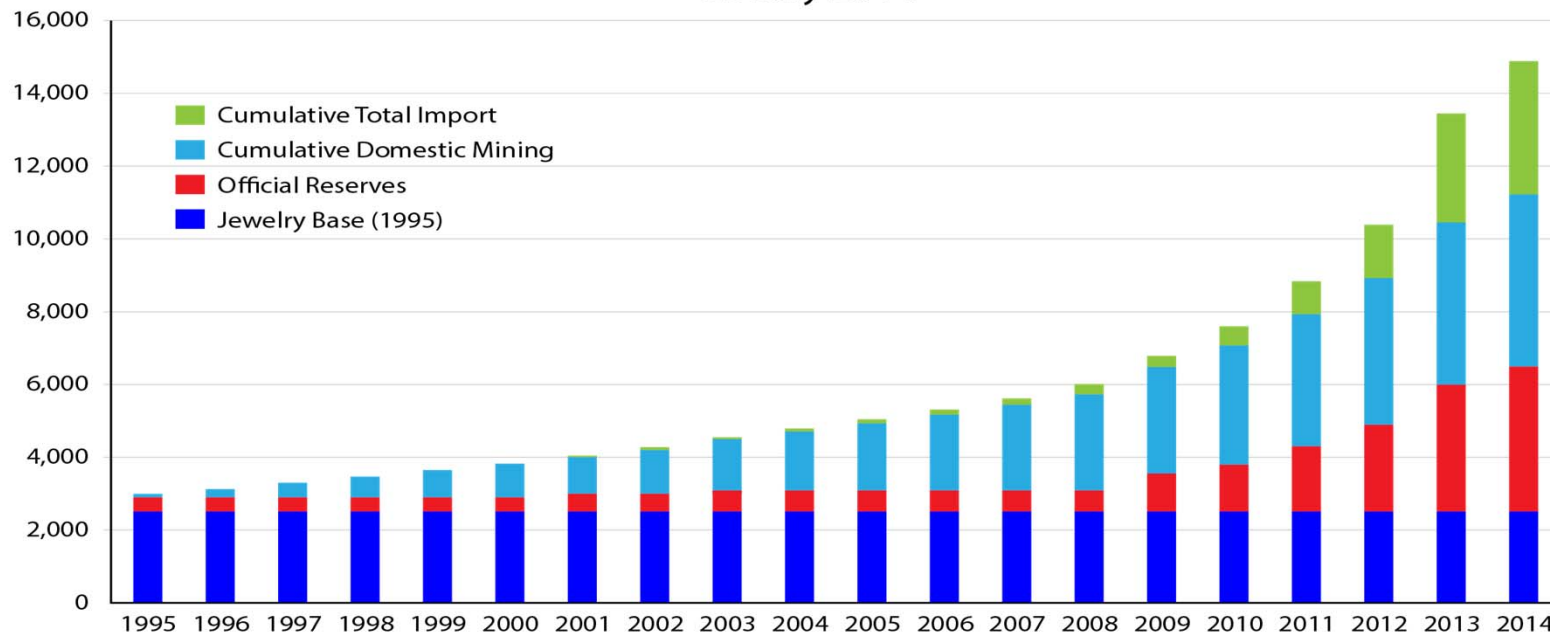
<http://www.zerohedge.com/news/2013-12-24/year-later-bundesbank-has-repatriated-only-37-tons-gold-700-total>

<http://www.ingoldwetrust.ch/gold-trade-numbers-2013-broke-records>



# Total Chinese Gold Reserves - estimated

Estimated Total Chinese Gold Reserves  
(Metric Tonnes)  
25 July 2014



Source: Koos Jansen - SGE / WGC / CGA / HK Customs

# China – Gold Reserves

- \* **China may soon announce an increase in its official gold reserve from 1,054 tons to 2,710 tons**, Jeffrey Nichols, managing director of American Precious Metals Advisors, said.
- \* The **People's Bank of China has not reported any increase in official gold holdings since 2009**, when the central bank said the official reserve was at **1,054 tons**, which accounted for **only about 1 percent of its multi-trillion foreign exchange reserves**.
- \* The PBOC has been “surreptitiously” adding to its official gold reserves. It has bought a total of 654 tons in 2009 through 2011, another 388 tons in 2012, and more than 622 tons last year, mostly from domestic mine production and secondary supplies, Nichols said in a commentary posted on NicholsOnGold.com yesterday.
- \* Combined demand in China in the first three quarters amounted to **821 tons** and the demand for the whole last year is **expected to exceed 1,000 tons**, according to the council's earlier statements.
- \* <http://www.zerohedge.com/news/2014-01-19/shanghai-daily-china-expected-announce-it-has-more-doubled-its-gold-reserves>  
From [Shanghai Daily](#):

