

# Euro Prices of Gold and Silver set to Rise!

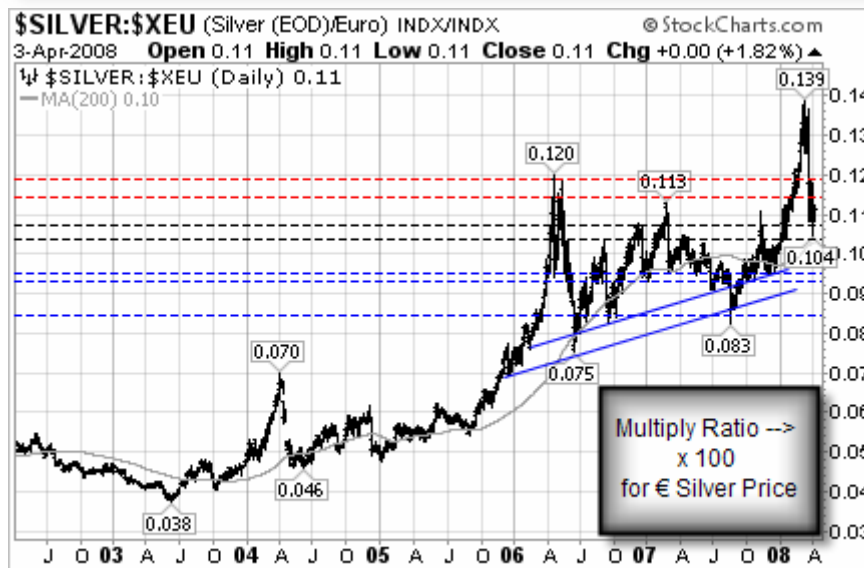
4<sup>th</sup> April 2008

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The focus in the gold market has always been on the \$ price of gold and yet we have ample evidence of why we should not price gold in the US\$, just as the oil price should not be priced in the US\$. The fall of the \$ has clouded the state of the global economy, its monetary system, as well as most of its markets. The gold and silver price has moved fairly closely with the € in the opposite direction to the \$. But should it be attached so faithfully to the €?

A look at the Euro price of gold and silver is helpful keep our perspective on gold & silver:



The € price of gold and silver is a better reflection of their rise, because they are on a currency that has been a relatively healthy measure of value. By looking at gold & silver through these eyes, we are in a better position to gauge the consensus of global market opinion on the state of the world's money system without the corrupting influence of a weak \$.

## Gold and Silver: Inverse Measure of Confidence

For the gold and silver prices to be able to reflect inversely the levels of "confidence" in the world's money system, we have to put it in a position where it can do so, ideally in a currency "neutral" position, but this is not possible, so to choose a robust currency to measure it, would express global confidence at its best.

The currency of choice then becomes the world's second leading currency, the €, one reflecting a high degree of strength as shown in the foreign exchanges of the world. By pricing the two metals in the € we can also better see its 'safe haven' value against a strong currency. With the potentially disastrous times for the global financial system that we live in, such a solid gauge would help us to extract local influences, in particular the bad ones dragging that currency down and get a global perspective.

Should any of you doubt the level of danger the money system faces, you only have to listen to the Chairman of the Federal Reserve Mr. Ben Bernanke, describing just why the Fed had to step in and protect the entire U.S. financial system, which could easily have collapsed. There is no doubt in our mind that the ripples from that scenario would have sent a financial Tsunami across the entire global monetary system, probably causing it to collapse. So an item that can act outside the paper currency world, which is dependent on the performance of men and their management and reflect a 'common' value is needed in these days. [Please do not confuse this concept with that of usable money. Gold and silver have done this for quite a few thousand years before 1970.]

## Globalization?

Has the world completed the globalization process? Far from it! In fact, it is still in its infancy. In the East we have half the world's population embarked on a [Chinese] government-managed emergence of what has to become perhaps the world's economic powerhouse, eventually, alongside India and the other nations of the Far East. With its extremely low export prices, there is little the West can do to compete with this growth as it osmotically sucks the wealth from the West. With its Chinese government's dominance, it is *unlike* any Western economies, which are based on banking systems. We do believe it has now achieved a momentum that will keep it growing at the present pace for several decades irrespective of what happens in the West [recession or otherwise].

In the West we have two power blocs, the U.S. and the Eurozone driving the developed world's economies. These two are interdependent whilst competing with each other, as can be gauge by the nearly testy comments from Claude Trichet, the head of the European Central Bank and President Sarkozy of France. The first measure of their globalization will be: Can Europe remain on a growth path with current interest rates or will the recession in the States force Europe to drop its own and stimulate its own growth? If they can do this, then Asia can most certainly be immune to the economic failings in the U.S.

So globalization is relative and unlikely to move towards global integration, as sovereign interests will **always** take precedence over global interests. It is against this background that gold and silver will define “confidence” and value measurement levels globally.

Stand back and look at this picture. What state do you see the global monetary system? The conflicting pressures will exert strains that are beyond the tolerance of the present global monetary scene. The required changes clash head on with the national interests of the developed West, who will resist as hard as they can the persistent impoverishment they are beginning to experience now. The rising East will, as they are well into doing already, financially colonize the poorer parts of the world in accessing the ingredients needed to feed its growth. Where they are permitted to they will also financially “colonize” the developed West through its banking system and other corporate entities of note. What other uses will there be for their burgeoning \$ surpluses?

## Rising €and the Gold and Silver Price?

So an overview of the way global economics are headed shows us that the global monetary systems will have to adjust to these power struggles fought out in its dealing rooms. The fact that they are structured on national interests shows that they cannot cope with these coming changes. Consequently both those with growing wealth and those with declining wealth will turn to gold and silver as measures of value that can withstand these changes and come with the benefits of rising demand and hence rising Euro prices!

**Are you properly structured to fend off the negative impact of these changes like Financial Controls on *YOUR* investments? [Subscribers contact us on this subject]**

***Gold & Silver  
...can withstand these changes...”***



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