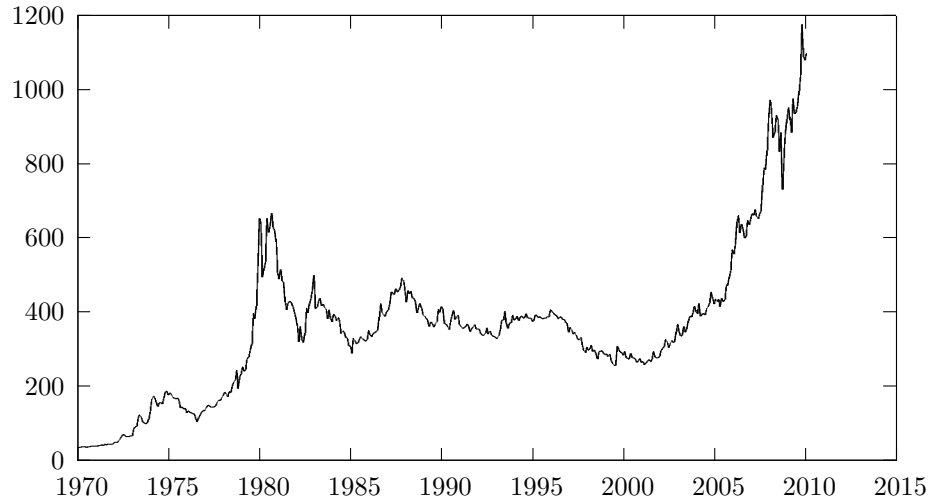


Gold Price (US Dollars EOM London Fixing PM)



Gold price remains at nearly twice the highs reached during the early 1980s. Gold may hold its value if inflation returns – gold price should go up in tandem with prices. There is much concern about a resurgence of inflation due to the extremely low interest rates and projected huge federal budget deficits. Both fiscal and monetary will be highly expansionary for the foreseeable future. Dollar weakness and strength in foreign demand will also keep upward pressure on gold.

The data is the end of month London Daily Fixing converted to US dollars. the last data point is February 16, the date of this note.