



RESOURCE CONSULTANTS INCORPORATED

6197 S. RURAL ROAD TEMPE, AZ 85283

METALGUYS@BUYSILVERNOW.COM

FAX: 480-820-5905

TOLL FREE: 800-494-4149

AZ LOCAL: 480-820-5877

Dear Friends,

January-February 2017

2017 has begun with little movement in metals; however, there has been steady upward movement in all 4 precious metals. Steady is the key word we like to see.

The first time gold was traded as a commodity rather than a currency was in 1971. That was in response to Nixon taking the U.S. off the gold standard ending the dollar convertibility to gold, and closing the gold window. This stopped foreign governments from exchanging their dollars for gold. The international monetary then became a fiat one. Although Nixon's economic plan was to lessen the problems of inflation, unemployment and instability in the balance of payments the fiat plan did not work for long and inflation continued to rise.

Since 1971 Gold has gone up 30 times in value. At this time it still has a long way to go to pass its high of \$1,900 per oz. that it reached in 2011.

Many traders and investors were waiting for President Elect Donald Trump's first news briefing since winning the election which was held Wednesday January 11th. Or the inauguration Friday January 20th to see what affect the market might show. Can Trump's Presidency make a difference? That remains to be seen. We can and do hope and pray for the best. He is inheriting, in our opinion, one of the most messed up economies and socially, emotionally, fiscally/ethically confused and immature group of citizens of any presidency. Things will most likely look worse before they come back into some sort of balance. That is just one more reason for holding physical precious metals **Real money** as a way to protect your purchasing power against a financial or currency crisis. We all know that there is a national and international currency crisis and that the dollar has gone from being backed by gold to being backed by ever growing debt.

Click on this link if you want to check out how much debt!
www.usdebtclock.org

Precious metals markets gave a disappointing demonstration the last few months of 2016 and have continued to rise *slowly* this first month on 2017. The odds are very strong that bottom has been reached and it looks like precious metals investors are in for a pretty good year!

What could cause this to happen? There is little news substantial enough to shove the metals market in one direction or the other. The dollar has proved slightly stronger. According to Prime Minister Theresa Mary the UK will likely leave the European Commission – Single Market in a “hard” Brexit.

The European Single Market. The Single Market refers to the EU as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services. A functioning Single Market stimulates competition and trade, improves efficiency, raises quality, and helps cut prices.

The Mexican peso fell to an historic low of 22.04 per dollar on Wednesday 1/11/17. The weakened 20% against the dollar last year and was the worst performing major currency in 2016.

The U.S. Dollar as deeply mired in debt as it is, still is pulling faith as the preferred world currency. This is pretty baffling when you know how deeply in debt our economy is. How much longer do you think the house of cards can withstand the breezes of chaos?

