GOLD STOCK ANALYST

is now

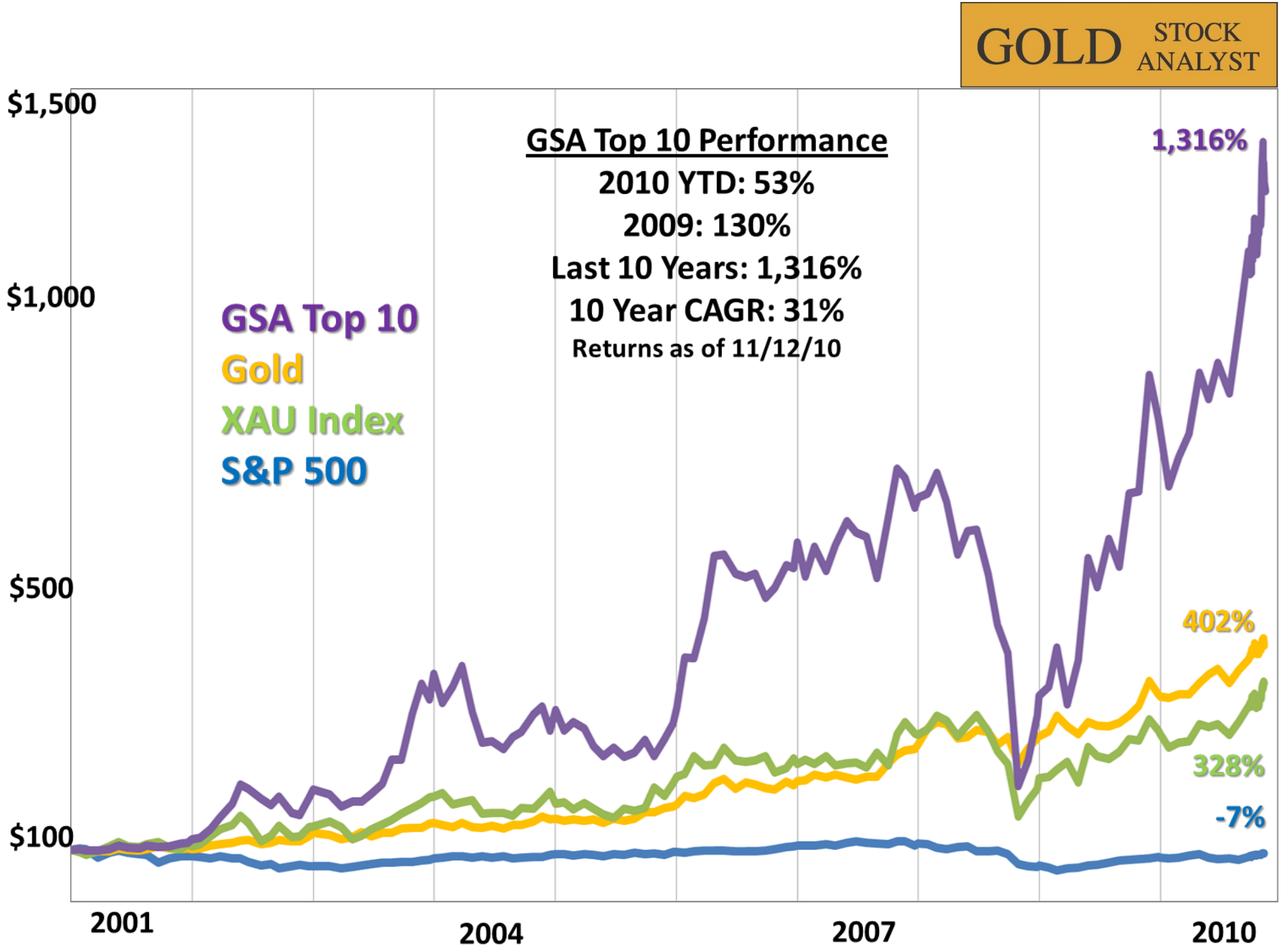
GSA-Top10

***Gold Stock Analyst** newsletter for Individual Investors; focused on Top 10*

and

GSA-Pro

***Gold Stock Analyst** for Professionals; 70 miners plus the GSA-Top10 newsletter*


GOLD STOCK ANALYST
GSA Top 10 Performance
2010 YTD: 53%
2009: 130%
Last 10 Years: 1,316%
10 Year CAGR: 31%
Returns as of 11/12/10
GSA Top 10
Gold
XAU Index
S&P 500
1,316%
402%
328%
-7%
$1,500
$1,000
$500
$100
2001
2004
2007
2010

