Jeffrey Christian: Secular Buy call on Gold
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Erik: CPM Group founder Jeffrey Christian is back with us this week as our featured interview guest. Jeff, you are best known as a precious metals expert but I want to start today with the U.S. dollar because obviously, everything is priced in U.S. dollars.

Last time you were on this show most of our guests were just wildly bullish the U.S. dollar index, you had a different view you said you were biased to the upside but you thought more sideways was likely as opposed to a really big move up and you're definitely been proven right on that. So, where do you see it going from here?

Jeffrey: I guess I'm the comfortable slippers in the in the currency markets. I'm never exciting, sometimes I'm exciting but the last year or so we haven't really changed our view.

I still think that there is a little bit of upside on the dollar. It's interesting because a lot of people are talking about the dollar coming off and I don't see the dollar falling sharply because for the dollar to fall sharply you really have to have faith in Europe and faith in Europe is hard to come by.

Now it's all relative so with the Dutch election behind us, it's possible that you'll see a little bit more faith in Europe which could help bolster the euro a little bit more faith in the U.K. which seems unlikely because probably the Brexit talks are going to be extremely hostile and sloppy and they're not going to impress anybody with the intellectual quality of the conversation going on, on either side.

So, I think that that is actually supportive of the dollar so I don't necessarily see the dollar falling but by the flipside I don't necessarily see the dollar rising much more. So, we're still looking for it to move sideways with a slight upward bias but less dynamic than it was in 2015 or so. We sort of see the dollar relatively fairly valued about where it is right now.

Erik: OK, let's move on to gold and silver. Gold has been performing quite well in the last few weeks in this small amount of dollar weakness that we've seen. Looks to me like we may have actually had a cycle high overnight on Wednesday night at 1253 spot 30 back down to 1248 as we're speaking on Thursday morning. Where do you see gold from here, is the bottom in or we got maybe some more turbulence ahead of us?

Jeffrey: Yeah, I think the bottoms in. we had been expecting the gold price to move sort of sideways maybe a low around 1180 possibly as low as 1150 but then also you know a high around 1260, 1280 in the first half of this year and then start moving higher later but frankly the dollar has been better supported since January than we had expected.

The quick and dirty story on gold is we think good prices moved slightly higher in the first half of this year that the increase starts accelerating in the second half of this year and we expect gold to be at nominal record high prices by 2020, 2021.

So, we're looking for much higher gold prices over the next three or four years but a little bit of base building here but that said the base building has been at a slightly higher level than we had expected three months ago, I think reflecting concerns about the economy and the political systems worldwide.

Erik: Now you're saying a new nominal high, I assume you mean new all-time highs above the 19 whatever it was within the next three or four years and it's surprising for me to hear that from you because you're one of the few precious metals guys in the business who's not constantly telling the story about how precious metals can only go up. You've actually been quite a lot more conservative in our past interviews so why the change?

Jeffrey: There are a couple times when I've done this from 1980 to 2000 I was, I guess, the voice of reason and 68% of the time I said you know I thought that gold prices would be lower two years from now than it is today in November of 2000 I gave a speech in which I said, I think that the economic and political environment over the next many years will be much more hostile than the economic and political environment that existed in 1978, 1980 when the gold price went from a $100 to $850 and given that I expected gold prices to rise sharply to levels above $850 in the next many years.

And then I talked about what we saw as an upward shift in the investment demand curve that was going to emerge in the world as investors around the world sort of said I should have more wealth in gold given the hostile political and economic environment and unfortunately over the last 17 that's all come true.

So, in November 2000 we said we think gold prices rise to new records, in January of 2012 we said we think the peak is in and we would sell gold and look for the price to fall on a cyclical basis for three to five years before it starts rising again and we think that the investment demand curve has shifted upward and will remain upward, that investors will continue to buy historically large amounts of gold out of concerns over the economic and political environment.

