NEW DIMENSIONS CAPITAL

WEEKLY BULLETIN

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Quote of the Week.

"Gold and silver are money; everything else is credit" – Dave Kranzler

The gold market has recently reached a historic milestone, with spot prices soaring to a high of $2450.49 per ounce. This 18.65% year-to-date increase outstrips returns from equities and bonds, driven by a mix of economic and geopolitical factors. Silver, too, is experiencing a surge in demand, paralleling the rise in gold and signalling a broader interest in precious metals as safe-haven investments.

Why are Gold and Silver prices rising?

- **Economic Data and Fed Policy**: Inflation in the U.S. is calming down, making people expect the Federal Reserve to cut interest rates. Gold tends to do well when interest rates are falling.

- **Geopolitical Tensions**: Conflicts in the Middle East, like the passing of Iran's president and worries about Saudi Arabia's king, are making people buy gold and silver to protect their money.

- **Central Bank Purchases**: Central banks, particularly from emerging markets, are ramping up their gold purchases. China's consistent acquisitions have brought its official holdings to 2,264 tonnes, highlighting a strategic shift to diversify away from the U.S. dollar. Globally, central banks bought 290 tonnes of gold in the first quarter of this year alone.

- **Market Volatility and Safe-Haven Demand**: With lots of ups and downs in the market, people are turning to gold and silver because they're seen as safe places to put money during uncertain times.

- **High U.S. National Debt**: The U.S. owes a lot of money, which could lead to higher prices and less valuable money. Gold is seen as a way to protect against this.

Strategic Investment: Precious Metal Mining Stocks

Given the current economic and geopolitical climate, investing in gold mining stocks presents a compelling opportunity. Here's why:

- **Leverage to Gold Prices**: Gold mining companies offer leveraged exposure to gold prices. As gold prices rise, profit margins for mining companies can expand significantly, leading to potentially higher stock returns.

- **Operational Efficiency**: Many gold mining companies have streamlined operations and reduced costs, improving their financial health and positioning them well to benefit from rising gold prices.

- **Dividend Potential**: Several established gold miners pay dividends, providing an income stream in addition to potential capital gains.

- **Geopolitical Hedge**: As geopolitical tensions rise, gold mining stocks can serve as a hedge against broader market instability, similar to physical gold.

- **Hedge Against National Debt Risks**: With the U.S. national debt at $34.5 trillion, there are significant long-term risks of inflation and currency devaluation. Gold mining stocks can hedge against these risks, as the value of gold typically rises in response to such economic pressures.

Final Thoughts

While gold and silver can be good investments, it's smart to be careful. Don't rush into buying just because prices are high. Think about what you want to achieve with your investments and how much risk you're comfortable with. Adding gold mining stocks to your portfolio can be a smart move, but make sure it fits your goals and strategy. And remember, staying disciplined and patient can help you navigate through uncertain times and achieve steady returns.

Last Week 's Notable Events.

US Economy/Politics

- Biden unveils major China tariff hikes with EV rate to hit 100% - 15th May
- Dow Jones hits record high 40,000 amid promising inflation report – 16th May
- Economic data masks the fact that US economy is 'segmented', Templeton Investment says – 17th

Europe Economy/Politics

- Taylor Swift's Eras tour could be about to boost Europe economy -13th May
- Amazon Web Service plans $8.4 billion cloud investment in Germany – 15th May

Asia Pacific Economy/Equity

- Prabowo says Indonesia economy on track for 8% growth – 15th May
- Malaysia overtakes Thailand as ASEAN second biggest auto market – 17th May
- India 2024 economic growth projection revised upwards by UN to 6.9% - 17th May

Weekly Data Monitor.

Performance

- Record US equities continue to lift global equity higher.

Weekly chart:

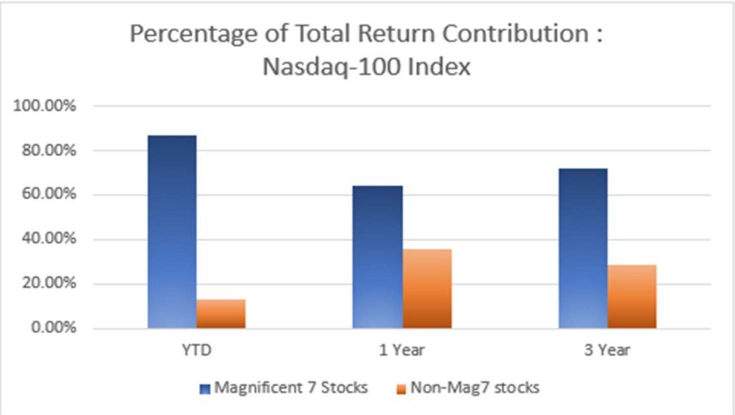
- USD fell
- Gold price surges.

Note: The chart shows normalised weekly highs and lows for the Indicator, BLUE being the LATEST.

INDEX	Weekly %	MTD %	YTD %	1YR %	3Y %	5Y %
Global Equity	1.70	5.24	10.11	23.13	19.22	71.60
Global Real Estate	2.69	7.43	-2.54	8.86	-4.92	11.63
US Real Estate	2.43	7.00	-2.92	10.36	-1.93	18.59
APAC Real Estate	1.96	4.51	1.88	3.58	-21.98	-19.99
Investment Grade	0.39	1.33	1.85	11.41	6.10	22.24
High Yield Bonds	0.74	1.93	-2.71	1.24	-15.54	-6.30
Global HY ETF	1.66	6.18	7.84	12.75	16.22	33.30
ASIA Real Estate ETF	0.90	2.49	-9.71	-12.54	-24.97	-28.20
USD Index	-0.82	-1.63	3.11	1.25	16.35	6.69
Gold	2.27	6.69	18.24	23.71	29.94	90.89
WTI Oil	2.25	-1.99	12.07	12.23	29.41	27.26

Chart of the Week.

In the Year-to-Date (YTD) analysis of the Nasdaq-100 index, it's evident that the "Magnificent 7" stocks continue to be the primary drivers of growth, accounting for a significant 73.48% of the index's overall performance. Without these key players, the remaining 93 stocks contributed only 13.26% to the index's growth. This highlights the enduring dominance of these market giants and emphasizes their pivotal role in shaping the Nasdaq-100's trajectory. While efforts to broaden participation are ongoing, the Magnificent 7 stocks remain essential pillars of stability and growth in the tech-centric market landscape.



source: FactSet, Nasdaq, S&P capital IQ from First Trust - 30 Apr'24