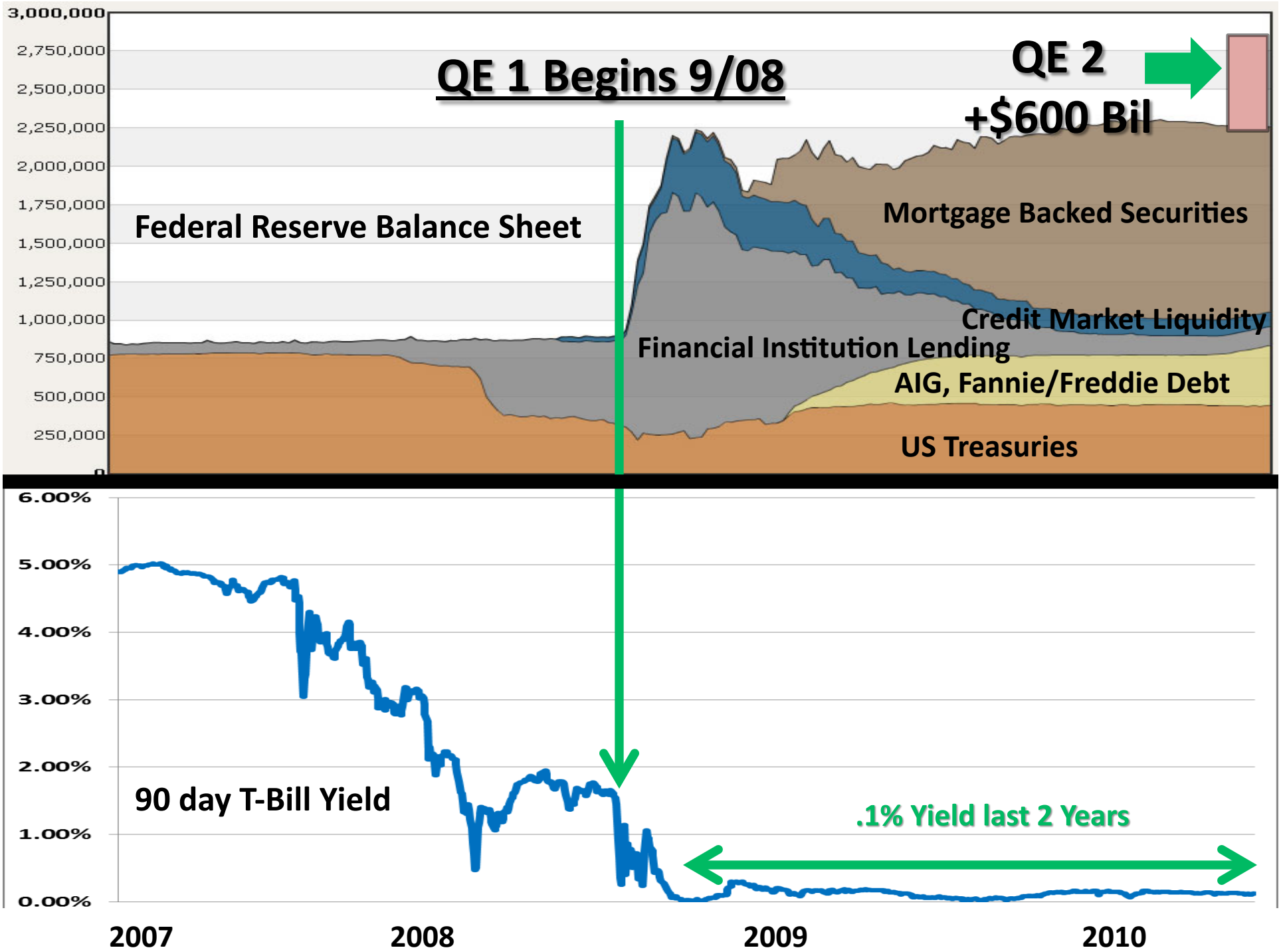
GOLD STOCK ANALYST

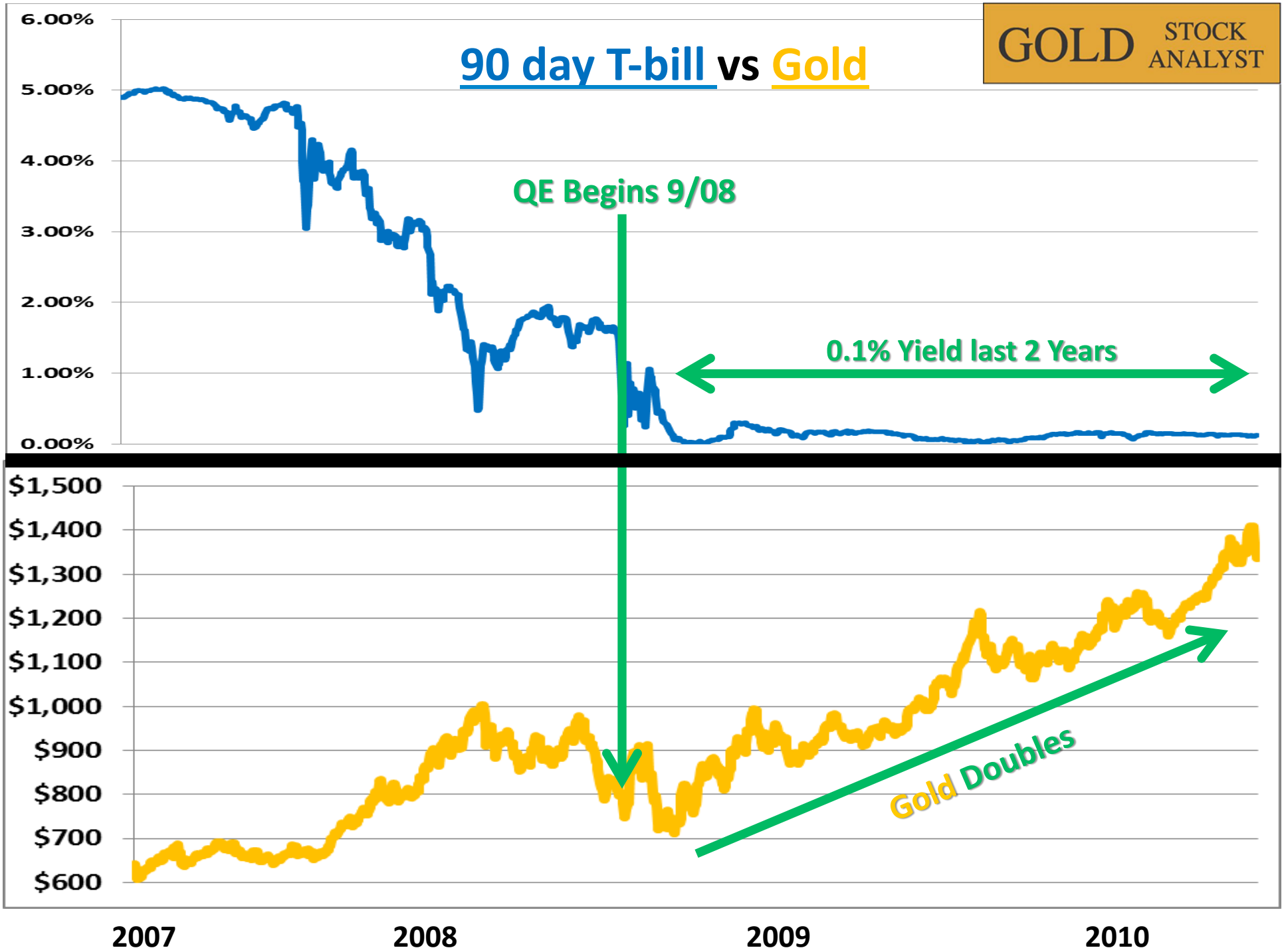