And what I'm saying today is everything that we've said over the last 17 years seems to be holding true. We think the cyclical low was probably made in December of 2015. Everything that we've seen politically and economically and in the gold market over the last two years supports that view.

There are fundamentals in the gold market, investors are buying more gold again than they were in 2013, 2014, a lot more gold like 27 million ounces instead of 18 million ounces to three years ago. Central banks continue to buy gold and mine production which continues to rise probably is approaching a plateau.

So, you've got fundamentals in the gold market that are supportive of the gold market but in addition to that you've got the big fundamentals in investment demand and that's driven by economic concerns and you've got investors around the world looking at the world saying I think I should have more of my wealth in gold than I do right now and I think that that's the main reason why we think that the gold price will rise and as investors buy more and more gold what they're going to find is tighter and tighter supplies and the price is going to rise.

Erik: Let's bring silver into this story, I'm just looking here, we had a high back around the beginning of March which really, you'd have to go back to November of last year to find silver trading above 1850 where it just barely touched in March. We've been back down to 17 in the last few weeks we're back up to 17 spot 62 as we're speaking now.

Give us the picture of where Silver fits in, the role of the industrial versus monetary metal, tell us where it fits into the story.

Jeffrey: We're less bullish on silver than we are in gold but you've seen a same kind of buying patterns in silver to a lesser extent than you are in gold. I mean gold is the ultimate financial asset.

Gold and the dollar are the safe havens to which people run and sometimes they'll run to both of them and you'll see gold and the dollar rising simultaneously, sometimes they'll run to one or the other.

I think the dollar as high as it is six years into upward trend I think you've got a lot of people who are saying I don't necessarily want to add to my dollar exposure for that and for other reasons so I think that people are focusing on gold.

Silver is less important in people's minds as a financial asset. We're seeing a lot of demand for silver from investors but it's very important to understand that part of what we're seeing in terms of E.T.F. and coin demand for silver is actually people shifting out of large bars, thousand ounce bars, and five thousand ounce bars, into smaller units of investments in silver.

But you are seeing some investment demand it's not as dynamic as gold. We think that that probably supports prices above $16, 17 an ounce going forward. We wouldn't be surprised to see the price go back up and test $20 as it did in the middle of 2016 at some point over the next couple years we're not necessarily looking for it anytime soon.

We don't necessarily see silver prices rising to record levels the way we see gold prices rising to record levels unless something much more dramatic and drastic happens in the economic and political environment that we're currently expecting.

Erik: Now something I noticed recently and in the news is a few years ago there was a big fashion trend if you will that physical metal was the place to be, you didn't want to own G.L.D. or any of the other E.T.F.s because I forget what the conspiracy theory was but something was wrong with it and you had to have physical and you would think if that was the medium it would continue but it seems like what's happened is now we're seeing a resurgence of interest in paper gold trading products whether it's futures or E.T.F.s or what have you but it looks to me like the demand for physical coins and retail bars has dropped off, what's going on there?

Jeffrey: I'm not sure that the demand for physical bars and coins has dropped off what you're seeing I think is you have different constituencies of people interested in gold and there are people who are buying gold because they're concerned about the stability of their own their bank or the financial system in general and those people want some gold on a private basis and they want to physically own it and physically hold it in their own possession or they want to have it physically possessed and stored in a non-bank depository in a secure unknown secretive place.

I think that reflects the increased governmental surveillance regulation and oversight and intrusion in everybody's lives but there are a lot of other investors who they may still be upset with the intrusive behavior of governments but they're comfortable with the idea of holding at least some of their gold in E.T.F.s and in paper gold.

Then there are other investors who are a much shorter term opportunistic types of investors and they don't necessarily buy gold because they think the world is collapsing, they're buying gold because the price is rising and the fundamentals suggest higher prices and every time someone in Washington opens their mouth, the price of gold goes up and those people are much more comfortable with paper assets, A, because they're in an out and B, because they like the leverage that for example futures and options give them as opposed to physical gold or E.T.F.s.