# Greenspan: Gold is the ultimate money and China well might want more

By Alan Greenspan

Foreign Affairs

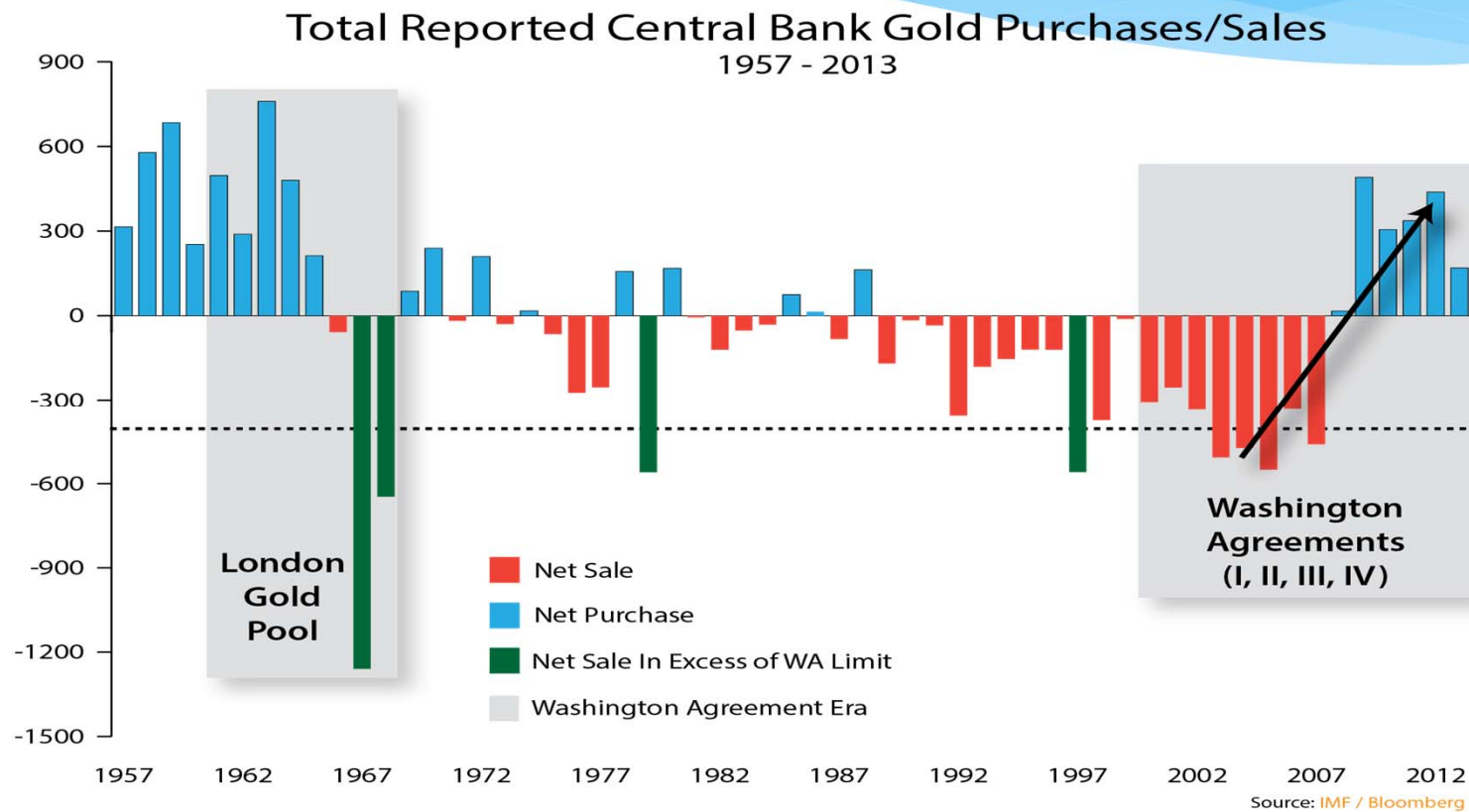
Council on Foreign Relations, New York

Monday, September 29, 2014

<http://www.foreignaffairs.com/articles/142114/alan-greenspan/golden-rule>

If China were to convert a relatively modest part of its \$4 trillion foreign exchange reserves into gold, the country's currency could take on unexpected strength in today's international financial system.

# Total Reported Central Bank Gold Purchases/Sales



# SNB Gold

Current holdings and required levels if SwissGold Initiative adopted

<http://www.snb.ch/en/iabout/stat/statpub/balsnb/stats/balsnb>

SNB Gold holdings	Balance Sheet		17.02.2014						
Current Gold holdings and required levels under SGI of 20% Gold assuming some Forex sales.									
	Date	Gold	Au Price	Total	Rate	%	Tonnes	Au Price	Au Price
SNB BALANCE SHEET	31.12.2013	CHF mill	CHF/Kg	CHF mill	1\$=CHF	Gold	Gold	US\$/T	US\$/oz
End 2013	31.12.2013	35'565	34'536	490'382	0.89	7.25%	1'030	38'805	1207
At SGI 20% level	2015/2016	98'076	34'536	490'382		20.00%	2'840		
Sales of forex				62'511					
Purchase requirements of Gold		62'511	34'536			20.00%	1'810		
or alternatively									
zero purchase of Gold		37'844		189'220		20.00%			
Sales of Forex				301'162					
<a href="http://www.apmex.com/Commentaries/2438/closing-gold-silver-market-report-12-31-2013">http://www.apmex.com/Commentaries/2438/closing-gold-silver-market-report-12-31-2013</a>									
<a href="http://www.exchangerates.org.uk/historical/USD/31_12_2013">http://www.exchangerates.org.uk/historical/USD/31_12_2013</a>									

## SNB Gold

### Required levels if SGI adopted

<http://www.snb.ch/en/iabout/stat/statpub/balsnb/stats/balsnb>

- \* If the Swiss Gold Initiative were adopted, **the SNB would either be required :**
  - \* to **purchase 1'810 Tonnes** of Gold to achieve the 20% level , (including Forex sales equating to CHF 62.5 Bill).
  - \* **Or sell 301.2 Billion CHF equivalent in Euros, \$ or other forex non-Gold items** to achieve the 20% Au level ,(with zero purchases of Gold).
  - \* **Or adopt some other compromise of Gold purchases and Forex sales** in between these figures.
- \* Figures calculated based on Gold price on 31.12.2013



# Swiss Gold Location SNB

Swiss Gold Location		17.01.2014		
Location	Tonnes		%	
Switzerland	<b>728</b>		<b>70</b>	
United Kingdom	<b>208</b>		<b>20</b>	
Canada	<b>104</b>		<b>10</b>	
Total	<b>1040</b>		<b>100</b>	

# SNB Balance sheet December 2013

[http://www.snb.ch/ext/stats/statmon/pdf/deen/A1\\_Ausweise\\_der\\_SNB.pdf](http://www.snb.ch/ext/stats/statmon/pdf/deen/A1_Ausweise_der_SNB.pdf)