Real Interest Rate

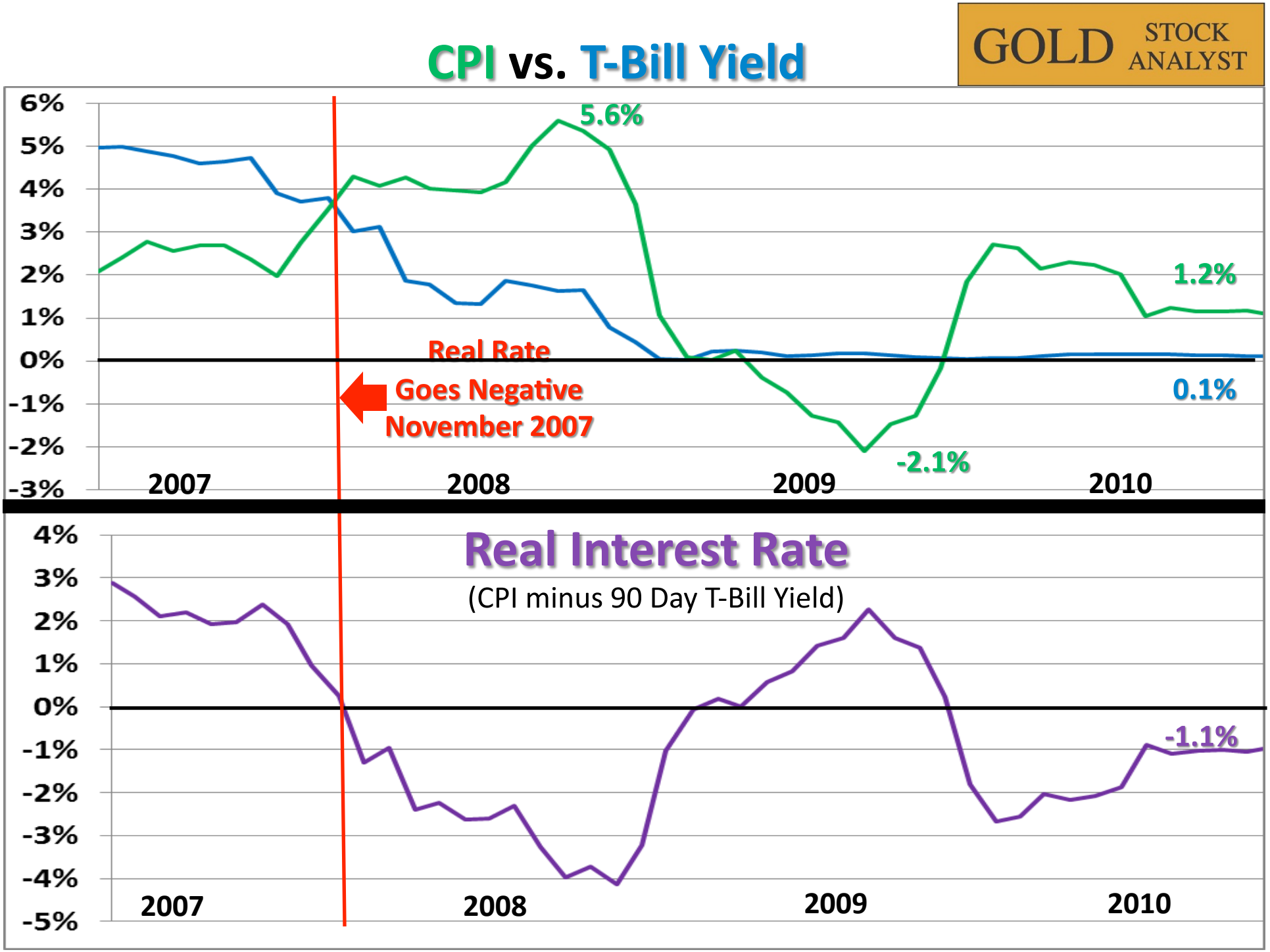
THE single-most important indicator of Gold's future price