So, I think what you've got are different constituencies, different people buy gold for different reasons and some investors actually have some physical gold in their own possession, they have physical gold stored elsewhere for them in a non-bank facility and they actively trade E.T.F.s futures options and other paper gold.

So, I don't necessarily see-- and in fact as I said physical gold demand has risen sharply over the last couple years, 15, 16 into 17 so I don't necessarily see people shifting away from physical gold but what I do see is a resurgence of investors across gold assets compared to where we were a couple of years ago and I should add a lot of the investors that are coming to us and buying our research and consulting services are new to gold these are investors who formerly didn't invest in gold or were very opportunistic, they bought gold in 2006, they sold in 2011, 2012 and now they're coming back.

Erik: The argument for having gold in your portfolio in the first place as you've described – gold and silver really – is as you say essential a hedge against the financial system falling apart or government causing problems or loss of privacy and liberty and so forth but you know I think a lot of investors don't even know the rationale for where the other precious metals fit into a portfolio. So, talk to us about the platinum and palladium metal groups and why are they there, why would investors care about them, how does that fit into a portfolio, is it just a speculation in the short term, does that fit in structurally, where do these metals fit into a portfolio?

Jeffrey: Well again, investors will buy and not buy or sell platinum palladium for a variety of reasons but these are much more industrial metals and it's interesting because as I said we expect gold prices to rise to record levels over the next three to four years. We think silver prices are going to rise significantly further than they already have risen over the last two years. We see platinum and palladium pretty much flat over that period of time. Palladium we're more interested in because a lot of the problems that are plaguing platinum are actually good for palladium.

But these are industrial metals they're not financial assets like gold and silver per se they're interesting to have if you have a diversified portfolio of precious metals but you're really buying them because of their supply demand fundamentals and investment demand is an important fundamental but it's less important in platinum and palladium than in gold and silver.

So, we have a much more flat view of platinum prices over the next few years and we see palladium rising but it's already very high and it does have some of the same headwinds that platinum has. So, I think investors need to look at those metals as specialty metals they're very rare so there's tight supply and demand but the rareness and the smallness of their markets means there's a tremendous asymmetry in information, there's a tremendous amount of bad information circulating in the market about platinum and palladium and investors have to be extremely careful to not drink the Kool-Aid and buy into bullish stories that don't really exist.

All of that said when gold rises silver, platinum and palladium tend to rise too in loose collaboration but as I said we're looking at stronger gold prices but not necessarily stronger platinum prices for the next couple of years.

Erik: So, to sort of wrap up on precious metals, it sounds like you're making a secular bullish call on the monetary precious metals, favoring gold over silver and that definitely is – to my thinking – a significant call coming from you because you unlike the other guys don't have that to say every time.

Let's move on now to another metal which is not technically a precious metal although it might be getting more precious and that's lithium which is the main ingredient in the batteries needed for electric cars. Some people are now I'm predicting that electric cars are just the big trend of the next decade and there's just going to be so much demand for lithium, it's going to be crazy and the price is going to the moon and you ought to just back the leverage struck up and buy as many lithium futures as you possibly could. Give us the straight scoop on lithium, where does it fit in and what's the outlook?

Jeffrey: We're a lot less bullish on lithium prices than lithium mining promoters in Canada. I think there are several headwinds there. First off if you look at a lot of hype that you read about lithium, starting with the demand, they have auto electric vehicles powered by lithium batteries taking 15% of new car sales within a decade. If you go to Detroit and you talk to the auto industry, you don't even have to go to Detroit, if you just read what the auto industry is saying on the Internet, they expect about a 5% market penetration over the next ten years. Longer term they expect a larger penetration but longer term the whole matrix of motive power is up for redefinition and there's a lot of unknowns but for the next ten years the auto industry expects about a 5% market penetration.

