

## James Turk sees Gold at \$8000 in 2015

International Business Times

May 28, 2010

In a keynote at May 18 on the 2010 World Mining Investment Conference in London, James Turk, founder of Gold Money, opened by reaffirming his prediction made at the end of last year that gold could reach \$8,000 an ounce by 2015, based on past patterns of surges in the gold price. What may be even more encouraging for the general investor is that his forecast also suggests that the Dow Jones Index would rise to similar levels as the world finally pulls out of recession, with the gold price matching the Dow index number. When asked at the end of his talk where he felt the gold price would be at the end of the current year, he reckoned around \$1,800 to \$2,000 - and also predicted that the more volatile silver price would achieve a level of \$30 this year.

Turk bases his forecasts very much on past performance - but even as the prediction may seem extreme, to some, the sting in the tail is that he does not see these levels in the gold price, or Dow, as suggesting real increases in wealth. Rather, such an increase would serve only as wealth preservation as the purchasing power of most currencies is devalued in a hyper-inflationary environment due to the huge volumes of fiat money being pumped into the market by governments in an attempt to stave off global recession. He affirmed that he felt it was folly for governments to think they could spend their way out of trouble.

Turk pointed out that over the past years gold has been rising at double digit percentage levels against all major currencies - or perhaps rather that all major currencies have been devaluing against gold which he feels represents the only real money. Silver too has risen on average against all the currencies in double digit annual percentage increases, but with rather more volatility, as proof of this Turk points out the sharp fall silver experienced in 2008 and its subsequent strong recovery in 2009.

He calls gold the 'canary in the monetary coal mine' and he agrees with GATA that governments and Central Banks have been trying to limit gold price increases over the years, in the same way that they try to control currency fluctuations.

Turk illustrated his talk with charts and tables illustrating his key points and makes an impressive, but overall worrying, case for gold and silver given that despite the big increases he sees ahead, all he feels this will do is protect asset values, rather than increase them in real terms, which is really bad news for savers!

In other points during the presentation, Turk pointed out that there may be gains to be made in gold stocks as his charts show that the gold stock XAU index looks cheap, but cautions that gold mining stocks are not gold, but investments which brings both upside and downside risk into play in relation to the metal itself.

He also showed that over 60 years, the oil price which has risen sharply in all major currencies, has effectively been absolutely flat in terms of both gold and silver, apart from very minor short term fluctuations, as an indicator of the precious metals' wealth preservation characteristics.