Risk Free Return (90-day T-bill)	0.1%
- CPI (Oct '10 vs Oct '09)	-1.2%
= Real Interest Rate	-1.1%

$100 invested in T-bills on January 1 will have $98.90 in purchasing power on December 31


3,000,000
2,750,000
2,500,000
2,250,000
2,000,000
1,750,000
1,500,000
1,250,000
1,000,000
750,000
500,000
250,000
0
QE 1 Begins 9/08
QE 2
+$600 Bil
Federal Reserve Balance Sheet
Mortgage Backed Securities
Credit Market Liquidity
Financial Institution Lending
AIG, Fannie/Freddie Debt
US Treasuries
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
90 day T-Bill Yield
.1% Yield last 2 Years
2007
2008
2009
2010


90 day T-bill vs Gold
GOLD STOCK ANALYST
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
QE Begins 9/08
0.1% Yield last 2 Years
$1,500
$1,400
$1,300
$1,200
$1,100
$1,000
$900
$800
$700
$600
Gold Doubles
2007
2008
2009
2010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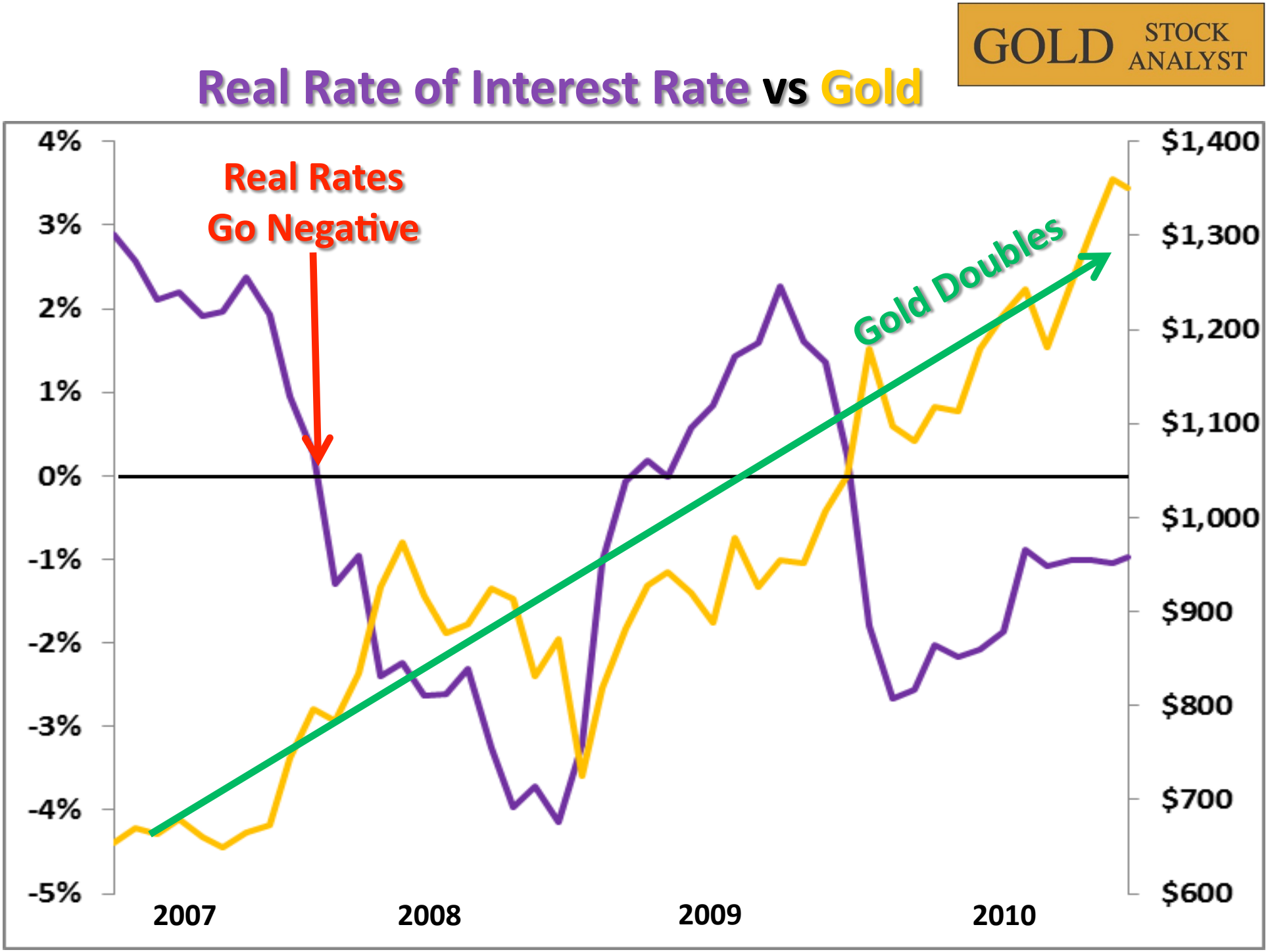
CPI vs. T-Bill Yield
6%
5%
4%
3%
2%
1%
0%
-1%
-2%
-3%
5.6%
1.2%
Real Rate
Goes Negative
November 2007
0.1%
-2.1%
2007
2008
2009
2010
Real Interest Rate
(CPI minus 90 Day T-Bill Yield)
4%
3%
2%
1%
0%
-1%
-2%
-3%
-4%
-5%
-1.1%
2007
2008
2009
2010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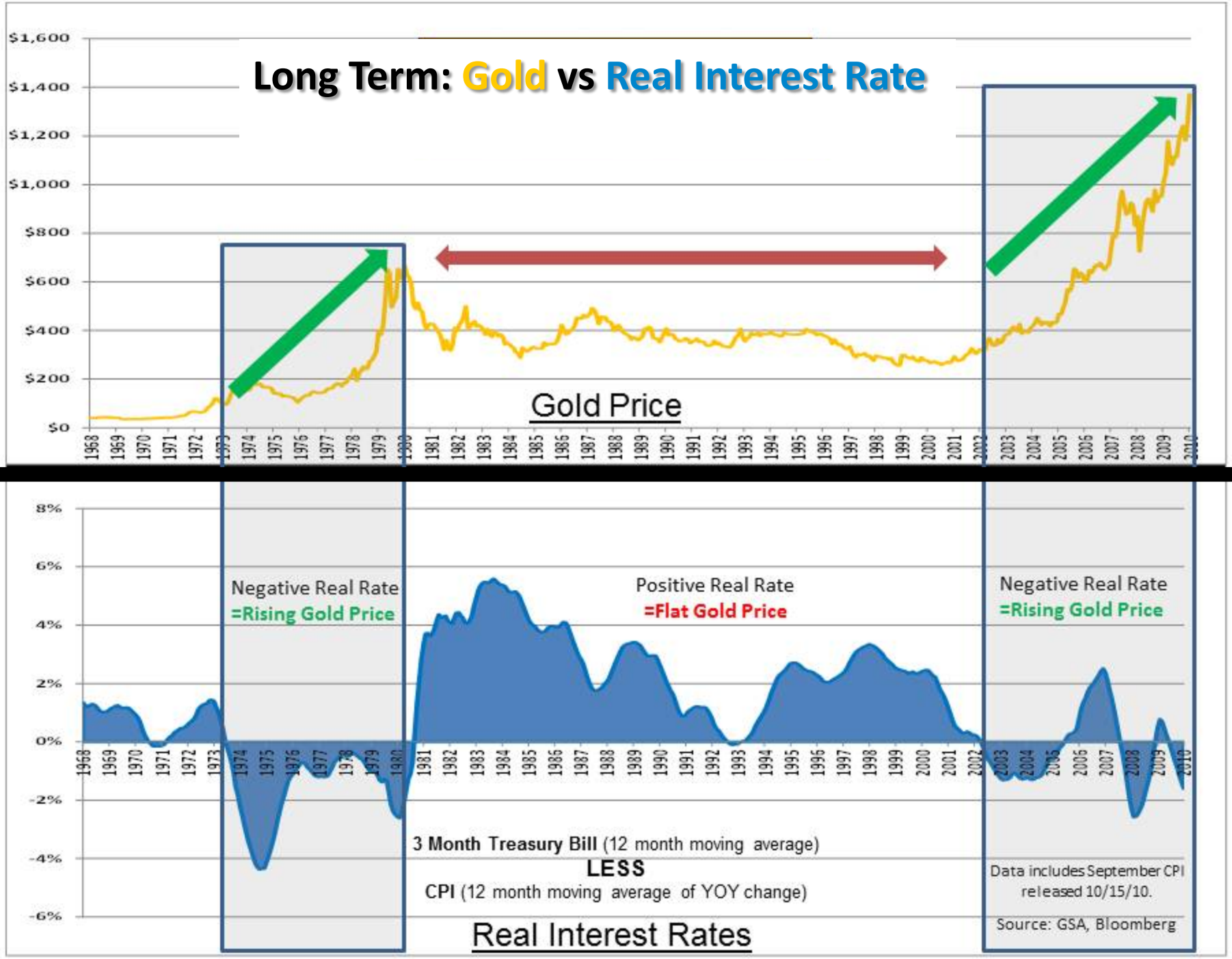
Real Rate of Interest Rate vs Gold
Real Rates
Go Negative
Gold Doubles
4%
3%
2%
1%
0%
-1%
-2%
-3%
-4%
-5%
$1,400
$1,300
$1,200
$1,100
$1,000
$900
$800
$700
$600
2007
2008
2009
2010