That's good for the lithium market per se but then when you look at lithium supply there are several headwinds. First off S.Q.M. in Chile and a couple other Chilean and Argentine deposits are incredibly rich in lithium and could probably supply all the lithium that the auto industry and other applications will need for the next decade at very low cost.

So, I don't know that a lot of the lithium exploration and development programs that are being launched and marketed on a stock exchange make economic sense because S.Q.M. and other established low cost producers combined probably can preclude the need to develop those mines.

In addition to which this is a very nasty secret in the lithium ion battery market the lithium ion batteries are recyclable, they're not necessarily recycled right now. They are collected and the lithium tends to be burnt off and they're collected and the cobalt connectors are recovered because cobalt which is used in lithium ion batteries is in very tight supply because of the demand for cobalt in lithium ion batteries so that lithium is not being recycled right now.

If the lithium battery recycling industry decided to start reprocessing and reusing that lithium which it should from an environmental perspective, then you don't need any of those new mines you've got plenty of lithium both from Chilean and Argentina deposits and from recyclable and recycled lithium you'd have plenty of lithium to meet future demand. So, I don't know that there's a compelling story for new lithium mines the way you hear in the press.

Erik: Well I couldn't agree more with that, something I think a lot of people overlook is that even if this miracle of you know 15, 25, 30% penetration of the U.S. auto market with electric vehicle somehow came true all that that would accomplish would be to cripple the U.S. electric grid, we don't have the capacity and it's not easy to add it to support anything close to that. So, it's a long ways off. I think it's coming someday probably in our lifetimes but not in the next few years that's for sure.

Jeffrey: People don't realize the extent to which the electric grid and the system of electric production and distribution and sale is up for really critical changes that it's totally unprepared for because of rising solar power, wind power, new applications we're looking at compressed air energy storage for storing power off hours, we're looking at Liquid organic hydrogen carriers to make hydrogen something which would preclude petroleum in a number of applications.

The whole energy complex is up for redefinition and there is no clear view which technologies will win. In the battery industry alone, there is now research underway on calcium ion batteries which could in fact replace lithium ion batteries.

Erik: And if that were to occur I assume calcium is in very high supply so is there anything that is in development that if it took off, if technology X. Y. or Z were suddenly to gain traction that that would create a strong demand for a particular commodity?

Jeffrey: Well yeah and you know actually one of the things that just popped up in the last few weeks is some lab work on new lithium ion batteries which use solid electrolyte instead of liquid electrolyte and that would make them much safer and also give them a higher power density and that's a big positive for lithium. Calcium is in such abundant supply that if you did in fact see the calcium ion batteries coming in and start replacing lithium ion batteries it probably would have a major dramatic effect on calcium prices but it would definitely have a major negative effect on lithium prices.

There are vanadium batteries that we're following. Five years ago, ten years ago, I was a very big skeptic on vanadium batteries, I'm less skeptical than I was then now and then there are all kinds of other technologies that again depending on which ones are successfully commercialized you could radically change individual markets, cobalt's an example that no one was looking at because they were talking about lithium batteries instead of lithium batteries with cobalt connectors.

Erik: I wanted to start with the metals Jeff because that is your specialty but I know that you do a lot of consulting just on the macro economy so let's zoom out here and just look at the big picture you know the way I've looked at this market ever since the election is basically everybody is in a euphoric state they think that if Donald Trump says he's going to do X. Y. and Z. Well if that were actually to happen it would be bullish for stocks and people are assuming that he can achieve all these things with no opposition from Congress or others and of course I think President Trump is probably the most opposed presidents in recent history if not ever in the United States.

So, it feels to me like maybe the market is starting to wake up to the fact that this euphoria is overdone that President Trump won't be able to deliver all of the things that he hopes to do, where do you see all this going and particularly from your commodities orientation, where do you think that the infrastructure spend is it really going to happen in the way that President Trump has suggested and which commodities are going to benefit the most from infrastructure spending?