## SNB Balance sheet December 2013

<b>Gold Sheet</b>	<b>35.6 Billion CHF = 7.25 % of Total Balance</b>
<b>Foreign Exchange</b>	<b>443 Billion CHF</b>
<b>Total</b>	<b>490.3 Billion CHF ( = 93% of GDP 530 Billion )</b>

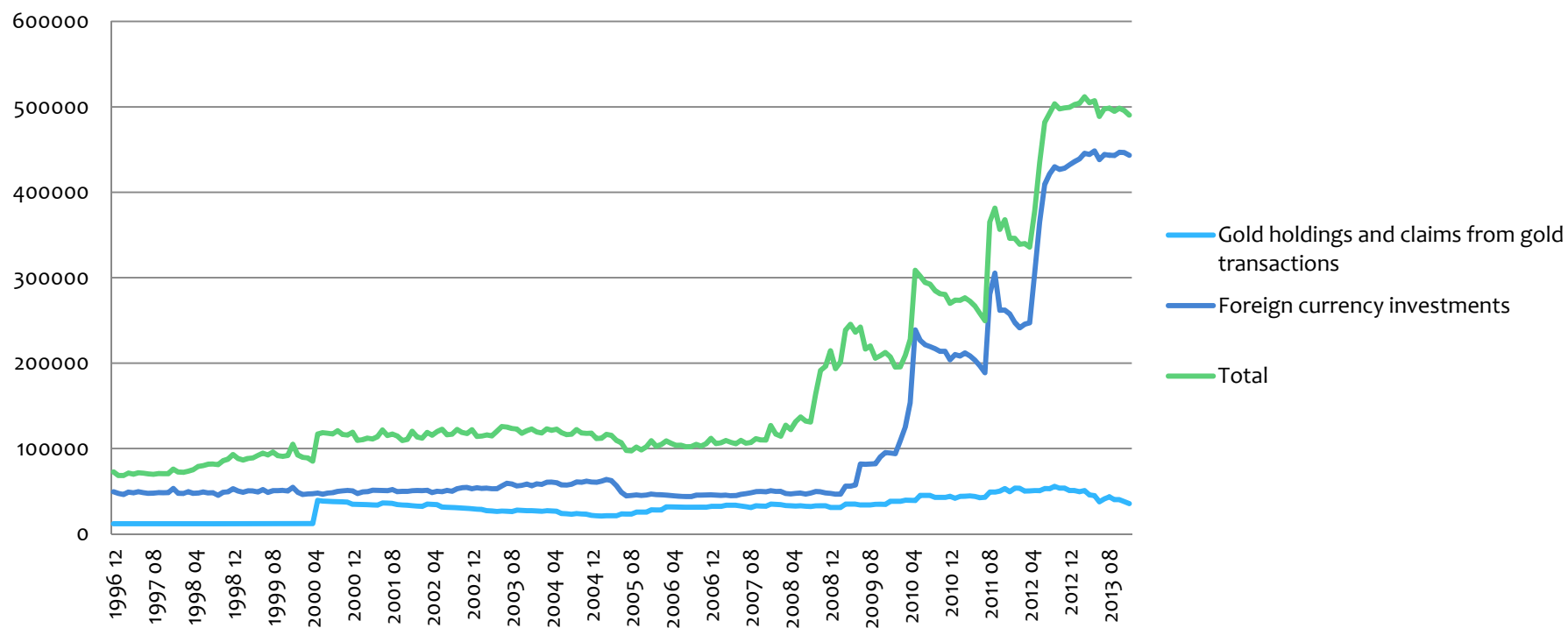
# SNB Balance Sheet — Assets Forex and Gold

CHF Millions

[http://www.snb.ch/en/iabout/stat/statpub/balsnb/stats/balsnb/snbbil\\_A1](http://www.snb.ch/en/iabout/stat/statpub/balsnb/stats/balsnb/snbbil_A1)

