

THE ONLY TRUE,
SAFE & LIQUID
ASSET IN TIMES
OF CRISIS



THE AUCTUS METAL PORTFOLIOS TEAM CONTINUES TO BE HIGHLY FOCUSED ON ARTICULATING OUR INVESTMENT THESIS IN LINE WITH EXTENSIVE MACROECONOMIC RESEARCH, AND THE EVER-CHANGING POLICY DECISIONS OF OUR GLOBAL MONETARY AUTHORITIES; IN SUPPORT OF OUR PROPRIETARY MODEL ALGORITHMS.

Our sole mandate continues to be focused on the unique optimal timing for each client's portfolio's adjustments which our database and algorithms closely monitor and which dictate these re-weightings.

Over the last week new policy framework has been publicly announced and for the record from the world's central banking governors following their annual symposium and get-together in Jackson Hole, Wyoming. The USA Federal Reserve governor Powell announced the new policy framework on 27 August 2020, with a clear admission that they will be targeting higher inflation and lower unemployment, by way of direct monetary expansion.

THE MAJOR MONETARY POLICY CHANGES MADE BY OUR GLOBAL CENTRAL BANKS AT THE END OF AUGUST 2020, HAS FURTHER UNDERLINED THE ENORMOUS IMPORTANCE OF A DIVERSIFICATION INTO PRECIOUS METALS.

THIS VERY CLEAR NARRATIVE FIRMLY LENDS ITSELF TO THE CONTINUED OUTPERFORMANCE OF AUCTUS METAL PORTFOLIOS IN THE YEARS AHEAD.

A synopsis of Auctus Metal Portfolios' performances compared with Gold and some of the World's Stock Markets as of **1st September 2020**

ASSET HOLDING	INVESTED ON 1 ST JAN 2016	INVESTED ON 1 ST JAN 2019	INVESTED ON 1 ST JAN 2020	Direction from the last Newsletter 1 ST JAN 2020
Auctus - Model 1	543.98%	105.60%	34.56%	↑
Auctus - Model 2	883.34%	174.90%	48.14%	↑
Gold	86.15%	55.89%	31.14%	↑
USA - Dow Jones	73.82%	14.49%	1.30%	↑
USA - S+P 500	81.79%	30.44%	9.35%	↑
Singapore - (STI) Straits Times Index *	0.42%	-20.17%	-20.26%	↑
Australia - S+P / ASX 200 *	20.39%	6.67%	-10.68%	↑
UK - FTSE 100 *	-12.45%	-11.25%	-18.75%	↑

Note: * We have converted the indices to performances in US\$ equivalent using FX rates as of the dates in question

We remain very focused on the shorter term cycles within the larger cyclical revaluation of metals and our last update in the June 2020 Auctus Newsletter proved to be extremely accurate. The cycles low were identified in June along with the next short term cycle peak in the first week of September.

“BASED ON THE PRICE ACTION IN MAY, ALL THE METALS ARE NOW EXPECTED TO SET ‘HIGHER LOWS’ IN LATE JUNE. THAT WOULD THEN TURN THE FOCUS TO THE NEXT PHASE OF GOLD’S 27 – 29 WEEK CYCLE, WITH ANOTHER CYCLE PEAK IN SEPTEMBER 2020”.

This has shown to be the case with the price movements seen; and looking forward from here, we are going to see prices driven in part by seasonal patterns, the impact of the USA elections as well as a continued acceleration in global policies related to the monetary debasement.

Gold & Silver are both firmly within overall uptrends and are very much expected to extend gains into May 2021.

The ideal scenario for the development of further bullish consolidation, will be to see Gold & Silver correct lower from late August into mid to late September which will then offer a clear buying opportunity. This will then set the stage for a new advance to develop in the ensuing months.

