Gold price crash is further evidence of market rigging

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> *Before I begin I would affirm that paper currency and gold have no intrinsic value whatsoever. Have you ever tried to eat a paper or gold sandwich? Now that we have basic value in perspective I would ask who or what stands to benefit most from an unorthodox (against market forces) gold sell-off? Answer, paper currencies, especially default currencies printed by the Reserve Banking System. Gold and money affect each others' value according to fluctuations determined by supply and demand -- at least that should be the case; however, the latest gold sell-off defies those laws, as no good reason for the gold sell-off is apparent to any market analyst of repute; notwithstanding the now clear incidence of market manipulation or direct intervention of some sort.*

Now, who are the major market players able to easily influence value/prices? Those able to wield the most monetary force, which of course reduces to those that have the most wealth in terms of commodities and/or currency. Of course, the gold sell-off would benefit currency but the interesting aspect to this unusual and unorthodox 'market' occurrence is that the largest holders of gold and currency are the same interests, most notably elite Bankers, such as the Rothschilds, G Sachs and Rockefellers to name only a few that wield enormous influence.

The market is therefore at the mercy of those who control the largest gold and currency reserves/shares; in other words the game is closed at both ends or is fixed, as the Rothschilds are the largest gold owners on the planet and together with the Rockefellers and other plutocrats they also control the printing of fiat currencies via their ownership of the Global Reserve Banking System -- what an outrageous and obvious rort!

It becomes clear that any investor that would surrender their earnings to known rogues and criminals (collapse of '08) deserves what they get -- the 'market' is a term to disguise the minority groups that control the game -- 'the table is rigged!'

This latest sell-off, which defies 'free' market principles, clearly exposes those that have directly intervened to shift value to paper currencies. The reason for this attempted shift is of course DEVALUATION, which is primarily caused by PERMANENT quantitative easing and stimulus strategies which were meant to be temporary restorative measures but have become permanent (self-destructive) aspects of the global (economy) grab for all available wealth and resources.

In real terms the Japanese Yen and US dollar are barely worth the paper they are printed on, their value comes from their default status - which is fast disappearing for valid over-printing reasons, hence the natural migration to gold, which makes sense but NOT the unnatural Gold sell-off back to over-printed, worthless currencies.

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> The facts in the public domain do not justify the sharp fall in the gold price over the past two trading days. At the time of writing, the price per 100oz is $1363, down over $200

since Friday's open. The scale of the sell-off was the worst in 30 years, with the volatility index standing at the highest level in its history. John Kemp at Reuters has calculated that based on a normal distribution, you would expect to see movements like Monday's only once in every 500 million trading days, or two million years. The news which would justify such a price swing is curiously absent – in fact, my view is that the market ought to be bullish for gold. Something doesn't add up.

In any market, price is determined by the confluence of demand and supply. In many respects supply of gold is relatively fixed. We know the extent of discovered gold reserves and the rate of production. While Cyprus is being forced to dump "excess" gold in order to meet the ever escalating bank bail-out bill, its whole holdings are worth only $750m, hardly enough to move one of the worlds deepest and most liquid markets to this degree.

In fact, most of the selling pressure has come from ETFs dumping holdings. A record $9.2bn of net outflows from gold ETFs in the first three months of 2013 are indicative of a loss of faith on the part of investors, as well as of a structural change in a market which has been opened up to electronic trading by the invention of these instruments.

But why would investors wish to sell their gold holdings? As an alternative store of value, it is easiest to think of demand for gold in terms of demand and supply of fiat money. When demand for fiat money falls or supply rises, people decide to hold less and move their cash into alternative stores (gold, silver and now Bitcoins being the most common). Likewise, when people are optimistic about the state of the economy, they demand more cash because they believe they will be able to invest it in dynamic assets like stocks which will generate better returns.

A surge in demand for money over gold (and hence a fall in the demand for/price of gold) can, therefore, be very broadly justified by either a contraction in the supply of money or a more general optimism about the economy. Are there grounds to believe either of these has happened?

Well, the world's stock of fiat money is not contracting. Quite the opposite, in fact. Japan has just launched stimulus on steroids which will see the developed world's most indebted economy create a proposed $1.4 trillion in Yen in a bid to break free from depression. Nor is money creation in the West likely to subside. Earlier this month the Fed hinted it would continue buying bonds for the foreseeable future, while there is an expectation in London that Mark Carney's arrival at the Bank of England will see more activist monetary policy here, too.

Likewise, the recent decision of the eurozone to confiscate money directly from Cypriot bank accounts clearly creates a template for other crisis-struck nations in Europe and beyond. There is now a major political risk factor in holding large cash deposits. In the meantime, US growth is slowing, Britain's is still anaemic and China's rate of expansion came in below market consensus for Q1. It isn't a booming real economy which is persuading people to cash in their chips.

So what is driving the gold dump if not changes in the macro-economy? I have written in the past that, in my view, the gold markets have been rigged. In this context, the sale of 500 tonnes of paper gold on Friday takes on a different hue. As John Mauldin, one of the most impressive macro analysts out there, wrote in his newsletter this morning:

Five hundred tons of paper gold contracts were sold dumped into the market on Friday. That is a lot of gold. In short, some people sold gold like they had a gun to their heads, in such a quantity and with such ferocity that the likelihood of their being a for-profit seller is right up there with my chances of winning this week's Masters

I agree. I have written in the past of the links between the British gold sale at the turn of the millennium and the need to prevent the insolvency of a trading house whose short position had left them unable to meet their commitments at expiry. With this in mind, Andrew Maguire's comments that a similar situation led to a concerted effort to drive down the gold price this time around are interesting, although unverifiable.

The gold market remains one of the most complex and opaque in the world. None of the publicly available data justifies the incredible price movements we have seen recently. It looks as though the market has been rigged again.

I would add that the minority group that manipulates the 'market' and has vandalised the global economy is the tiniest minority group in the world -- as such they run the highest risk extinction. It is also widely known that the most effective and permanent cure for any problem is to eliminate it at its source!

http://tinyurl.com/d4roo9a