## SNB Balance Sheet in CHF Millions

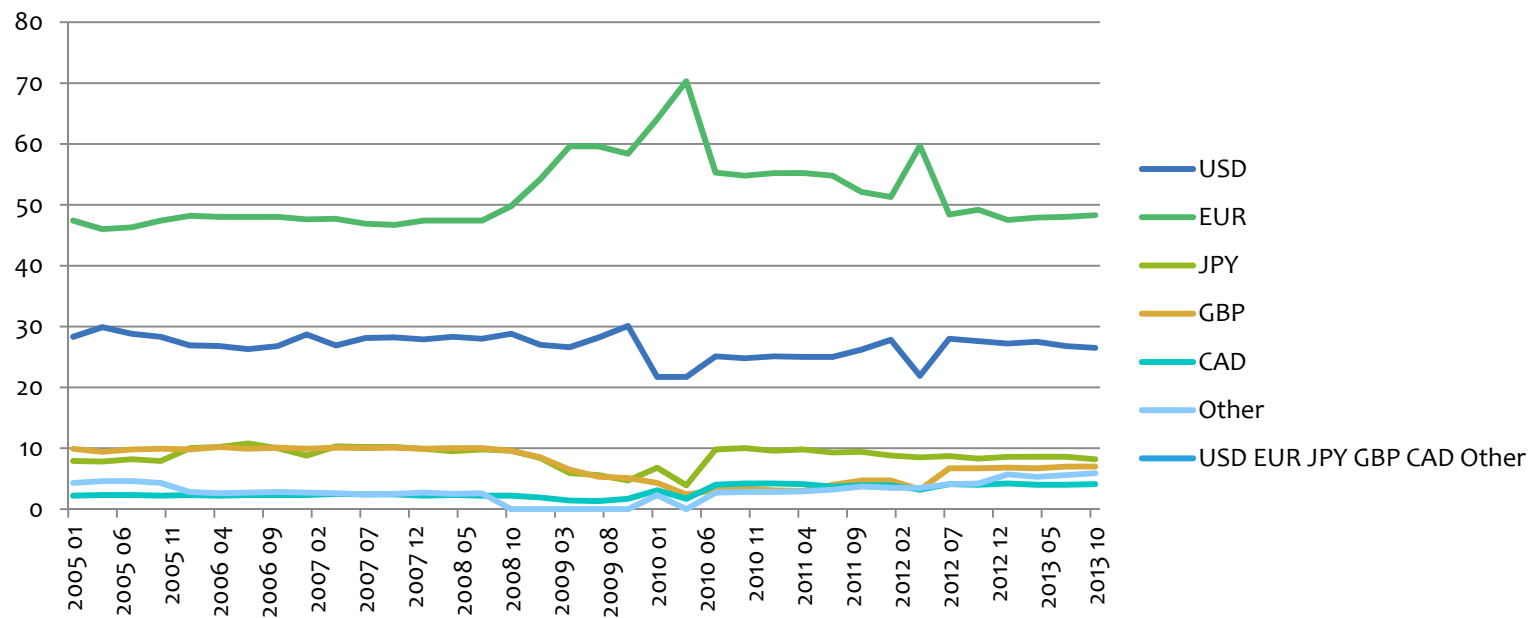
1996 2013



# SNB Forex by Currency %

[http://www.snb.ch/en/iabout/stat/statpub/balsnb/stats/balsnb/snbbil\\_A3\\_2](http://www.snb.ch/en/iabout/stat/statpub/balsnb/stats/balsnb/snbbil_A3_2)

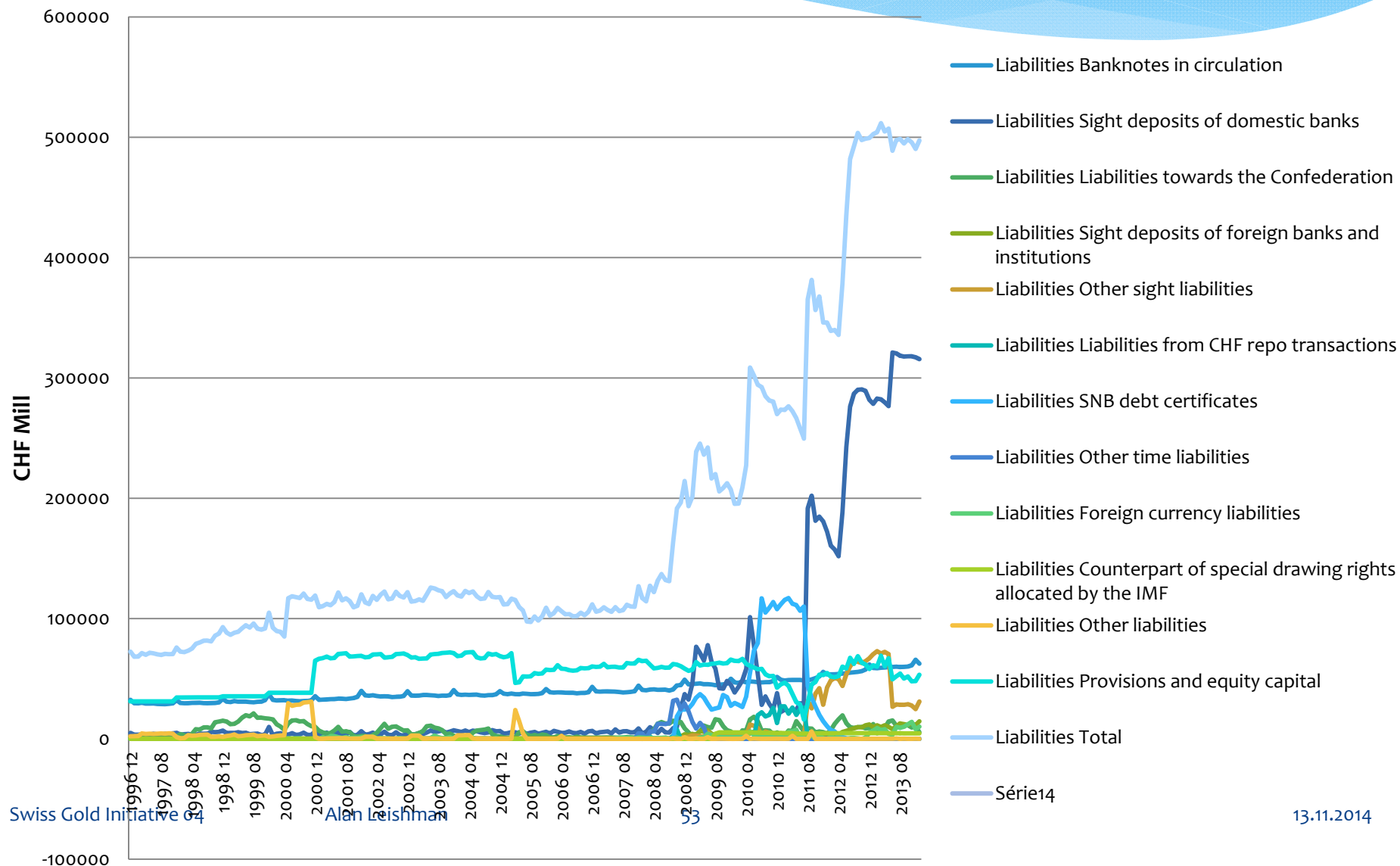
## SNB Forex by Currency %



# SNB balance sheet items Jan. 2014 - Liabilities

[http://www.snb.ch/en/iabout/stat/statpub/balsnb/stats/balsnb\\_snbil\\_A1\\_M2](http://www.snb.ch/en/iabout/stat/statpub/balsnb/stats/balsnb_snbil_A1_M2)

[http://www.snb.ch/en/for/public/qas/id/qas\\_bilanz#t16](http://www.snb.ch/en/for/public/qas/id/qas_bilanz#t16)



