

# **Better Than Gold**

## **Report #1:**

### **The \$10 Trillion Question**

By: *The Commodity Trend Alert Research Team*

It's no secret. We've been bullish on gold for many years – from 2001 when it was trading around \$250 to this year, when it hit \$1,000. But we've become *madly* bullish in the past few months. We see \$2,500 in the not too distant future. Possibly a lot more.

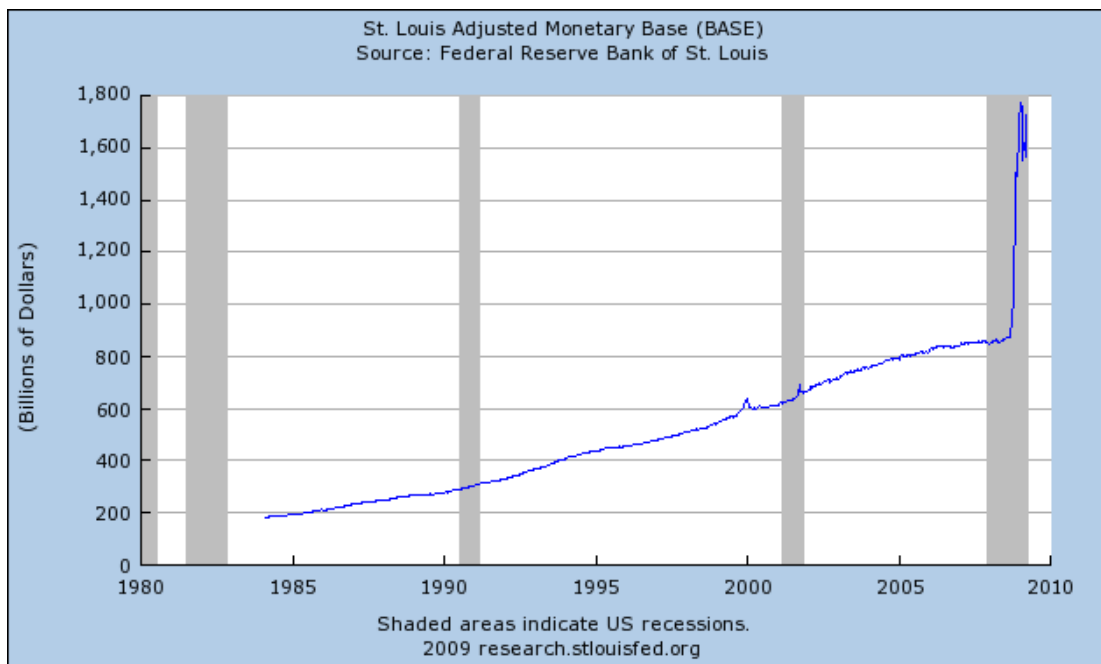
Why? Because it's one of the few assets that makes sense right now.

You've read the news... you've seen the scary numbers... charts... and figures.

- Congress is committing \$10 Trillion to prop up failed insurance companies, automakers and financial firms...
- 5.1 million jobs have been lost...
- China is publicly lobbying for new reserve currency...

But the news isn't *all* bad. In the midst of this morass is a golden opportunity – handed to us by the U.S. government.

Here's why: A record amount of "money creation" is going on. This is nothing new – it's part of a trend that's been brewing for decades. But lately it's been accelerating at a rapid pace. Just check out this chart from the St. Louis Fed...



Look at the monetary base... it's taking off like a space shuttle!

There are few "sure things" out there. But history shows when government printing presses run at warp speed, the price of gold, bolts higher...

- In the early 1970s, when America's national debt ballooned by \$57 billion, gold ballooned too, rising 80%.
- **When Washington piled another \$162 billion onto our deficit (through the mid-1970s) – it again headed higher, hitting gains of over 100%.**
- In the late 1980s, it happened again, when the government went a whopping \$527 billion into the red – those lucky enough to be holding this investment, saw a nice little rally of 33%.
- **And between 1998 and 2006 when the Feds boosted America's debt by \$3 trillion dollars – well, you get the picture, this gold again doubled in value!**

In 2009-2010, America has committed \$10 trillion – maybe more – to fight off a deepening recession. Can you imagine the effect this will have on gold prices? We can! Heck, they'll probably mirror that money supply chart. Up, up and away!

We wouldn't be surprised to see it zoom from \$900-an-ounce to \$2,000 ... even \$3,000-an-ounce before all is said and done.

But that doesn't mean you should run out and buy gold at any price.

## **Where to Find Gold... What Kind to Buy... and What to Pay for It.**

So... what are the best ways to get your hands on gold?

### **Bullion Bars**

Bullion bars offer an easy way to acquire 100 to 1,000+ ounces of gold – and pay a minimal "mark-up" or "premium" over the spot price (usually around 3%).

That's why we recommend them as part of your overall portfolio.

But there are two drawbacks to consider:

First – bullion bars take up a good deal of space. They can be expensive to insure, and store. In that way, they lose a little bit of their price advantage.

Secondly – we're wary of another round of government confiscation. If the Obama administration follows in the footsteps of Franklin Roosevelt and outlaws gold ownership – bullion will be one of the first gold investments that get seized and carted away.

### **Gold Coins**

Bullion coins are enjoying a renaissance of sorts. They're one of our favorite ways to hold gold...

Last year, panicked investors stormed the U.S. Mint and bought up *every* Gold Eagle and Buffalo coin they had in stock.

Today, they're *completely* sold out.

Yet we would NEVER advise you to buy a single coin from the U.S. mint.

We're serious. Don't touch them. They are overpriced. Just because thousands of people are fleeing paper money doesn't mean you should join their "bidding war."

Admittedly, it's not easy to find these coins in large quantities. Case in point... a couple months ago; we hustled down a few brokers. We were hoping to set aside a few thousand coins for our readers. In the end, we were able to put 2,500 of them "on hold" – but it wasn't enough. 48 hours after we alerted our readers, they were gone... scooped up... sold out.

At that moment we realized **the great "run on gold coins" had already begun.**

Every week, they're getting harder and harder to find...

### **Why are gold coins so popular?**

First – they are extremely easy to store, trade or sell. (Since they're minted by leading world governments – their value and purity is guaranteed.)

Secondly – there are only a few companies in the world that can produce the "blanks" needed to make them. That's led to a huge bottleneck in supply.

But most importantly, they're great for barter and trade. If things really do get bad – like they did in the 1930s – they're "instant money." No bank holiday or government-imposed lockdown will come between you and your wealth.

Think about it – how quickly could they close the banks, freeze your credit and tie up your retirement? Our guess is, in 24 hours or less. That's why you need something else – a little wealth that jingles in your pocket – just in case.

This week, our entire CTA Research Team is going to spend a couple days calling every dealer we know... we're also going to contact the U.S. Mint and their official suppliers – just to figure out what's going on.

We're not in the business of selling coins – but something smells funny here.

Hopefully we can get to the bottom of this ASAP. We'll let you know what we find out.

*-The Commodity Trend Alert Research Team*