

Sprott | Gold Monitor

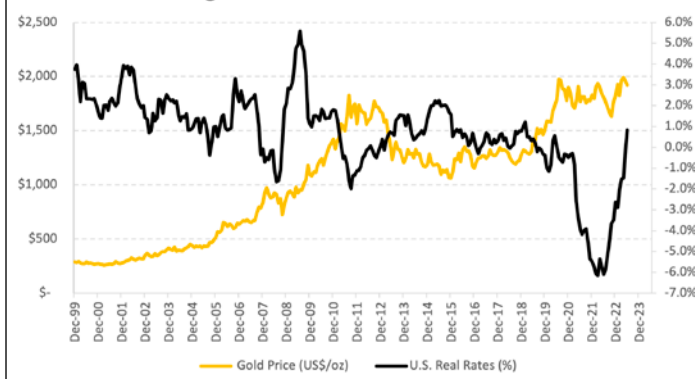


Q2 2023 Comments:

1. Average annual interest rates on U.S. debt have increased ~53% YoY (Fig. 18).
2. U.S. Treasury total receipts are down while Interest expense on U.S. debt is up (Fig. 33).
3. Treasury individual tax receipts collected through June 30, 2023, net of refunds, were about \$300 billion less than CBO projected. The shortfall in tax receipts suggests the economy is already in recession, at odds with the investment consensus that a recession will be avoided (Fig. 35).
4. Central Bank gold holdings are up notably in 2023 (Fig. 48-51).
5. Despite high gold prices in 2023, gold sentiment indexes remain low (Fig. 52 & 53).
6. Gold mining equities remain inexpensive (Fig. 63-68).

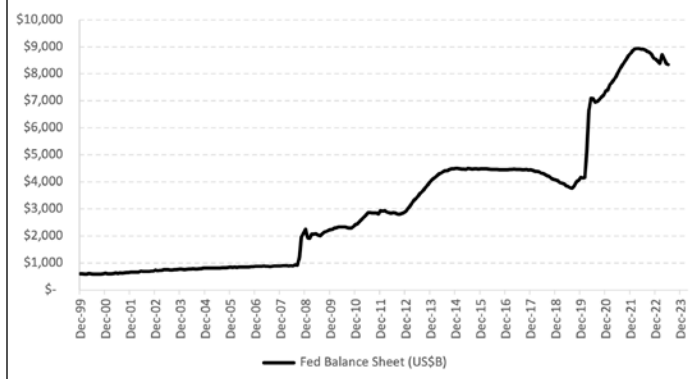
Section I. Macro

Fig. 1. Gold Price and U.S. Real Rates



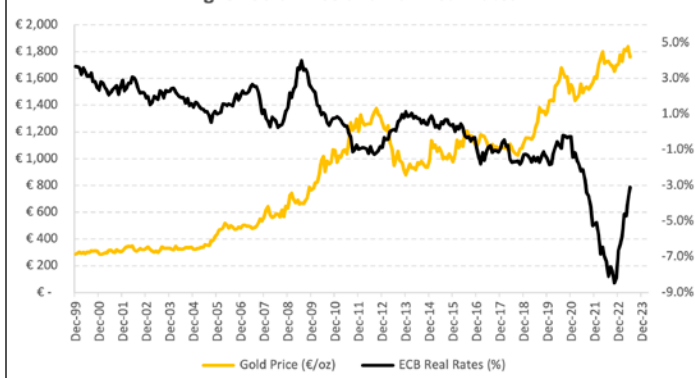
Source: Bloomberg. Data as of 6/30/2023.

Fig. 2. Fed Balance Sheet



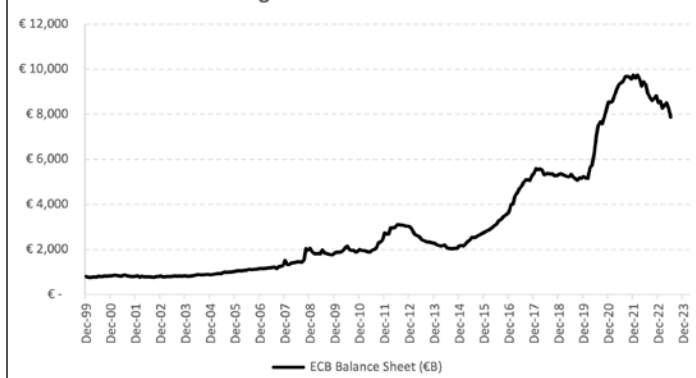
Source: Bloomberg. Data as of 6/30/2023.