# Switzerlands Holdings of US Treasury Securities

<http://investmentresearchdynamics.com/wp-content/uploads/2014/05/Untitled3.png>

MAJOR FOREIGN HOLDERS OF TREASURY SECURITIES  
(in billions of dollars)  
HOLDINGS 1/ AT END OF PERIOD

Country	Mar 2014	Feb 2014	Jan 2014	Dec 2013	Nov 2013	Oct 2013	Sep 2013	Aug 2013	Jul 2013	Jun 2013	May 2013	Apr 2013	Mar 2013
China, Mainland	1272.1	1272.9	1275.6	1270.0	1316.7	1304.5	1293.8	1268.1	1279.3	1275.8	1297.3	1290.7	1270.3
Japan	1200.2	1210.8	1201.4	1182.5	1186.4	1174.4	1178.1	1149.1	1135.4	1083.3	1103.7	1112.7	1114.3
Belgium	381.4	341.2	310.3	256.8	200.6	180.3	172.5	166.8	167.7	176.2	175.2	185.5	188.4
Carib Bkg Ctrs 4/	312.5	301.0	298.2	295.3	290.9	292.0	300.9	301.9	286.6	286.3	281.3	285.0	286.9
Oil Exporters 3/	247.4	243.8	246.5	238.3	236.2	236.8	245.7	246.5	257.7	256.9	264.5	271.7	265.1
Brazil	245.3	243.9	246.0	245.4	246.9	246.7	249.2	252.9	256.4	253.7	255.2	253.1	257.9
Taiwan	176.4	180.0	179.1	182.2	183.7	184.5	185.9	183.6	185.8	186.1	188.8	185.7	188.9
United Kingdom 2/	176.4	175.6	163.1	163.7	161.5	158.5	158.9	159.9	157.5	163.1	155.8	160.2	159.1
Switzerland	175.7	168.2	173.8	176.7	176.6	174.3	177.3	181.3	178.2	180.4	182.6	185.8	183.6
Hong Kong	155.7	160.4	160.3	158.8	141.7	137.3	126.5	126.5	120.0	124.2	136.4	141.2	146.6
Luxembourg	145.1	136.8	135.4	134.4	130.4	133.3	141.1	143.8	146.8	150.5	143.2	149.7	154.5
Ireland	113.3	112.3	109.8	125.4	116.9	110.9	111.4	120.1	117.9	121.2	120.5	120.5	113.5
Russia	100.4	126.2	131.8	138.6	139.9	149.9	140.5	136.0	131.6	138.0	143.4	149.4	153.0

# Fed Prepares to Maintain Record Balance Sheet for Years

<http://www.bloomberg.com/news/2014-06-11/fed-prepares-to-keep-super-sized-balance-sheet-for-years-to-come.html>

Country	2007	2013	Central Banks
USA	6	25	Balance Sheet
GB	6	24	Assets as
Switzerland	27	96	% of GDP

# SNB – Share Capital – 1

[http://www.snb.ch/en/mmr/reference/shares\\_structure/source](http://www.snb.ch/en/mmr/reference/shares_structure/source)

## SHARE CAPITAL

Item no. 18

### Shares

	2012	2011
Share capital in CHF	25 000 000	25 000 000
Nominal value in CHF	250	250
Number of shares	100 000	100 000
Symbol/ISIN <sup>1</sup>	SNBN/CH0001319265	
Closing price on 31 December in CHF	1 028	947
Market capitalisation in CHF	102 800 000	94 700 000
Annual high in CHF	1 179	1 290
Annual low in CHF	940	915
Average daily trading volume in number of shares	24	44

<sup>1</sup> Listed in the Domestic Standard on SIX Swiss Exchange.



# SNB – Share Capital – 2

[http://www.snb.ch/en/mmr/reference/shares\\_structure/source](http://www.snb.ch/en/mmr/reference/shares_structure/source)

## Breakdown of share ownership as at 31 December 2012

	Number of shares	In percentage of shares registered
<b>2,170 private shareholders with a total of</b>	<b>35 011</b>	<b>39.87<sup>1</sup></b>
Of which 1,857 shareholders with 1 – 10 shares each		
Of which 277 shareholders with 11 – 100 shares each		
Of which 18 shareholders with 101 – 200 shares each <sup>2</sup>		
Of which 18 shareholders with over 200 shares each <sup>2</sup>		
<b>74 public law sector shareholders with a total of</b>	<b>52 799</b>	<b>60.13</b>
Of which 26 cantons with a total of	38 981	
Of which 23 cantonal banks with a total of	13 358	
Of which 25 other public authorities and institutions with a total of	460	
<b>Total 2,244 registered shareholders with a total of<sup>3</sup></b>	<b>87 810<sup>4</sup></b>	<b>100</b>
Registration applications pending or outstanding for	12 190	
<b>Total shares</b>	<b>100 000</b>	

<sup>1</sup> Legal entities: 12,586 shares (12.59%); private individuals: 22,425 shares (22.43%). Private shareholders account for 20.33% of voting rights.

<sup>2</sup> Voting rights are limited to 100 shares.

<sup>3</sup> In 2012, the number of shareholders decreased by 15 and the number of registered shares increased by 3,298.

<sup>4</sup> Of which 12,898 shares are in foreign ownership (accounting for 1.52% of voting rights).

## Principal shareholders: Public law sector

	Number of shares	31.12.2012 Participation	Number of shares	31.12.2011 Participation
Canton of Berne	6 630	6.63%	6 630	6.63%
Canton of Zurich	5 200	5.20%	5 200	5.20%
Canton of Vaud	3 401	3.40%	3 401	3.40%
Canton of St Gallen	3 002	3.00%	3 002	3.00%

# SNB Monetary Policy

## Strategy and Implementation

<http://www.snb.ch/en/iabout/monpol>

- \* **Monetary policy strategy**
- \* The SNB's [monetary policy strategy](#) consists of three elements. Firstly, the SNB states how it defines [price stability](#). Secondly, it bases its monetary policy decisions on a medium-term [inflation forecast](#). Thirdly, it sets an [operational target range](#) for its chosen reference interest rate, the three-month Libor.
- \* **Monetary policy implementation**
- \* The SNB conducts its monetary policy by [steering the interest rate level](#) in the Swiss franc money market. To this end, it uses the three-month Libor. Both the regular and the other [monetary policy instruments](#) are described in the "[Guidelines of the Swiss National Bank \(SNB\) on Monetary Policy Instruments](#)".