Jeffrey: Well let me back up to something I was talking about earlier when I was talking about our earlier expectations about gold prices. We came into this year saying that we think in the first half of the year you'd see a lot of euphoria about infrastructure spending and about potential reforms, tax cuts especially more so than infrastructure spending and deregulation and that in that environment you would see in the first half of this year a very strong stock market, a stronger dollar and stronger base metals.

But that as the second and third quarters progressed what you'd find it is a dose of reality coming into the markets so that you would start seeing that people would say well wait a minute maybe the infrastructure spending is not going to occur, maybe the stock market is overvalued, maybe a lot of the things that he's talking about aren't going to happen and what we're seeing in March is an acceleration of that disenchantment.

So, as I said earlier I think that the gold market is responding on the upside and other markets are responding on the downside a little bit earlier than we had anticipated. We don't see an infrastructure spend. I think that that is just some empty hollow words in the mind of Donald Trump whatever that mind looks like.

We had expected tax cuts for the wealthy and for our corporations and we had expected that right off the bat because that's easier to achieve on a political basis and with the Congress. I mean you know very few congress people are going to argue against tax cuts in this day and age and we thought that that money, tax cuts to corporations, would then be used for stock buybacks, tax cuts for wealthy people would go into the stock market. They wouldn’t be used in a real investment that would improve the economy, it would be a continuation of the de-capitalization that we've seen over the last 10, 15 years in the U.S. economy and that that would goose the stock market, foreign investors would want to participate in the stock market, so they would be buying dollars so that they could invest in the U.S. stock market and that would keep gold down until the middle part of the year.

That seems to be occurring, that disenchantment seems to be growing faster sooner and there are so many realities that people don't understand. The Affordable Care Act brought thirty million new clients under government mandate to the insurance companies. For the Republicans to now say to the insurance companies we want to take 24 million of those away, 14 right away the insurance companies are going to go, they can't really deal with Trump but they can go to their congress people that they give a lot of campaign funding to and say that would really be bad to lose 14 to 24 four million new customers that you guys required by our product so please don't do that and you're seeing that right now in the Congress with the discussion today and the vote today on the Affordable Health Care Act that the Republicans proposed and the same is true with the pharmaceutical industry and a lot of other industries.

So, we expect that disenchantment to grow. Now two rubrics in the stock market, sell in May and go away and every major decline in the stock market has occurred in October with signs that it was going to occur in September so we look at the global economy, we look at the U.S. economy, we look at the stock market and the dollar and we say this may be a year in which you see the stock market peak in May, although maybe it's already peaking in March and that it moves sideways in an increasingly volatile fashion from May until October and then in October you could see a significant downward draft in the stock market as the disenchantment and disillusionment of the Trump dream spreads.

So, that's sort of our macroeconomic view and our stock market view and that obviously flavors our base metals views which were prices would be strong earlier this year and then he would get week later in the year and it flavors our gold and silver view and that we thought that prices would be relatively flat to slightly higher in the first half of this year and then accelerate as the disenchantment grows and I haven't seen anything that dispels that model, the only things I've seen has been an acceleration of the disenchantment.

Erik: Wow great minds think alike I tell you Jeff it's remarkable how similar our views are because what I've been telling myself all year is I promised myself not to short the stock market in the first half because you've got to just let the euphoria play out but it seems like reality is setting in early and it will be very interesting to see if we get a new high in May of 2400 was it on stocks.

Let's move on to Europe now, we've got Brexit about to be triggered by Theresa May and a lot of people have said this is the beginning of the end. How do you see the European exit contagion risk playing out, is this the beginning of the collapse of the European Union, and what would it mean both for precious metals and for other prices if we're seeing a slow-motion disintegration of the European Union?

Jeffrey: I think one of the nicest compliments I ever received was somebody saying that I think my job is to take a seemingly simple or complex issue and show it as being even more complex and I have a complex view about what's going on in Europe, there's a lot of bad stuff and Brexit is probably going to be a very choppy sloppy set of negotiations which is going to help the dollar and hurt the euro and other things.