**2017: Your Second (and Best?) Chance
to Ride the Coming Gold and Silver Shock-Wave
David H. Smith**

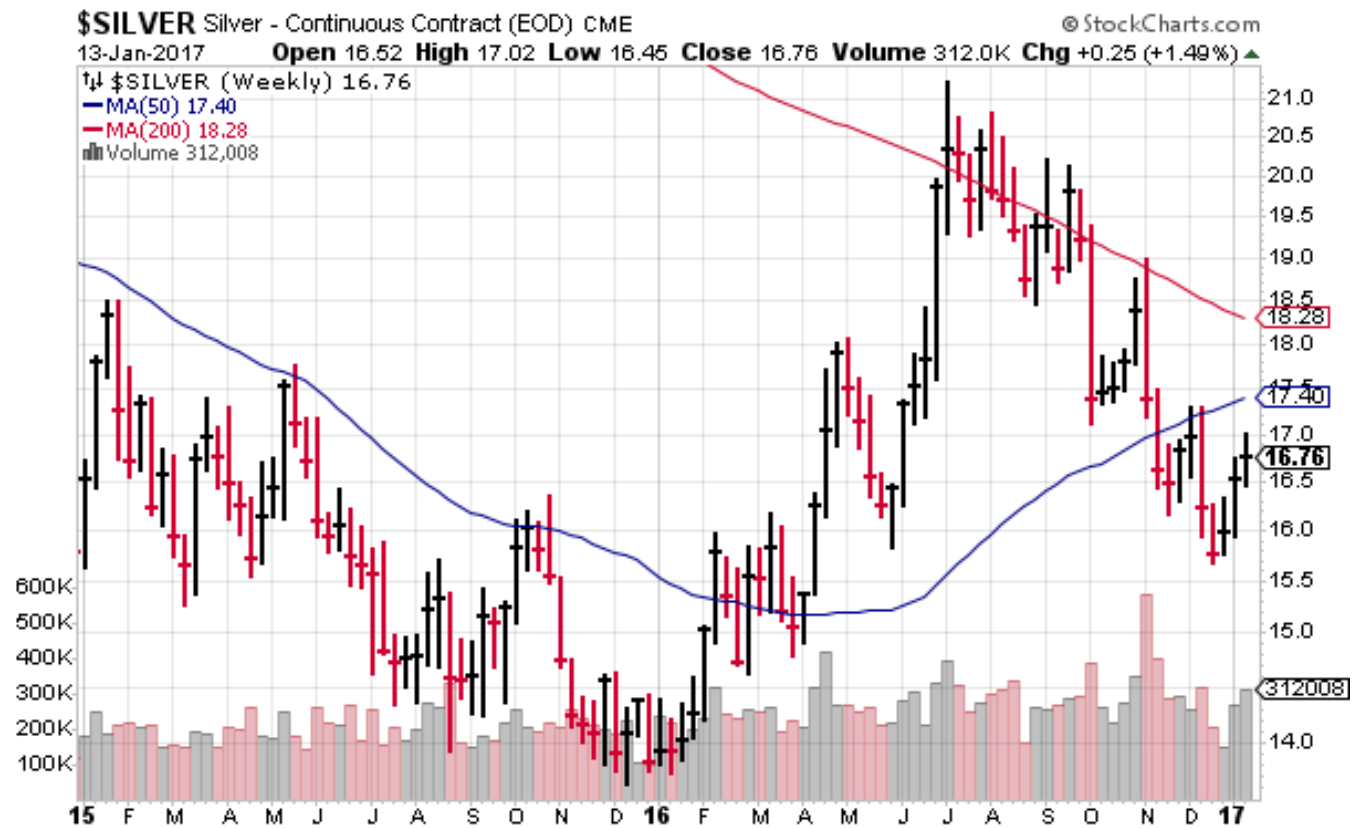
From December 2015-January 2016, most people were bearish on the precious metals and mining stocks. "Everyone knew" that it was risky to take a position. After 4 years of lower prices from the 2011 top, it did not feel safe to take action, or even hold on. Then the unexpected happened. Gold, silver and the mining stocks began a powerful move to the upside, running almost unimpeded until August-September,

thereafter going into a deep correction, which now looks to have been completed.

Just like last year, most of the "experts" are still bearish. Some are even calling for new gold lows below \$1,000 an ounce. Of course, they could be right, even though in 2016 they were wrong, big-time. As the late baseball great Yogi Berra supposedly once said, "It's difficult to make predictions. Especially about the future!"

In spite of Berra's admonition, this writer thinks that once again the nay-sayers will be proven wrong. If you let their bearishness keep you from at least establishing a "starter position" in physical precious metals - gold, silver and perhaps palladium - you could find yourself standing at the station without a ticket, while the bullish precious metals' train departs one last time, leaving you behind. Not to mention that when prices rise and volatility (the swings up and down) increases, premiums - not to mention availability of the metals themselves - may become a large enough factor to wipe out much of the gain you hoped to reap by waiting for "lower prices".

The following weekly charts on page four provide, from a technical analysis perspective, strong evidence to support this contention. Gold, silver and the mining stock indices have been establishing an important pre-condition necessary to give confidence that a new cyclical bull market (within the outlines of the ongoing larger, longer secular bull run which began around 2000) is underway.



Weekly Gold, Silver, Gold Stock (ETF: JNUG) prices (Courtesy stockcharts.com)-

Each of these charts currently demonstrates the classic signs of an intermediate to long-term bull market run - higher highs and higher lows. Investors/traders who missed getting on the most recent run-up, look for a chance to take a position. If they read charts, which most participants nowadays do, they will look for specific correction areas, often referred to as "Fibonacci levels", named after the 11th century mathematician who discovered them. One-third, 50% and two-thirds areas are some of the principle levels where people watch and look to take action.