# SNB Monetary Policy

## Policy Instruments

<http://www.snb.ch/en/iabout/monpol>

- \* ***Further monetary policy instruments***
- \* In addition to regular instruments, the SNB has a number of other instruments at its disposal, including **foreign exchange spot and forward transactions, foreign exchange swaps and the purchase or sale of securities in Swiss francs.**
- \* **The SNB can also create, purchase or sell derivatives on receivables, securities, precious metals and currency pairs.**
- \* More detailed information can be found in the [Guidelines of the Swiss National Bank \(SNB\) on Monetary Policy Instruments](#) and in the five related Instruction Sheets. Further information on open market operations, standing facilities and the Swiss Reference Rates is available under [Information for, Financial markets](#).

# Monetary policy assessment of 19 June 2014

## Swiss National Bank reaffirms minimum exchange rate

- \* The Swiss National Bank (SNB) is maintaining its minimum exchange rate of CHF1.20 per euro.
- \* The Swiss franc is still high. With a three month Libor close to zero, the minimum exchange rate continues to be the right tool to avoid an undesirable tightening of monetary conditions in the event of renewed upward pressure on the Swiss franc.
- \* The SNB will continue to enforce the minimum exchange rate with the utmost determination.
- \* If necessary, it is prepared to purchase foreign currency in unlimited quantities for this purpose, and to take further measures as required.
- \* In addition, it is leaving the target range for the three month
- \* Libor unchanged at 0.0–0.25%.

# SNB - \$72 Bill in Equities 2013

- \* Another large public sector equity owner is Swiss National Bank, with \$480 billion under management. The Swiss central bank had 15% of its foreign exchange assets – or \$72 billion – in equities at the end of 2013.
- \* According to the OMFIF, central banks collectively now have \$13.2 trillion in assets (including gold). That is nearly 20% of the value of all of the stock markets in the world, which comes to \$62 trillion.

\* <http://ellenbrown.com/2014/06/20/buying-up-the-planet-out-of-control-central-banks-on-a-corporate-buying-spree/>

## Renminbi swap agreement and granting of a renminbi investment quota to the Swiss National Bank

- \* The swap agreement enables renminbi and Swiss francs to be purchased and repurchased
- \* between the two central banks, up to a limit of 150 billion renminbi, or CHF 21 billion.
- \* This will allow liquidity in renminbi and Swiss francs to be made available to the relevant markets
- \* as required.
- \* The swap agreement is a key prerequisite for the development of a renminbi market in Switzerland.
- \* The PBC has granted the SNB an investment quota for the Chinese interbank bond market in
- \* the amount of 15 billion renminbi, or just over CHF 2 billion.
- \* The SNB's foreign exchange reserves can thereby be diversified even further
- \* <[http://www.snb.ch/en/mmr/reference/pre\\_20140721/source/pre\\_20140721.en.pdf](http://www.snb.ch/en/mmr/reference/pre_20140721/source/pre_20140721.en.pdf)>

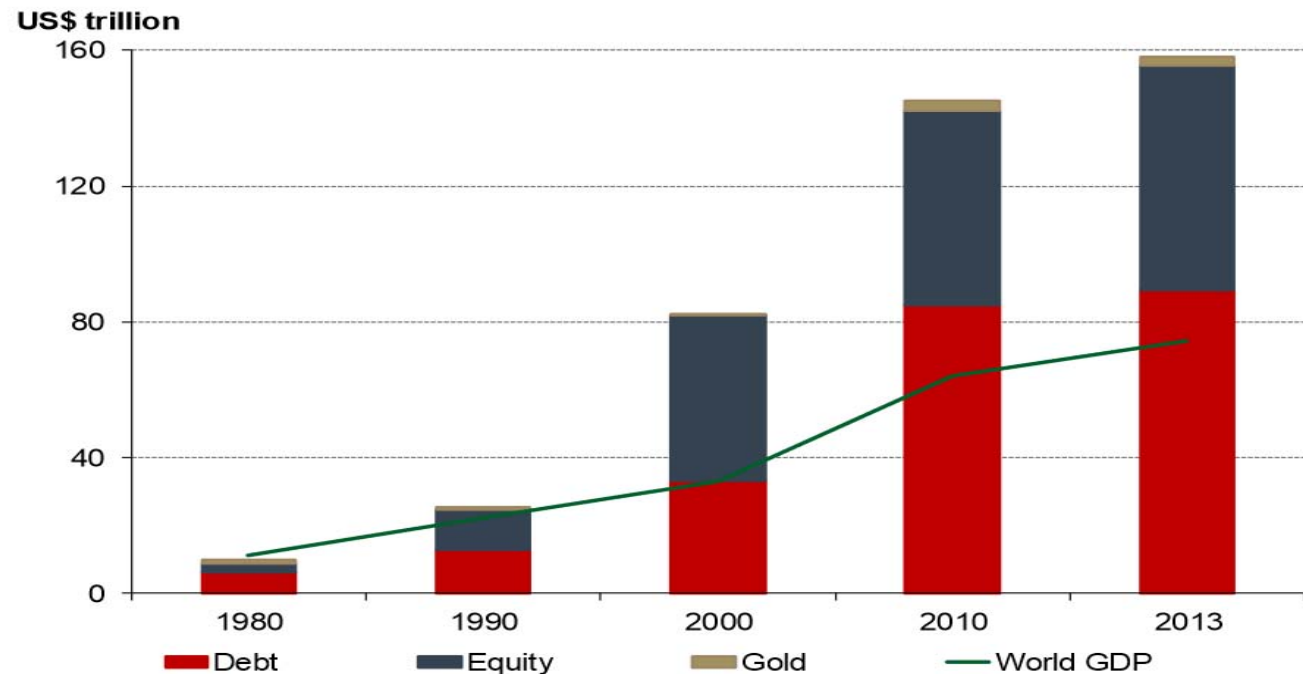
# SNB Profit CHF 16 Billion first half 2014