Long Term: Gold vs Real Interest Rate
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
Gold Price
8%
6%
4%
2%
0%
-2%
-4%
-6%
Negative Real Rate
=Rising Gold Price
Positive Real Rate
=Flat Gold Price
Negative Real Rate
=Rising Gold Price
3 Month Treasury Bill (12 month moving average)
LESS
CPI (12 month moving average of YOY change)
Data includes September CPI released 10/15/10.
Source: GSA, Bloomberg
Real Interest Rates

GOLD STOCK ANALYST

Gold now "Legitimized"

Competes with stocks for share of portfolio

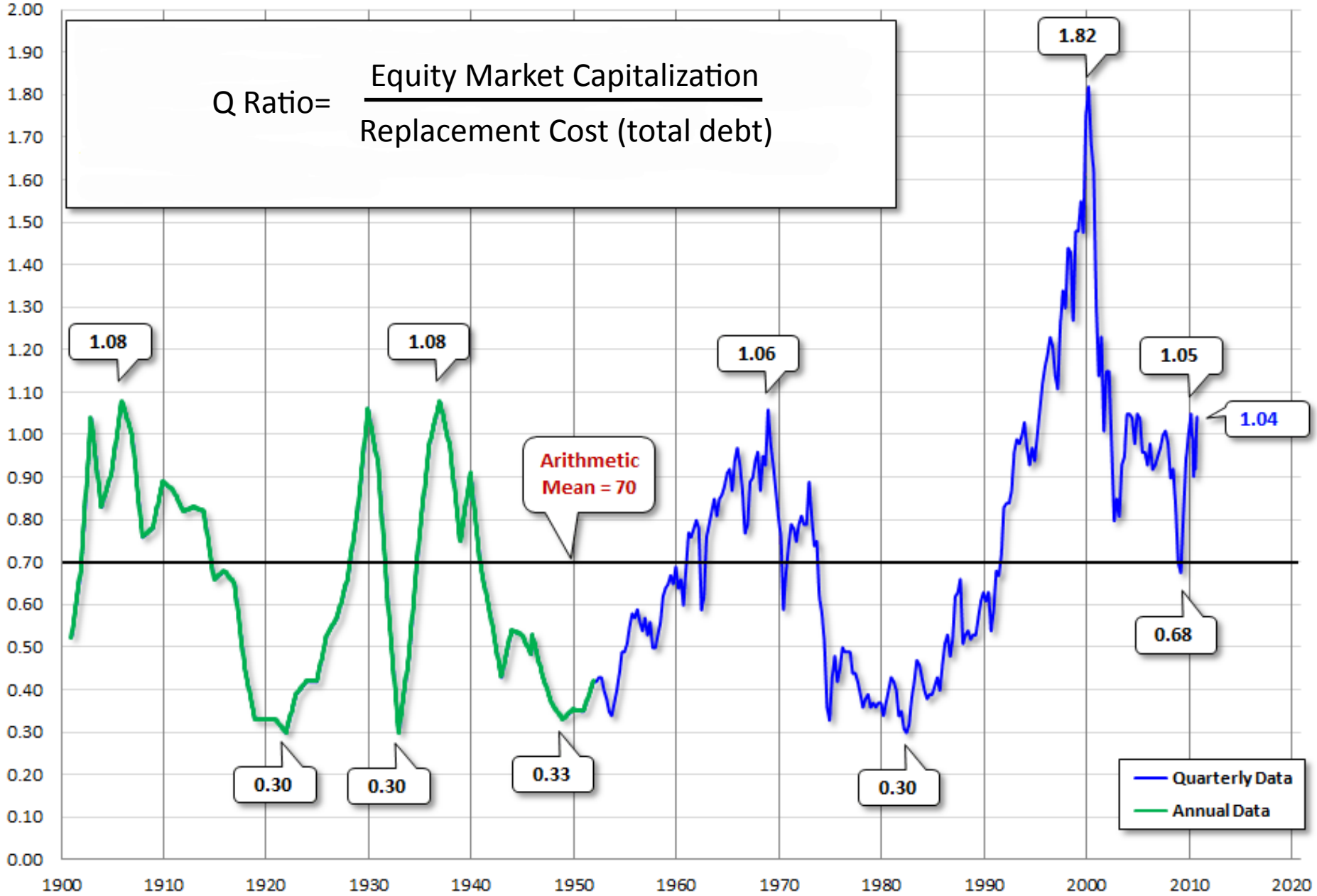
5% to 10% position now acceptable

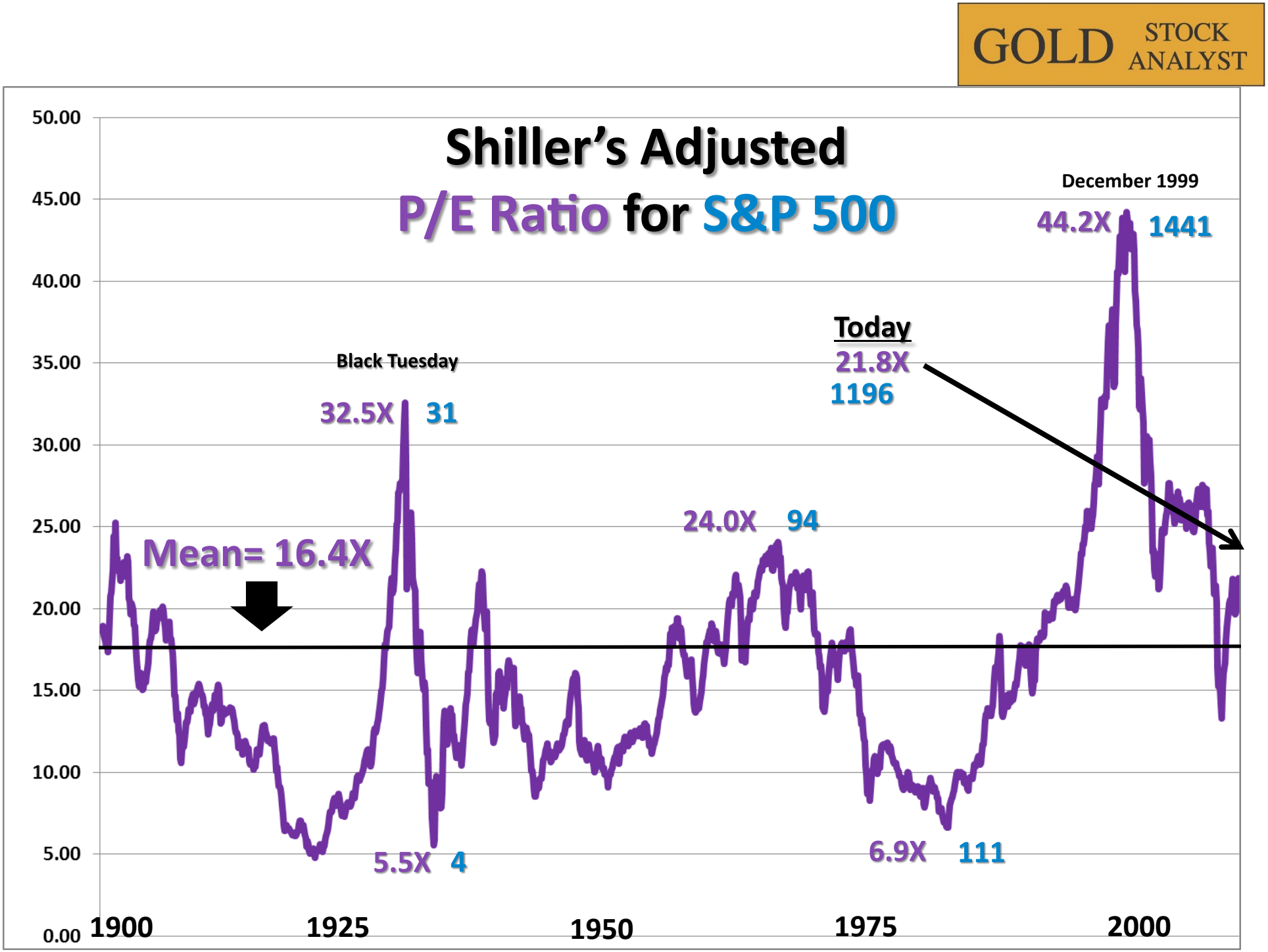
Whither stocks next 10 years?