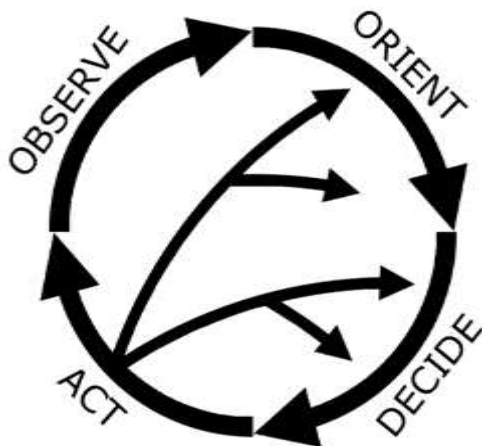
Intelligent, thoughtful people know that there are few if any guarantees in life. Just about every decision we make is - and should be - considered in the context of probabilities. We do the big picture research, perform the math, placing our goals, risk tolerance and resources into the mix. Then if our personal "numbers" add up, we form a plan. And lastly, we carry it out.

Many years ago Pat Gorman said something to me - and later to many others via his radio shows, conference presentations and writings in books and articles. He remarked astutely, that you must "Plan your work -then work your plan." To this day that little homily still resonates. I've written in depth before about a decision-making model that carries this idea out. I'd like to share it briefly once again, in order to remind old readers and inform new ones just how powerful the application of Pat's saying can be - but only if you carry it out!

The Boyd Cycle

You can easily Google the story of the late USAF Colonel John Boyd and how his thinking led to amazing advances in American aerial warfare tactics. He also left his imprint on the creation and deployment of several aerial platforms (planes) which serve to protect our nation to the present day. But the core aspects of his thinking helped create a problem solving model - The Boyd Cycle - which is so powerful that it can lead us to achieve - and often exceed - just about any goal we might have.

It has only four steps: **Observe** (look around you at the big picture), **Orient** (place yourself within the context of that picture), **Decide** (make a plan), and **Act!** (carry out your plan).



The OODA Loop. (Courtesy Steven A. Smith)

Work through this cycle, and keep at it so that you're continually improving, and you'll soon find yourself acting ahead of events, rather than responding (reacting) to them. Take some time right now to make a test run. Get up to speed with what's happening in the world that is likely to be supportive of the bullish case for the PMs (precious metals). Develop a list of "go to" sources that tend to get things right when they analyze socio-political-economic cause and effect relationships.

Next take time to think about yourself - Do you take the long view about seeking protection and profits from an investment, or do you have to be "right" as soon as you take a position? Can you form and hold an opinion, or are you constantly swayed by the last piece of information you've run across, or the most recent person with whom you've spoken? Do you tend to go "all-in" on investment ideas, or do you respect the importance of allocation and balance so that you can sleep at night after you've taken a position? Do you really understand and believe in the merits of the "sound money" story?

If you decide that owning precious metals "fits" your circumstances, then act on that decision. Consider giving Resource Consultants at buysilvernow.com a call. The number is

800-494-4149. There is no commissioned sales person to pressure you. Their motto has always been "Education before Acquisition " and want you to be comfortable and glad you came to them. Not only do they provide a two-way market, selling and buying metal from customers, but they can also help design a workable plan that fits an individual's circumstances. Resource Consultants is one of only two sources for precious metals' sales this writer has ever unreservedly recommended. I receive no compensation for my recommendation or your becoming a client of theirs.

Little Silver's Cousin Could be Getting Ready to Shine!

Platinum - a member, along with palladium and rhodium - of the platinum group metals (PGMs) was referred to as *platina* ("little silver") by early the Spanish Conquistadors who discovered it in streambeds during their search for precious metals. Platinum was too difficult for them to work with using the methods of the day at their disposal, so it was tossed back, in order to "grow up"!

The vast majority of platinum supply comes from South Africa and Russia, which between them account for almost 90% of the total. Of the remainder, North America and Zimbabwe, account for around 4% each. About 30% of platinum demand goes into the auto sector - for catalytic converters. 28% finds its way into jewelry. The larger component, electronics, is about 35%, with investment making up around 8%.