- \* **The Swiss National Bank (SNB) is reporting a profit of CHF 16.1 billion for the first half of 2014.**
- \* Profit on foreign currency positions
- \* The net result on foreign currency positions amounted to CHF 12.6 billion.
- \* Interest income accounted for CHF 3.7 billion and dividends for CHF 1.1 billion. The generally lower interest rate level resulted in price gains of CHF 5.0 billion on interest-bearing paper and instruments. Equity securities and instruments benefited from the favourable stock market environment and contributed CHF 2.5 billion to the result.
- \* Overall, exchange rate-related gains amounted to CHF 0.3 billion.
- \* **Valuation gain on gold holdings**
- \* **A valuation gain of CHF 3.5 billion was achieved on gold holdings, which were unchanged in volume terms. At the end of June 2014, gold traded at CHF 37,604 per kilogram (end-2013: CHF 34,195).**

# Global Financial Assets

<http://www.incrementum.li/wp-content/uploads/2014/06/In-Gold-we-Trust-2014-Incrementum-Extended-Version-English.pdf>

## Global financial assets are increasing faster than ever



Source: BIS, Thomson Reuters GFMS, World Bank, World Federation of Exchanges, World Gold Council



# Hyper Inflation or Hyper Deflation?

- \* At first, the pendulum was swinging towards infinite interest, threatening
- \* the dollar with hyperinflation.
- \* Right now the pendulum is swinging to the other extreme, to zero interest, spelling hyper-deflation. This is just as damaging to producers as the swing towards infinite interest was in the early 1980's. It is impossible to predict whether one or the other extreme in the swinging of the wrecking ball will bring about the world economy's collapse.
- \* Hyperinflation and hyper-deflation are just two different forms of the same phenomenon: credit collapse.
- \* Arguing which of the two forms will dominate is futile: it blurs the focus of inquiry and frustrates efforts to avoid disaster.”
- \*
- \* Prof. Antal Fekete

# Conspiracy fact: European central banks again admit, renew secret scheming on gold

- \* Statement by the European Central Bank  
Frankfurt am Main, Germany  
Monday, May 19, 2014
- \* <http://www.ecb.europa.eu/press/pr/date/2014/html/pr140519.en.html>
- \* The European Central Bank, the Nationale Bank van België/Banque Nationale de Belgique, the Deutsche Bundesbank, Eesti Pank, the Central Bank of Ireland, the Bank of Greece, the Banco de España, the Banque de France, the Banca d'Italia, the Central Bank of Cyprus, Latvijas Banka, the Banque centrale du Luxembourg, the Central Bank of Malta, De Nederlandsche Bank, the Oesterreichische Nationalbank, the Banco de Portugal, Banka Slovenije, Narodna banka Slovenska, Suomen Pankki–Finlands Bank, Sveriges Riksbank, and the Swiss National Bank today announce the fourth Central Bank Gold Agreement (CBGA).
- \* In the interest of clarifying their intentions with respect to their gold holdings, the signatories of the fourth CBGA issue the following statement:
  - \* -- Gold remains an important element of global monetary reserves.
  - \* -- The signatories will continue to coordinate their gold transactions so as to avoid market disturbances.
  - \* -- The signatories note that, currently, they do not have any plans to sell significant amounts of gold.
  - \* -- This agreement, which applies as of 27 September 2014, following the expiry of the current agreement, will be reviewed after five years.

<http://www.gata.org/node/14014>

# An open letter to the good people of Switzerland

By Turd Ferguson | Monday, May 12, 2014 at 9:51 pm

<http://www.tfmetalsreport.com/blog/5731/turdville-love-open-letter-good-people-switzerland>

- \* **To the good people of Switzerland:**
- \* **You have been scammed and sold down the river. Your politicians and bankers, in a pathetic attempt to consolidate power and curry favor with the EU, have given away your independence and your historic sovereignty. You should be angry.**
- \* **The initiative you have taken and the referendum you have planned are all well and good. I applaud you for taking these steps within the context of Swiss law and tradition. However, you must understand what is truly at stake and if you don't take more powerful and forceful acts soon, the likelihood of you ever regaining your birthright as an independent, sovereign nation is slim.**
- \* **The next steps you undertake must include these:**
- \* **Demand an immediate and full, independent audit of the SNB gold reserves. *This is your gold, not the SNB's, and you should be allowed a full accounting.***
- \* **All Swiss gold that is held domestically must be held in Swiss-owned bank vaults, *not at the BIS.***
- \* **Demand an immediate repatriation of all foreign-held gold. Do not accept excuses regarding "logistics". *Give the BoE and the BoC no more than 90 days to return your gold.***
- \* **Immediately de-peg the Franc from the Euro and divest yourself of all accumulated Euro holdings. *Ignore the Keynesian shills who would have you believe that a strong currency is bad for economic growth.***
- \* **Use the process of divesting yourself of the Euro to accumulate and rebuild your gold reserves. *Then, use these reserves to once again partially back your currency.***
- \* **The world is rapidly changing and tomorrow will not be like yesterday. The current global financial system, based upon promises, debt and unlimited fiat currency will one day soon be replaced by a system that returns the world to a sound money platform. The monetary powers of the 21st Century will come to the forefront by virtue of their accumulated reserves of *sound* money, not by their addiction to easy money.**
- \* **You, Switzerland, still have time to act and prepare but you must move quickly. The possibility exists for you to reverse course and demand change but time is short. The end of the great Keynesian experiment is upon us. Reclaim your gold and your sovereignty now or be forever consigned to the trash heap of fiat currency history.**
- \* **Faithfully submitted with all sincerity,**
- \* **TurdFerguson**