Fig. 3. Gold Price and ECB Real Rates



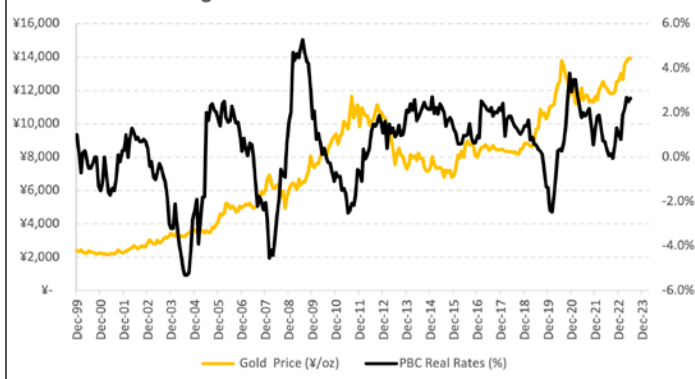
Source: Bloomberg. Data as of 6/30/2023.

Fig. 4. ECB Balance Sheet



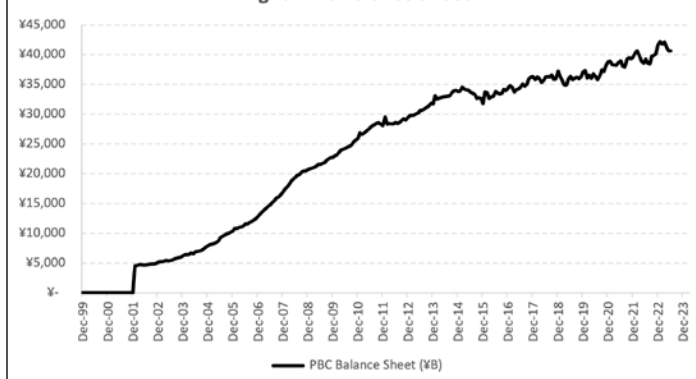
Source: Bloomberg. Data as of 6/30/2023.

Fig. 5. Gold Price and PBC Real Rates



Source: Bloomberg. Data as of 6/30/2023.

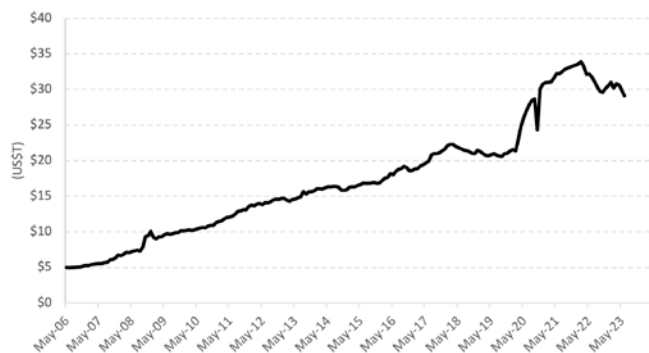
Fig. 6. PBC Balance Sheet



Source: Bloomberg. Data as of 6/30/2023.