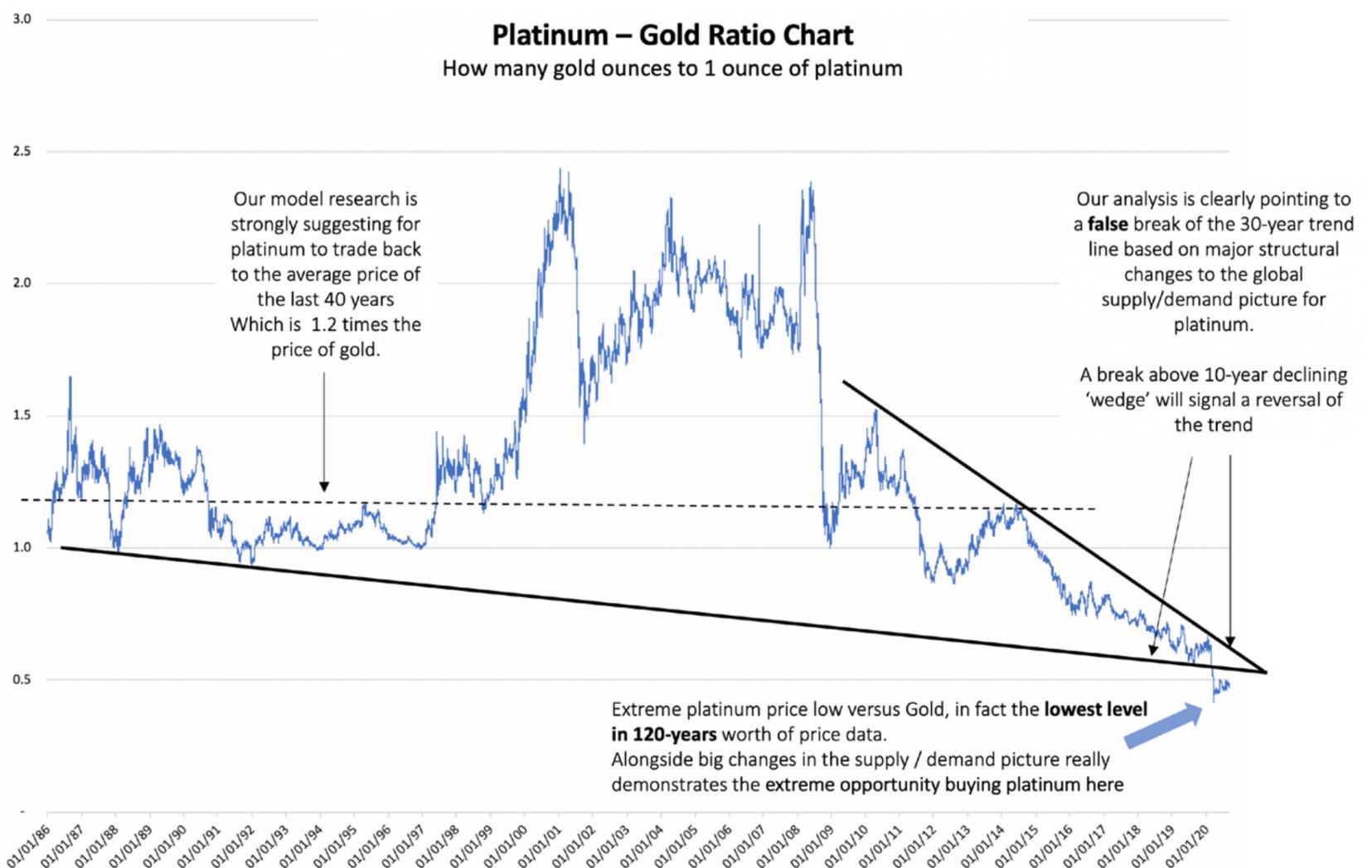
Another big buying opportunity will present itself into late November and early December.

The cycle length for Platinum is different to Gold & Silver and has surged in price since bottoming out between June 22 – 26, which neatly completed the weekly cycle patterns. Platinum will need to remain above US\$900/oz on a monthly close, but we could see a target low into mid-September which will further validate this price trend.