Q Ratio Since 1900

GOLD STOCK ANALYST

November 2010

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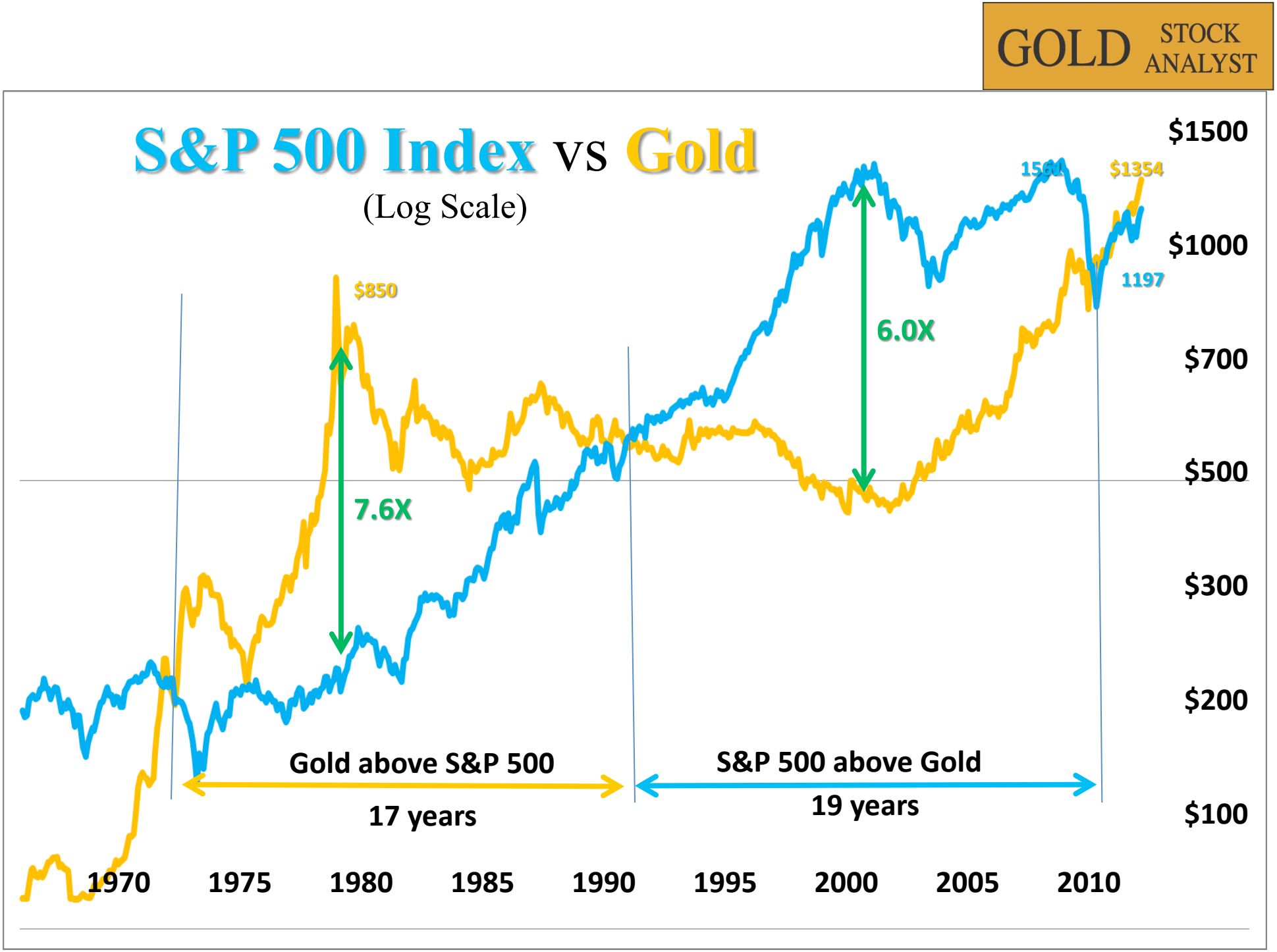
Shiller's Adjusted
P/E Ratio for S&P 500
50.00
45.00
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
1900
1925
1950
1975
2000
Mean= 16.4X
Black Tuesday
32.5X
31
5.5X
4
24.0X
94
6.9X
111
December 1999
44.2X
1441
Today
21.8X
1196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S&P 500 Index vs Gold
(Log Scale)
$850
7.6X
6.0X
1561
$1354
1197
Gold above S&P 500
17 years
S&P 500 above Gold
19 years
$1500
$1000
$700
$500
$300
$200
$100
1970
1975
1980
1985
1990
1995
2000
2005
2010

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+1,316%

Want to know GSA's Top 10?

Come see us at the Booth