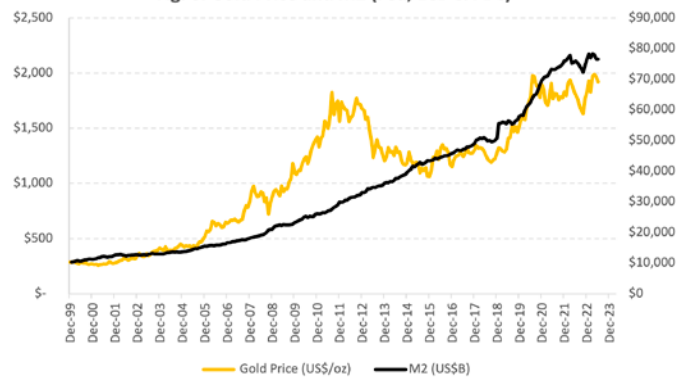
Section I. Macro

**Fig. 7. The Biggest 6 Central Bank Balance Sheets
U.S., U.K., Japan, China, EU & Switzerland**



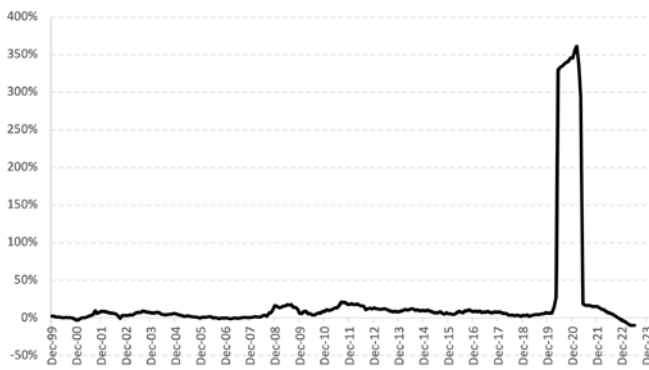
Source: Bloomberg. Data as of 6/30/2023.

Fig. 8. Gold Price and M2 (Fed, ECB & PBC)



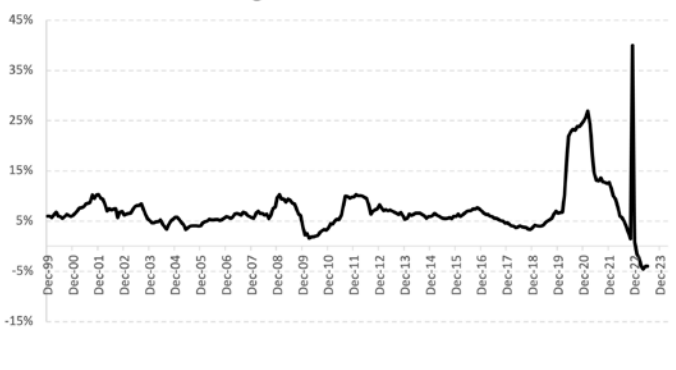
Source: Bloomberg. Data as of 6/30/2023.

Fig. 9. U.S. M1 YoY%



Source: Bloomberg. Data as of 6/30/2023.

Fig. 10. U.S. M2 YoY%



Source: Bloomberg. Data as of 6/30/2023.

Fig. 11. ECB M1 YoY%



Source: Bloomberg. Data as of 6/30/2023.

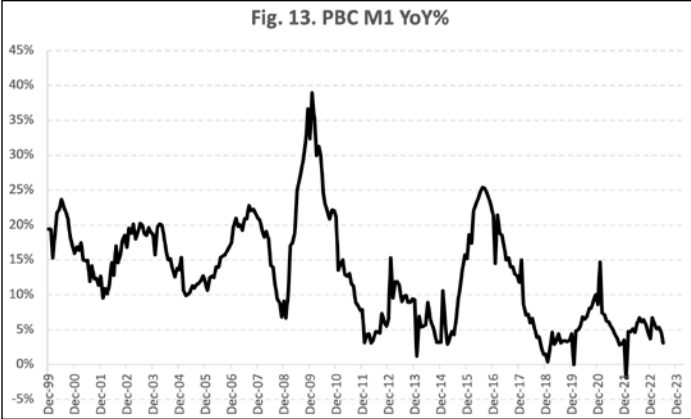
Fig. 12. ECB M2 YoY%



Source: Bloomberg. Data as of 6/30/2023.

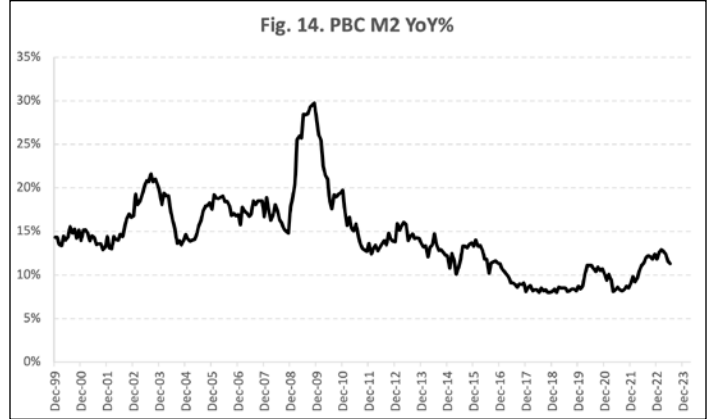
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Fig. 13. PBC M1 YoY%