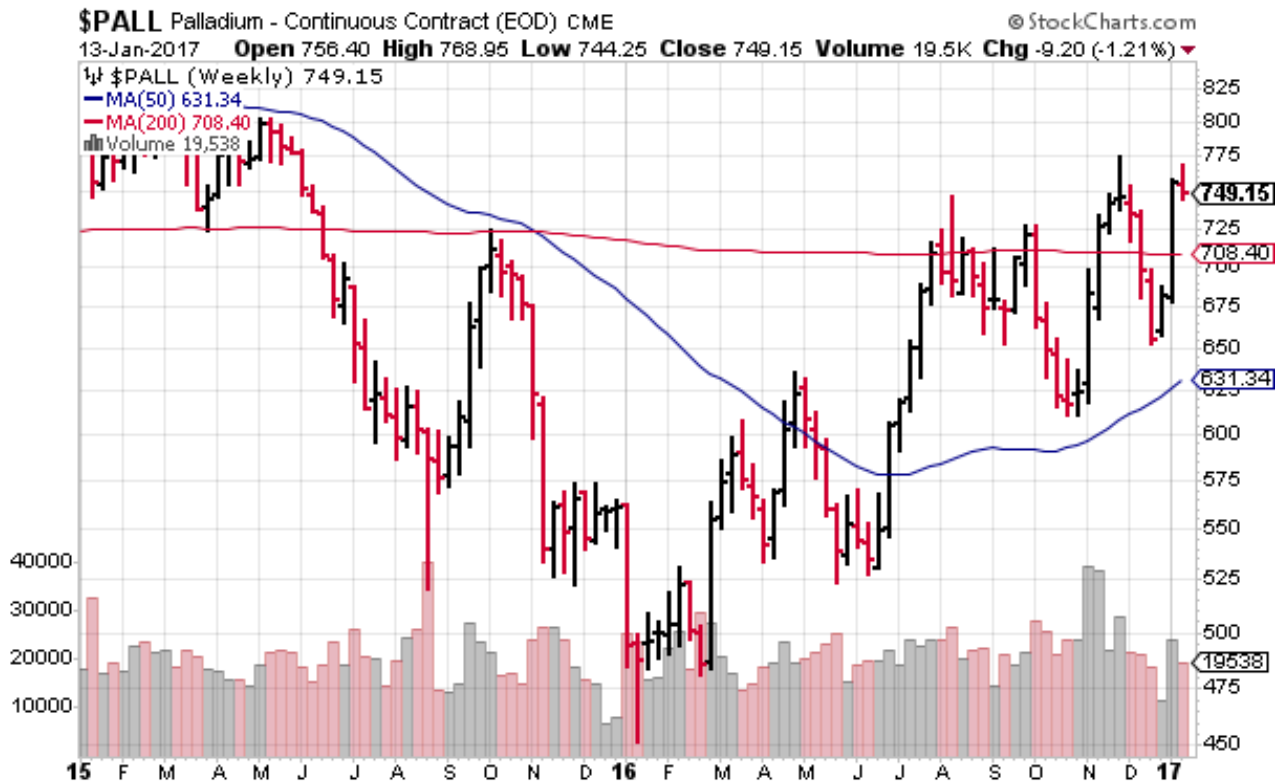
Palladium, often found as a byproduct of platinum, sees almost 70% of annual supply going to the automotive industry for use in catalytic converters. 4% finds its way into jewelry, 8% for dental, 14% for electrical and 8% to "Other" (to which we will return in a minute). Much palladium supply comes from Russia (Norilsk), though several North American mines produce it (considerably less) as well. Platinum and palladium are so critical in many other industrial uses that Japan has even designated PGMs as one of the most important metal categories in its national resource acquisition policy.

Generally, platinum costs as much as \$200-300 more than a troy ounce of gold. Currently, however, it can be had for about \$220 less. For

investors who believe that platinum will regain its premium above gold at some point down the line - and history is on their side in this regard, buying an ounce today is like getting gold for about \$800 an ounce! Even if gold was to stay at the current price, and platinum rises to, say a \$200 premium, a platinum holder would have a \$400 profit, just for holding on while the platinum/gold ratio re-establishes itself.



The above pictured are just a few ways to hold physical platinum. You can also acquire platinum coins in rolls and can have them in your precious metals IRA.



Monthly Palladium

Once a person has taken a position in gold and or silver, picking up some Platinum 1 troy ounce bullion rounds make a lot of sense, though my personal preference leans a bit more toward palladium. This is where the "Other" category comes in. Palladium, which tends to run several hundred dollars an ounce cheaper than platinum, works in many of the same applications. And it has developed an increasingly larger investment audience. Large swings in the price of PGMs makes them arguably more volatile than gold and silver - but also offers, for those who own them, the potential for some rather serious profits!

"Monster Box" Silver

The American Silver Eagle is a one-troy ounce specimen produced by the U.S. Mint, and sold to the retail market through dealers who purchase directly from the Mint. Word has it that on the first day of January, 2017, dealers ordered over 10 million units. This could be an interesting harbinger for silver sales!