Ultimately, we think England leaves the E.U. and you see a reduction of U.K. growth of 10% over the next decade. Not that the U.K. economy will contract by 10% but if it were projected to grow 2% per annum over the next ten years the growth rate may be closer to 1% per annum over the next ten years with some variability for cyclicality.

I think that that's bad for England and it's bad for Europe and it's probably bad for the world although a lot of what England will lose in terms of growth will actually show up in Frankfurt and New York and to a lesser extent in the Netherlands and France and other countries.

I think there's a lot of really bad stuff going on in Europe as I do in the United States and Russia but there's also a strain of this which is important to understand and actually not so bad. if you think about the broader scope of history from the 1880s until the mid-1980s the overriding political impulse was greater collectivization, ever larger political bodies and starting in the mid-80's you started to see devolution, you saw devolution in the United Kingdom, power being wielded to Scotland, Wales and Northern Ireland, you saw devolution and in Belgium, you saw the collapse of Eastern European bloc, you saw the collapse of the Soviet Union into fifteen new countries.

And devolution is in some ways good it's devolving power to ever smaller groups politically and sort of restoring decision making to people in smaller units and giving people more power and control over their individual lives by allowing decision to be made at a local level as opposed to a global level or a national level or an international level.

And I think devolution is cool and good and it's been aided by globalization, by deregulation, by a lot of technological changes. I mean there are things like debit cards which is not particularly technological but the internet and debit cards and telecommunications and other things have all allowed people to say, we don't need these ever-larger governmental institutions and we don't need obstinate bureaucrats telling us what we can't do and we don't need enormous and growing legalistic regulations.

The U.S. Constitution was less than five thousand words, the E.U. constitution was five thousand pages and you can understand what those five thousand pages mean, the F.C.C. was formed with about a five page document, it's like don't screw around with securities, the Dodd Frank was like six thousand pages and it basically said you know gee we don't know what to do and none of that really has been implemented so we're just as much at risk now as we were in 2007, 2008 and David Cameron was elected in the U.K. on the premise that he would go to the E.U. and try to renegotiate a better deal that devolved some more power back to the U.K. and the bureaucrats in Brussels said no we're not giving up any of the power that you've given us. So, he went back and he played his cards wrong and he had a referendum and people said well then screw the bureaucrats of Brussels let's get out of here.

So, I think that from a long-term perspective, the E.U. is kind of redundant, it's something that was conceived of in 1957 with the Treaty of Rome and it's not necessary anymore. So, you may see a broader spectrum move toward greater devolution of power in Europe and elsewhere but the problem is that the political process of doing that has been given over to the two extremes. The vast majority of people in the middle probably like you, definitely like me, who would like to see less regulation and greater local control over lives, they don't have a voice here and without that voice the movement to greater devolution is given over to the two extremes and that causes a lot of political and economic and financial problems which are good for gold and bad for all of us.

Erik: Let's move to Asia next you know I'm always skeptical of anything I read about precious metals on the Internet but one of the things you'll see out there is a lot of statistics supposedly saying that China and Russia have really been accumulating gold hand over fist and of course there are various theories about why that might be happening some have suggested that it's all part of a plan to get ready to either replace the U.S. dollar with a new global reserve currency or to assert a gold backed China, Russia currency or something do you think there's any substance to this, and what's going on with the accumulation if it's really happening of gold bullion by central banks in China and Russia?

Jeffrey: I think that having studied communist politics in the university in the 70's I have to say, I think that what's going on in China is completely different from what's going on in Russia so let's deal with them separately.

In Russia, you have a government and you have a majority of people who feel that they're under siege from the liberalizing West that wants to impose culture and values and control, political control, over Russia. And the Russian government which sees itself under siege perhaps rightly so has been diversifying its foreign exchange reserves away from U.S. dollars into gold and most Russian exports are natural resources, most Russian exports as is the case around the world are paid for with U.S. dollars, so the Russian government has a steady flow of U.S. dollars, the U.S. government is imposing sanctions on it, the U.S. government has clearly had an adversarial view toward Russia at least since the Bush administration and the Russians will argue that Clinton administration already showed its teeth in an anti-Russian way by expanding NATO eastward after they had said that they wouldn't do that.