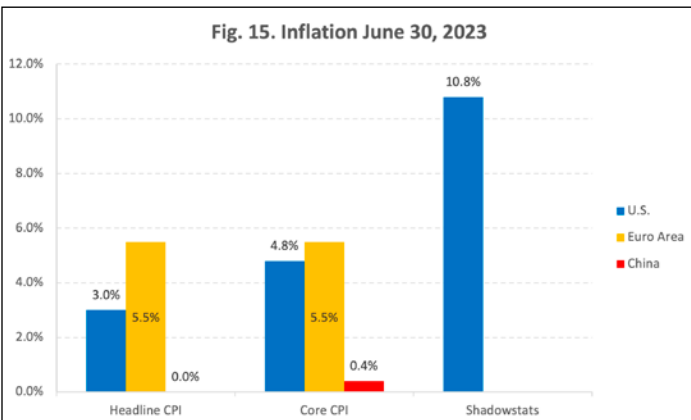
Source: Bloomberg. Data as of 6/30/2023.

Fig. 14. PBC M2 YoY%



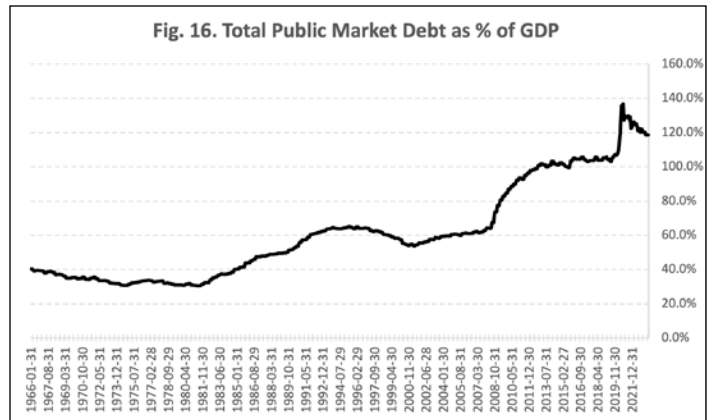
Source: Bloomberg. Data as of 6/30/2023.

Fig. 15. Inflation June 30, 2023



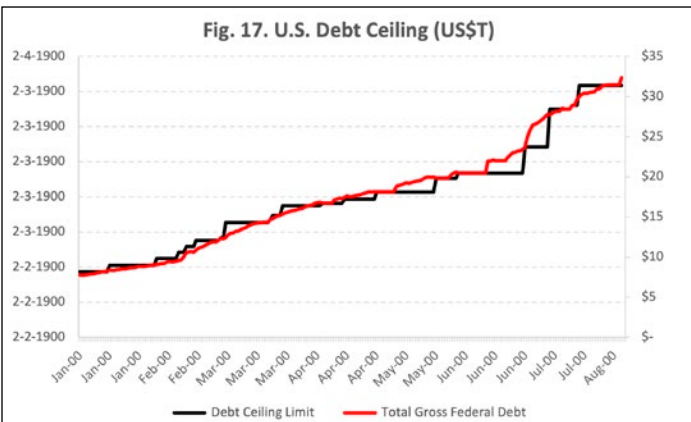
Source: Bloomberg, Shadow Government Statistics. Data as of 6/30/2023.

Fig. 16. Total Public Market Debt as % of GDP



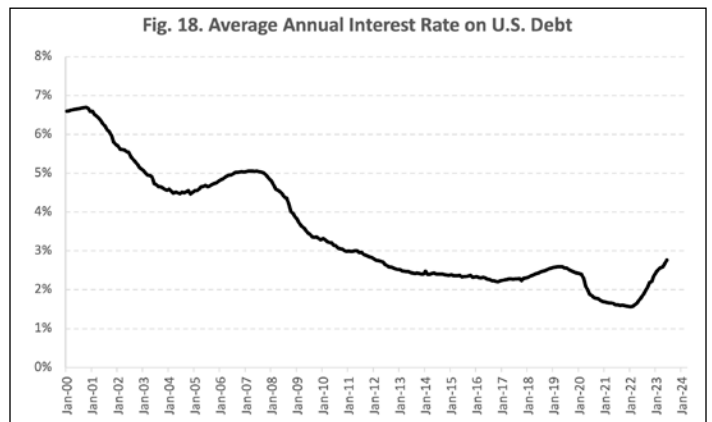
Source: Bloomberg. Data as of 6/30/2023.