These .999 fine beauties, usually sold in Brilliant Uncirculated (BU) condition, generally carry a \$3+ premium over spot depending on the quantity ordered. They can be had as singles, 20 to a roll tubes, or in "monster boxes" of 500 coins (20 x 25). If you buy a Monster Box, it's good to keep it sealed with the straps provided by the Mint, since most coin dealers - for obvious reasons -will offer a higher trade-in value if the box has remained unopened. Otherwise, should you decide to sell them back at some point down the line, they will have to laboriously go through each tube and unit to confirm the contents beforehand.

U.S. Mint Silver Monster Boxes are shipped to over 50 countries around the globe. They weigh over 40 pounds apiece, so if you're buying several, you may want to literally "back up the truck" to lug them home.

Australian Silver "Mini-Monsters"

The Canadian Mint also sells monster boxes of its Silver Maple Leafs, as does Austria, with its Silver (Vienna) Philharmonics. Last year a new

entry - the Perth Mint's Australian Silver Kangaroo coin - made its debut. What's interesting about this option - in addition to its admitted beauty - is that they can be purchased in a 250 coin "mini-monster" box. As with the 500 count American Silver Eagle boxes, you should leave the sealing straps intact. If you want some Kangaroos to look at, or to give as individual gifts, simply buy an additional tube.



1 troy ounce Perth Mint Silver Kangaroos

A new book from David Morgan and David H. Smith

In mid-November, we introduced a new book to attendees and presenters at the Cambridge House International Silver and Gold Summit in San Francisco. Its title: [*Second Chance: How to Make and Keep Big Money during the Coming Gold and Silver Shock-Wave.*](#)

It was our opinion then, and remains so today, that the almost 5 year cyclical bear market within the larger secular gold and silver bull market, ended in December, 2015. This resulted in a 45% decline in gold, from a high of \$1,923 to about \$1040, and for silver a decline from almost \$50 to just under \$14 a troy ounce. These declines of 44% and 70% respectively were comparable historically with other cyclical drops under similar circumstances.

Though painful for metals holders (less so for those who kept buying on a dollar-cost averaging schedule), the 2016 rise in the first half of 2016,

and the correction from that peak, serves as increasing vindication that those who either held their positions or added to them, have been doing the right thing. That's why David Morgan has always counseled his readers to hold precious metals' first as insurance, and second as a possible profit center. If we are correct about not only the direction, but also the scale of price advances over the next 3-5 years, and possibly longer, gold, silver and PGM holders are going to be very satisfied with their performance in *both* of these categories.

One of the core themes of our book - which does not seem to have been considered by most other writers of which we are aware - is the idea of actually holding onto profits, once they have accumulated, and once the bull market starts giving signs of being long on the tooth. We believe that we're quite a few years away from that scenario, but it pays to do some thinking ahead of time about that eventuality.



A side consideration on this topic - one that is critically important to the readers of this essay now - is avoiding sitting on the sidelines, watching prices go where you thought (and hoped) they would, and then buying. If you believe that silver can, and most likely will challenge \$100 an ounce at some point, why would you wait to buy some at \$50, when it's available now at well under \$20?

When most people see something on sale that they would like at a store, they usually buy it. But when gold and silver "go on sale" - the tendency for many (most?) investors is to say "If it drops to x\$, then I will buy some." The problem with this tactic, is that even if prices do decline to that trigger point, human nature almost dictates that no

action will be taken. If you don't believe this, just go online one of the precious metals' chat rooms - which for most other reasons would be a waste of time - and see for yourself. People talking endlessly about what they will do, if and when...

You will be much better off working The OODA Loop, guided by your own conclusions - and then acting upon them!

A word about "collector coins"

For the most part, coin collecting -numismatics - is a side topic to our current discussion. It's an arena where a coin is graded and priced, based upon its condition, rarity, and demand. Getting deeply involved in it - *unless you have a special interest in doing so* - can lead you far astray of what may have been your original goal in holding gold and silver in the first place. An excerpt from David Morgan's and my book, [Second Chance](#), demonstrates this danger in a compelling way:

A lady bought gold, saw prices triple, yet lost two-thirds of her money.