# What has the Swiss National Bank been doing with the country's gold reserves?

- \* Wednesday, May 14, 2014
- \* Dear People:
- \* I write to call your attention to this week's commentary published by the TF Metals Report asserting the probability that Swiss gold reserves have been mobilized lately to suppress the price of gold --
- \* <http://www.tfmetalsreport.com/blog/5731/turdville-love-open-letter-good-...>
- \* -- and to ask a few questions arising from it.
- \* **1) Does the Swiss National Bank have any response to that commentary? Is it true or false?**
- \* **2) Has the bank been trading in gold or gold-related financial instruments in the last five years?**
- \* **3) If so, what was the bank's objective with that trading?**
- \* **4) Has the bank loaned or leased gold in the last five years and is it lending or leasing gold now?**
- \* **5) If so, what is the bank's objective with that lending or leasing?**
- \* **6) Will the bank disclose the amount of its gold reserves that is held in metal in the bank's own vaults, the amount of its gold reserves that is held in metal in the bank's accounts with other depositories, and the amount of its gold reserves that have been loaned or leased and that is not held in the bank's own vaults or in the bank's own accounts with other depositories?**
- \* Thanks for whatever information you can provide.
- \* CHRIS POWELL, Secretary/Treasurer  
Gold Anti-Trust Action Committee Inc.
- \* <http://www.gata.org/node/14005>

# Campaign for Monetary Reform – News from Switzerland

03/06/2014: Launch of the Sovereign Money Initiative in Switzerland

- \* *"In a nut shell, the proposal extends the Swiss Federation's existing exclusive right to create coins and notes, to also include deposits. With the full power of new money creation exclusively in the hands of the Swiss National Bank, the commercial banks would no longer have the power to create money through lending. The Swiss National Bank's primary role becomes the management of the money supply relative to the productive economy, while the decision concerning how new money is introduced debt free into the economy would reside with the government."*END

\*

<http://www.vollgeld-initiative.ch/english/>  
<http://www.vollgeld-initiative.ch/>

# Gold 20% minimum in Swiss Reserves

- \* The SGI proposals for **Gold 20% minimum** in the Swiss SNB reserves will support the Swiss Franc.
- \* The SNB reserves are the **heritage of the Swiss people**.
- \* **SNB Forex (fiat Euro and US\$) purchases, to support the PEG of 1 Euro= 1.20 CHF, have increased to levels endangering the stability of the CHF.(article 5e NBG)**
- \* [http://www.snb.ch/en/mmr/reference/snb\\_legal\\_nbg\\_rev/source](http://www.snb.ch/en/mmr/reference/snb_legal_nbg_rev/source)

## **\$7,000 gold, \$400 oil and \$100 silver will help beat a coming US deflation explains Jim Rickards**

- \* 'The world of \$7,000 gold is also the world of \$400 per-barrel oil and \$100 per-ounce silver. Deflation's back can be broken when the dollar is devalued against gold, as occurred in 1933 when the United States revalued gold from \$20.67 per ounce to \$35 per ounce, a 41 per cent dollar devaluation.'**
- \* His conclusion is that 'if the United States faces severe deflation again, the antidote of dollar devaluation against gold will be the same because there is no other solution when printing money fails.'**

However, this is fully in line with the thesis propounded by Jim Rickards about a US dollar collapse. Gold, he argues, would probably emerge at the heart of a new global monetary system as the only money that you can really trust.

<http://www.arabianmoney.net/gold-silver/2014/05/19/7000-gold-400-oil-and-100-silver-will-help-beat-a-coming-us-deflation-explains-jim-rickards-in-his-new-book/>

# Will the Swiss get their Gold back?

Ron Paul

[http://en.wikipedia.org/wiki/Ron\\_Paul](http://en.wikipedia.org/wiki/Ron_Paul)

- \* The Swiss referendum is driven by an undercurrent of dissatisfaction with the conduct not only of Swiss monetary policy, but also of Swiss banking policy. Switzerland may be a small nation, but it is a nation proud of its independence and its history of standing up to tyranny. The famous legend of William Tell embodies the essence of the Swiss national character. But no tyrannical regime in history has bullied Switzerland as much as the United States government has in recent years.
- \* <http://ronpaulinstitute.org/archives/featured-articles/2014/september/14/will-the-swiss-vote-to-get-their-gold-back.aspx>



# Conclusions

- Western Central Banks (Switzerland, Great Britain, and others) have been selling large quantities of their Gold reserves over the last decade. Asia, mainly China and India, have been accumulating Gold.
- Switzerland should purchase Gold and maintain at least 20% Gold in its reserves.
- This Gold level is well below the Euro area 60.9% and CBGA signatories 39.7%
- Switzerland's Gold should be stored in Switzerland, to avoid diplomatic pressure from other nations, in particular the USA, either directly, or via their "allies".
- The world's monetary system is potentially threatened with collapse through excessive debt and requires reform into a new monetary system.
- SNB Forex (fiat Euro and US\$) purchases, to support the PEG of 1 Euro= 1.20 CHF, have increased to levels endangering the stability of the CHF.
- Gold will play a key role in any new monetary system as the reset takes place.

# Disclaimer

- \* *Disclaimer*
- \*
- \* The author Alan Leishman is a veteran investor in Gold , Silver, mining and mining exploration companies.
- \* He has published several articles on various internet sites on this subject.
- \* In 2006 he co-founded AuroVallis Sarl in Canton Valais in Switzerland, which was sold to Aurania Resources, which went public on the Toronto TSX-V exchange in April 2013.
- \* <http://auraniaresources.com/>
- \* <http://leishmanalan.blogspot.ch/2011/05/alan-leishman-bio-with-list-of.html>