Fig. 17. U.S. Debt Ceiling (US\$T)



Source: Bloomberg. Data as of 6/30/2023.

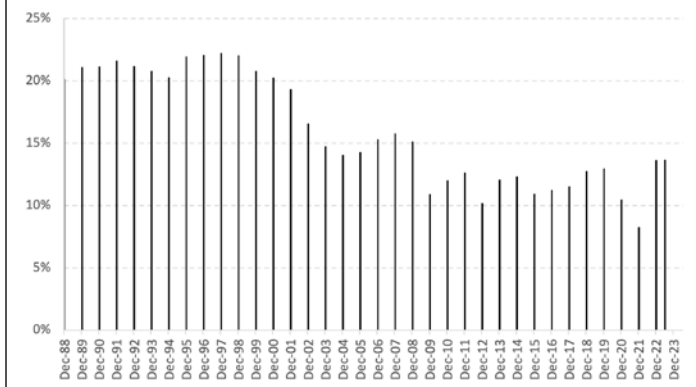
Fig. 18. Average Annual Interest Rate on U.S. Debt



Source: Bloomberg. Data as of 6/30/2023.

Section I. Macro

Fig. 19. Interest Expense as % of Government Outlays



Source: U.S. Treasury, Meridian Macro. Data as of 6/30/2023.

Fig. 20. TTM Global Forex Accumulation (US\$B)



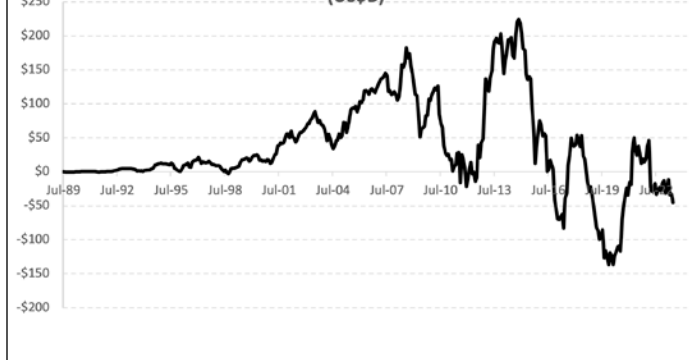
Source: Bloomberg, U.S. Treasury. Data as of 6/30/2023.

Fig. 21. TTM Net Purchases of U.S. Treasuries by Foreign Countries (US\$B)



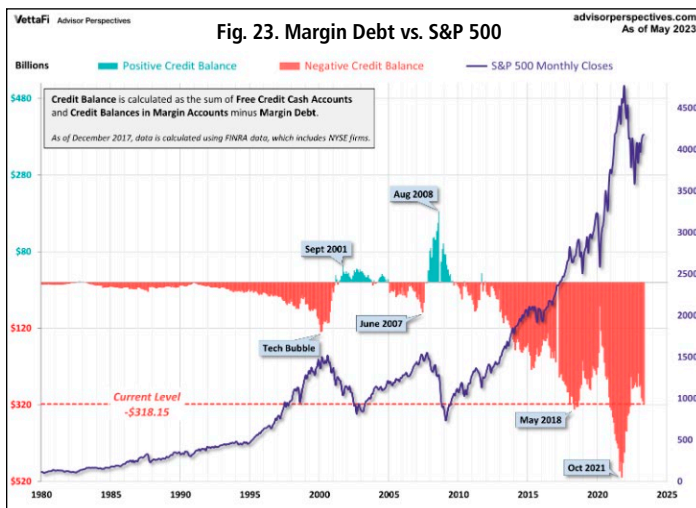
Source: Bloomberg. Data as of 6/30/2023.