One particularly heart-rending story came to us by way of a good friend. He is an investment letter writer and owner of a bullion sales business. In early 2011, an elderly lady came to him with a collection of gold coins she wanted to have appraised and sold. Several years earlier, from another dealer, she had simply tried to buy a quantity of gold bullion. But rather than sell her the type of gold vehicle we'll discuss shortly, she was talked into buying "collectibles".

She dropped over \$1 million dollars on those coins, at a time when gold was going for about \$500 a troy ounce. When she came into our friend's establishment, the metal was more than \$1,500, so she should have been able to sell her hoard for \$3 million dollars - tripling her original investment. But since the premiums on many of the coins she had been convinced to buy were grossly inflated, her collection was now appraised at only \$300,000. She had managed to lose two-thirds of her original investment! Please do not let this happen to you!

"Insurance with a Kicker"

There are a few exceptions to this "avoid collector coins" admonition. If you've thought things through beforehand - and kept perspective in regards to your original purchasing goal - investment insurance -they offer a sensible, conservative approach that can provide you with enjoyment and perhaps even a solid profit.

I've long felt that Pat and Linda's advertising phrase "Insurance with a Kicker" perfectly describes the balanced and nuanced approach to this topic. It implies that - after one has established a core physical bullion position - holding some graded coins can make a lot of sense. It keeps you wedded to the original reason you have precious metals - insurance.

And it implies that you might also make a profit beyond a price rise for the content in the metals themselves. But there's another unstated "kicker" - you might simply love that coin, and even want to pass it/them along to someone else. This is exactly the case with the two - soon to hopefully be three - exceptions I've made for adding a few numismatic coins to my collection.

In the first case, I have always loved the design of the old buffalo head nickel. But I never dreamed that many years later - in 2006 - the U.S. Mint would decide to choose that design in producing the first American .9999 fine pure gold coin. It has a likeness of a Native American Chief on the obverse and on the reverse, a Great Plains buffalo. When they first became available, I purchased one for each of my children. Hopefully, they will always hold onto them.



The second exception for me is the American Silver Eagle - without a doubt, one of the most beautiful designs - from any national mint -ever to grace a coin. Several years ago - at David Morgan's suggestion - I started to collect American Silver Eagles - one for each year, going back to 1986, the first year they were minted. I add another one annually, and will continue to do so as long as production continues. This set of encapsulated professionally-evaluated coins, graded from Mint State (MS) 65 - 70, will be willed to my children. The 2016 specimen, an MS 70, cost \$55. At the time, spot silver was \$15. An ungraded Silver Eagle would have only run about \$18, or \$3 over spot. You can see by this example that I paid "a lot more than I had to", but with a specific and well-thought out plan. Just as important, was that I was allocating only a small amount of investible funds.

The takeaway? For me, owning some Gold Buffalos, an American Silver Eagle collection, and if I'm lucky, a first-year issue South African Silver Krugerrand, will have been purchased for reasons entirely divorced from the desire to make a big profit. Even if they rise substantially in price, it will not have affected my reason for buying them in the first place.

In conclusion, you may not own precious metals now. Or you may not have accumulated "enough". Either way, the evidence leads to the conclusion we're looking at the second and perhaps best chance to hold gold, silver and palladium that we will see for the remainder of this precious metals' bull market.

Act sensibly, ahead of the crowd, rather than reacting with it after much higher prices and tightening supplies, as we move toward the coming gold and silver shock-wave.

Please visit & “like” Resource Consultants,

RECOMENDATIONS

GOLD ~ CATEGORY ONE INSURANCE

The American Gold Eagle was first released in 1986 by the United States Mint. It has been minted every year since in one ounce, 1/2 ounce, 1/4 ounce and 1/10 ounce sizes. These 22 karat gold coins are guaranteed by the U.S. Government to contain the amount of actual gold weight in troy ounces stated on the coin. By law, the Gold Eagle must be made from sources in America. The coins are alloyed with silver and copper also to make it more durable.

Photos enlarged for better clarity



1.0909 troy oz.

0.5454 troy oz.

0.2727 troy oz.

0.1091 troy oz.

The earlier Gold Eagles minted from 1986-1991 were dated with Roman numerals. Arabic numbers were released in 1992 through the present year. The Obverse or front of the coin was designed by Augustus Saint-

Gaudens the artist who designed the \$20 St Gaudens. The reverse side of the Gold Eagle depicts an Eagle flying over a nest and was designed by Miley Busiek in 1986. Although they are the favorite for American metals precious buyers, some dates are scarcer than others. For instance, in 2016, the population of the one ounce Gold Eagle was 655,000, a small mintage compared to 1,493,000, minted in 2009. The American Gold Eagles can be bought individually or in rolls or 500oz mint boxes. **Call us for quantity discounts. 800-494-4149**

The American Mint produced its first and only .9999, 24 karat gold coin, the one ounce Gold Buffalo, in June of 2006. It has the design of the Indian Head nickel had has the Bison on the reverse side.

