

VALUE VIEW GOLD REPORT

“Profit Timing for Wealth Creation”

VALUATION: GOLD VS. S&P 500

Updated 30 July 2010

from www.valueviewgoldreport.com

First chart is ratio of \$Gold to the S&P 500, end of year back to 1945. Black line is average of that ratio. Green circle line is average plus one standard deviation. Probability of ratio being above green line is less than 1 out of 6.

Abnormally strong equity market in July is keeping the ratio below average, making \$Gold more attractive.

Second chart portrays results of applying that average ratio to current values for \$Gold and the S&P 500.

Bar on left is what should happen, based on average ratio, to S&P 500 given today's price for \$Gold. Second bar is what should happen, based on average ratio, to price of \$Gold given value of S&P 500.

Valuation continues to favor \$Gold. Should Gold price move lower, it will continue to be more attractive.

