

AngloGold Ashanti

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As Gold Prices Heat Up, Miners Play It Cool

Video commentary for September 23rd 2019

Eoin Treacy's view

A link to today's video commentary is posted in the Subscriber's Area.

Some of the topics discussed include: India cuts corporate taxes which boosts stocks, China imposes Communist officials in its companies which has the opposite effect, Germany heading to recession which increases fiscal stimulus potential, Silver surges, platinum and gold rally. oil and bonds steady,

As Gold Prices Heat Up, Miners Play It Cool

This article by Alistair McDonald for the Wall Street Journal may be of interest to subscribers. Here is a section:

Despite that optimism, gold miners say they aren't planning the same sort of megaprojects and acquisition sprees that characterized the last ramp up in prices in the years ahead of 2011. Instead, wary of volatile prices, they plan to pay down debt and return money to shareholders.

Many companies, including the world's largest gold miner, Newmont Goldcorp Corp., say they will only approve new projects if they can make money with gold at \$1,200, about 20% below where the metal currently trades. Gold prices also have spent the majority of the eight years since 2011's bust trading above that level, underscoring how conservative companies have become.

"We won't push ahead with investments that would struggle to sustain themselves if the gold price trades lower," said Kelvin Dushnisky, chief executive of AngloGold Ashanti Ltd. "This was a common mistake for many gold producers in the previous upcycle." The South African miner, whose share price has risen 62% in the year to date, is among the companies sticking by the \$1,200 threshold for new projects.

Eoin Treacy's view

In the early part of a mining investment cycle, miners have been so scarred by the depth of the bear market that they run tight ships and eschew debt. However, the higher prices rise and the more pressure they come under to replace

Price: 7.55

Market Cap: \$15.7 billion

1 Year Share Price Graph



June 2019 November 2019 June 2020

Share Information

Code: AGG

Listing: ASX, JSE, NYSE

52 week	High	Low
	9.995	3.8

Sector: Gold & silver

Website: www.anglogoldashanti.com

Company Synopsis:

AngloGold Ashanti Limited is a global gold producer with 21 operations on four continents, a substantial project pipeline and an extensive, worldwide exploration program. The company is listed on the New York, Johannesburg, Ghanaian, London and Australian stock exchanges, as well as the Paris and Brussels bourses. .

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reserves and increase supply, the lure of debt, mergers and exploration increases leverage ratios.

Indian Stocks Jump for Second Day on Corporate Tax Cut Boost

This article by Abhishek Vishnoi for Bloomberg may be of interest to subscribers. Here is a section:

Indian stocks rose for a second day on expectations that the government's surprise \$20 billion company tax cut will revive economic growth and boost company earnings. The S&P BSE Sensex jumped 2.8% to 39,909.03 at the 3:30 p.m. close in Mumbai, while the NSE Nifty 50 Index advanced 2.9%. Both gauges surged 5.3% on Friday, marking their biggest gain since May 2009, after the corporate tax rate was lowered to 22% from 30%.

Analysts increased earnings estimates for both measures by as much as 10% to factor in the lower tax burden. The government's move follows a series of other measures unveiled over the past month aimed at boosting consumer demand and attracting investment.

Eoin Treacy's view

Investors buy stocks rather than countries and a significant cut to corporate taxes is likely to provide the same boost to Indian shares as it did for US shares. The move brings India's corporate tax rate into line with the Asian average rate and represents a clear fiscal stimulus for the wider economy.

China to place government officials inside 100 private companies, including Alibaba

Thanks to a subscriber for this article by Chloe Taylor for CNBC may be of interest to subscribers. Here is a section:

State media reported over the weekend that the Hangzhou Municipal Government would transfer 100 representatives to "key enterprises such as Alibaba, Geely Holdings and Wahaha."

A full list of the 100 companies included in the initiative was not released.

The directive, which media said was part of the Hangzhou government's "New Manufacturing Plan," is reportedly an attempt to boost manufacturing and bolster the local economy in the eastern province of Zhejiang.

It is the latest strategy signalling the Chinese government's efforts to transform the country's economy. Its core strategy, Made in China 2025, aims to catch China up with its economic rivals in high-value industries such as robotics and aerospace.

Eoin Treacy's view

This is not exactly new news. The trend of overt government involvement in the management and strategic thinking of the Chinese private sector has been underway for at least the couple of years.

Eoin's personal portfolio precious metal trading position profit taken September 5th 2019

Eoin Treacy's view

One of the most commonly asked questions by subscribers is how to find details of my open traders. In an effort to make it easier I will simply repost the latest summary daily until there is a change. I'll change the title to the date of publication of new details so you will know when the information was provided.

2019: The 50th year of The Chart Seminar

Eoin Treacy's view

The London Philharmonic Orchestra is holding a concert in David's memory on October 5th October at the Royal Festival Hall. There is a reception between 5.30 and 6.45 in the Foyle Pavilion, Level 3, Green Side and subscribers are well to join David's family there for light refreshments. Following the reception, we will move to the Beecham Bar, Blue Side, Level 5 for a short talk by Tim Walker, Chairman of the LPO.

If you wish to attend the concert as well, which includes a performance of Elgar's Cello Concerto by the Young Musician of the Year, it begins at 7.30 and you may book tickets (£67) by telephone on 020 7840 4242 quoting the code Fuller Concert.

Since this is the 50th year of The Chart Seminar we will be conducting the event on October 3rd and 4th to coincide with the memorial on the Saturday.

In the meantime, if you have any questions, would like to attend, or have a suggestion for another venue please feel to reach out to Sarah at sarah@fullertreacymoney.com.

The full rate for The Chart Seminar is £1799 + VAT. (Please note US, Australian and Asian delegates, as non-EU residents are not liable for VAT). Annual subscribers are offered a discounted rate of £850. Anyone booking more than one place can also avail of the £850 rate for the second and subsequent delegates.

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