There are replicas, or imitation versions of this coin made by a private company called The National Collector's Mint and sold on TV usually for 19.95. Another variation is produced by American Coin Treasures. Pretty, but not worth anything as a coin because it isn't one. We don't like the replicas and we will not buy or sell them. Spending \$20 on a gold plated replica coin that you most likely will never be able to sell except at a garage sale doesn't sound like a bargain to us.

Beware of replica coins which are usually sold on TV or magazines. For the real deal, only buy from dealers who have a long and good reputation. Resource Consultants, for instance has been in business since 1996! Pat and Linda Gorman have been in the precious metals business since 1982. The founder of Resource Consultants, Pat Gorman hosted the award winning radio show: "Hard Money Watch" on Financial News Network for nearly 25 years and is a long time consumer's advocate and educational warrior for precious metals.

We have just mentioned a few of the bullion gold choices available. There are many others including the Canadian Gold Maple Leaf, Austrian Gold Philharmonic and gold bars to name a few. **Precious Metals IRAs are another way to own precious metals. With a few exceptions, most items in Category One of Gold, Silver, Platinum or Palladium are IRA acceptable. Call Resource Consultants, Inc. to get current prices or recommendations or to place an order. 800-494-4149.**

GOLD ~ CATEGORY TWO INSURANCE WITH A KICKER

One step up from the bullion coins and bars, are the older U.S coins that were minted to actually be used as currency about 100 years ago. These coins carry a slight premium over the bullion coins as well as the joy of having beautiful coins that carry the history of our nation. We recommend these coins in slightly circulated condition and common dates for the best prices. Many of us enjoy collecting these coins in date sets and type sets.



GOLD ~ CATEGORY THREE SPECULATIVE

We firmly believe that *the most important part of a metals investment should be the "insurance" or bullion coins and bars.* However, once you have that established, you might want to add some third party graded Mint State Coins to your portfolio. There are some great values to be

found now before the market gets too active. We recommend the common dated in grades ranging from MS62-65.

Investing in Graded coins, like investing in the stock market carries risk. You could do fantastic or not... However, we have seen some stocks to zero. We've never seen that happen to a tangible gold coin. We have warned our readers before about unscrupulous dealers who call people and ask what they are holding in metals then churn them out of all of their bullion coins and sell them a couple high grade, rare date "collector coins" We do not recommend selling your metals to buy more metals at a higher cost. The story David shared about the woman who had dropped over a million \$ with an unscrupulous company sicken is horrible. We have heard similar stories from some of our clients and readers who had prior to knowing us been SOLD or bullied into going against their gut instinct. Also, we advise against investing in anything other than United States minted coins in category three. Foreign Numismatics are far too hard to liquidate.

Many of our clients, like us, are coin collectors. Resource Consultants can and is available if you have questions or would like us to help you put together a collection or add to an existing one. We work hard to bring you the best price possible on numismatic coins. If you are considering picking up some graded coins, please call us first.



SILVER ~ CATEGORY ONE INSURANCE

David went over some of the items in this category a few pages back, so we don't need to spend so much time here. Silver Eagles , Maple Leaves, Philharmonics , Kangaroos, and rounds can be purchased in rolls or in Monster Boxes. They are all great ways to accumulate silver and the premiums will vary between the different forms depending on the market.

Other low premium forms of Silver Bullion that we recommend are: 5oz , 10oz or 100oz Silver bars , and U.S. 90% silver coins or junk silver. Please go to our website www.BuySilverNow.com and click on the newsletter tab to read our previous newsletters for more information on these items. Also feel free to call us with any questions you might have or place your order.

Those who try to play cute and outsmart Mr. Market, while "keeping powder dry" and waiting for the ideal place to "back up the truck" are likely to find themselves sitting in an empty truck! ~ David Smith

Thank you again for your business and for referring your friends and families to us. Thank you too for your friendship! We cherish the relationships we have with each one of you and look forward to many more happy years with you!

God Bless and Keep You,



Linda & Pat Gorman