So, I think the Russians have a siege mentality in which they say why are we taking in the dollars of our enemy and keeping our foreign exchange reserves in dollars let us diversify some of that obviously, we need dollars because we still buy stuff overseas but let us diversify some of that into gold and I think that that's what's behind the Russian government purchases of gold for their central bank and it will continue.

In Russia, itself it's not clear how much individual investors are buying gold but that probably reflects more of the economic stringencies faced by Russian individuals than by a desire to diversify away from the rubles and have some of your wealth and gold.

China is completely different. China may not like some of the things that it sees from the United States but China sees itself as expanding its role on an international basis. It has a tremendous trade surplus most of which comes in in U.S. dollars it has an enormous stash of U.S. dollars, trillions of U.S. dollars and it's trying to diversify its monetary reserves ever so slightly by buying gold. So, it's bought a lot of gold over the last two three years or added a lot of gold to its monetary reserves over the last two or three years but the percentage of its monetary reserves in gold have gone from like 1.5 to 2.4% so it's not a wholesale, let's get out of the dollar, it's let's diversify our wealth as much as we can with comparatively illiquid assets like gold and other currencies from other countries.

And then within China you also see pretty strong investment demand for gold still I mean investors have not abandoned gold, they've backed off from the level that they were buying it in 2013 but they continue to buy a lot of gold in China and in India as a way to diversify their exposure to the Juan and to protect themselves from what could go wrong in the Chinese economy.

But Chinese investors probably bought about six or seven million ounces of physical gold last year that's a lot of gold so they're continuing their but I think that the impulses and the psychologies behind the Russian and the Chinese central banks and individuals is radically different one from the other.

Erik: Well Jeff I cannot thank you enough for another fantastic interview, secular bullish call on gold definitely got my attention especially coming from you. I know we've got a few things coming up, you have an advisory service and you were kind enough to make a sample issue of that available for our listeners. So, in your research roundup e-mail you'll find a link to that sample issue that Jeff sent us and I think you've also got you know something I actually believe it or not enjoy as bedtime reading, is the CPM Group gold yearbook and I don't get a new one every single year but that's a fantastic book tell us a little bit, I think you've got a new one coming out in the near future, tell us what's in it, what's it about and where people can find out more about it.

Jeffrey: Well the CPM Group produces annual yearbooks on gold, silver and platinum and our 2017 gold yearbook will come out next Tuesday. We're doing a couple things differently. instead of having a physical briefing in New York we're going to have a webcast and people can go to our website and find a link to the webcast it's at ten o'clock on Tuesday the 28th of March ten o'clock Eastern Time and we're going to launch it.

The report itself is about 220, 230 pages long, basic supply demand detailed review of what we saw happening in 2016 and what we expect to happen in 2017 supply demand and price investment demand. Some normative work that we've been doing on gold for all investment portfolio, central bank activity it's a really good report.

The other thing that we're doing this year is having produced these reports for 30 or 40 years as bound books we're probably going to only do this as an e-book now so that may disrupt your bedtime reading depending on whether you use a Kindle or not but the books have been hard cover for about 11 years and we're actually transitioning to e-books as part of a move to sort of become ever more digital.

Erik: OK, so www.cpmgroup.com I assume is the URL to find out more about next Tuesday's release of the 2017 year book and for registered users you'll find a link to the sample issue of the advisory newsletter and if you're not registered yet you can just go to macrovoices.com look at the description of this interview on the home page and you'll find instructions there for how to get registered and get the download.

Jeff, I can't thank you enough for another outstanding interview. Patrick Ceresna and I will be back as Macro Voices continues right here at macrovoices.com.

End of Interview