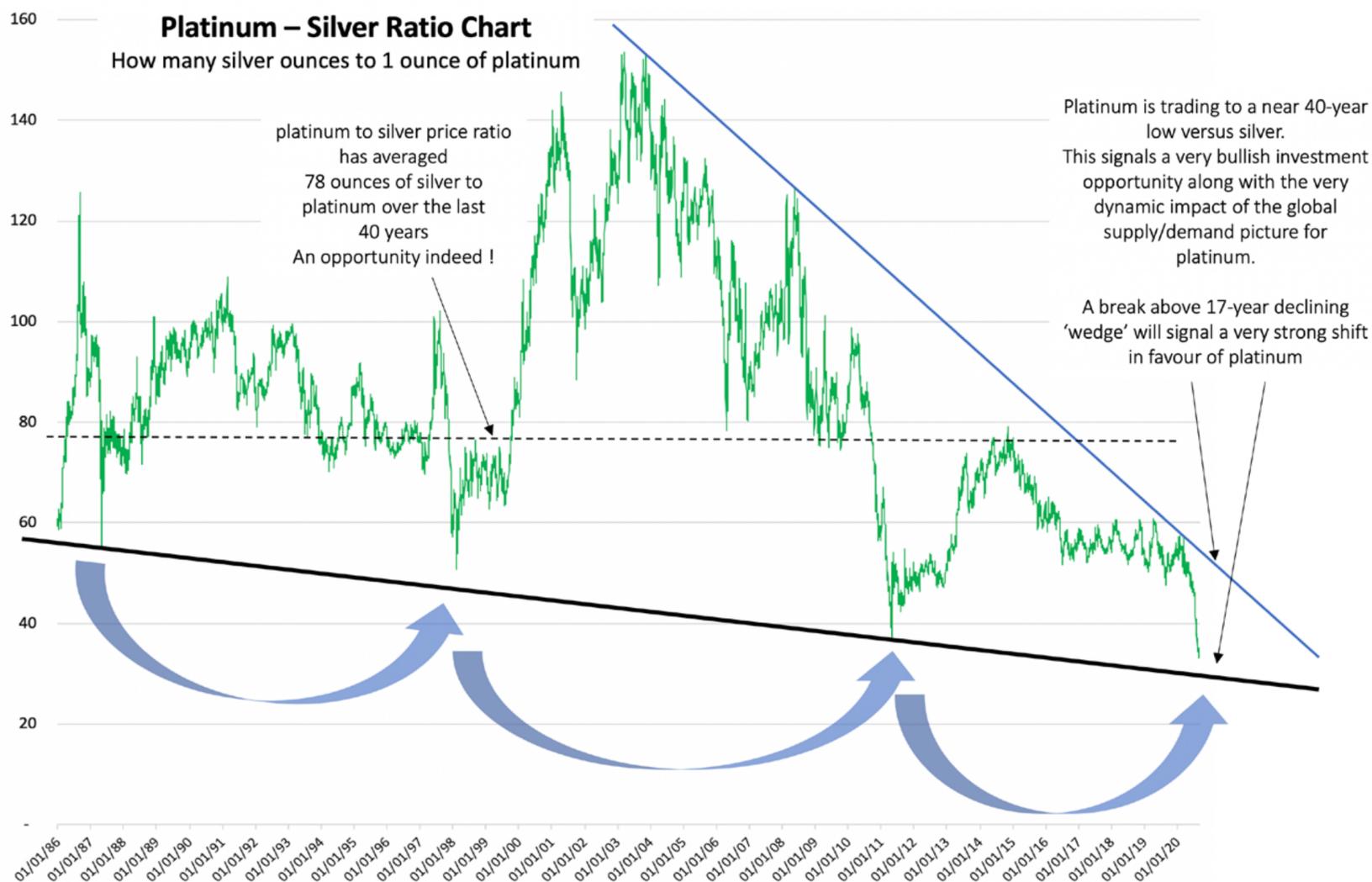
OUR MODELS ARE RECOGNISING A NUMBER OF MAJOR DEVELOPMENTS, INCLUDING TREND DIRECTIONAL CHANGES BASED ON THE STRUCTURAL CHANGES IN THE GLOBAL SUPPLY / DEMAND PICTURES.

To demonstrate this in its simplest sense, let us have a look at price ratio analysis in Platinum vs. Gold (1st chart) and vs. Silver (2nd chart)

Platinum vs. Gold Ratio Chart



Platinum vs. Silver Ratio Chart



SILVER

Silver demand has seen all-time records broken for yearly inflows with nearly 350 million ounces bought for investment demand in ETP's (Exchange Traded Products) so far this year.

By comparison the previous and most significant buying on such a large scale was in 2009 with just over 150 million ounces into similar products.

This bodes extremely well for further revaluations moving forward in the context of real negative interest rates, and the global monetary expansion coupled with deteriorating global debt dynamics.

PLATINUM

News from the World Platinum Council 8 September 2020:

Q2 2020 demand was down 19% year-on-year, however that was set against a fall in supply of 35%!

Weaker supply and continued strong investment demand has moved the 2020 forecast to a -336 koz supply side deficit.

Since the price lows of 19 March 2020, Platinum has significantly outperformed Gold.

The developing hydrogen economy with a myriad of new industrial uses linked to hydrogen fuel cells has elevated Platinum's position as a precious metal, offering a long-term store of value.

The incoming fiscal changes will be lead front and centre by new infrastructure programs instigated by government policy and a much-hyped 3 pronged approach:

1. Enormous fiscal spending to engender re-employment and to pull down unemployment numbers which have been spiralling upwards.
2. Rebuild country-wide infrastructure, focused on a wide variety of areas including new transport technology, energy and telecommunications.
3. An acceptance of outright debt monetisation as a viable excuse for the greater good of society. This policy will engender significant negative repercussions to the value of currency and a major rebalancing of wealth distribution and salaried earnings structures.

Democrats and the Republican have been dreaming about an FDR-style infrastructure program since the late 1980s, when Gary Hart campaigned on his “Strategic Investment Initiative.”

This new hunger for such a policy enactment is supported by both President Trump and Democratic hopeful Mr. Biden.

THE CLEAR DIRECTION IS FOR AN OUTRIGHT
MONETARY DEBASEMENT MAKING OWNERSHIP
OF METALS MORE IMPORTANT AND EXCITING
THAN EVER BEFORE.



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