Fig. 22. TTM China Net Purchases of Long-Term U.S. Securities (US\$B)



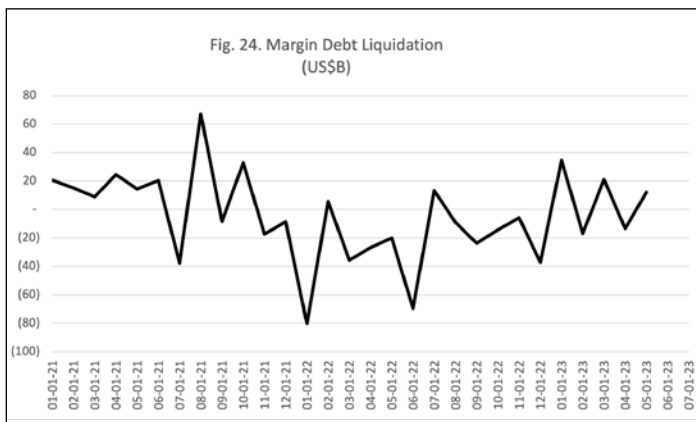
Source: Bloomberg. Data as of 6/30/2023.

Fig. 23. Margin Debt vs. S&P 500



Source: Finra.org. Data as of 6/30/2023.

Fig. 24. Margin Debt Liquidation (US\$B)



Source: Finra.org. Data as of 6/30/2023.

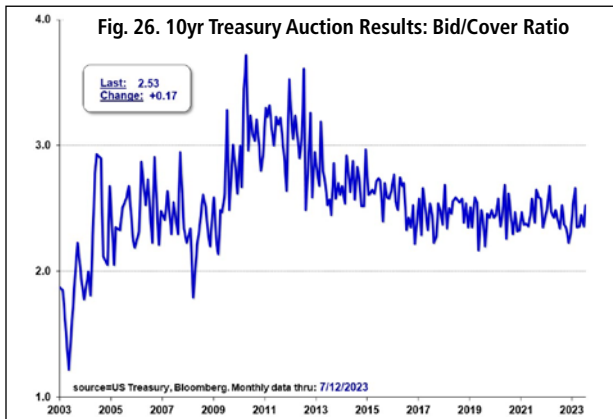
Section I. Macro

Fig. 25. US Treasury Security Holders

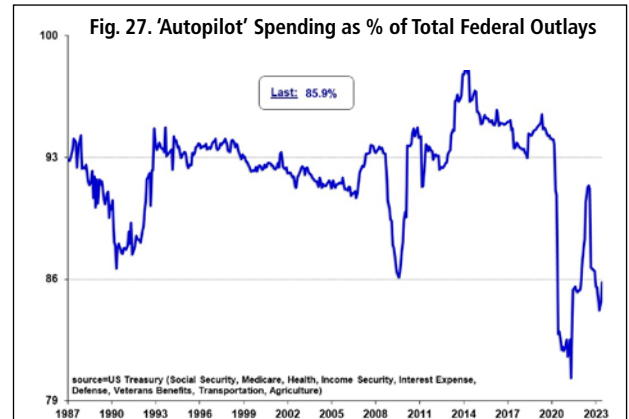
US TREASURY SECURITY HOLDERS	\$MILLION	Q/Q	Y/Y	% TOTAL
FEDERAL RESERVE	4,961,022	-1.89%	-15.22%	18.40%
FEDERAL GOV'T RETIREMENT FUNDS	2,382,203	-11.69%	-4.22%	8.84%
HOUSEHOLDS & NONPROFITS	2,270,635	+31.87%	+170.67%	8.42%
STATE & LOCAL GOV'T	1,648,850	+5.47%	+16.12%	6.12%
MUTUAL FUNDS	1,398,515	+3.55%	-8.49%	5.19%
US DEPOSITORY INSTITUTIONS	1,300,905	-6.33%	-11.58%	4.83%
MONEY MARKET FUNDS	1,040,799	-2.18%	-40.85%	3.86%
PRIVATE PENSIONS	479,300	+6.68%	+7.34%	1.78%
EXCHANGE TRADED FUNDS	452,351	+13.08%	+34.81%	1.68%
STATE & LOCAL DEFINED RETIREMENT FUNDS	335,786	+7.21%	-11.42%	1.25%
SECURITY BROKERS & DEALERS	260,412	+52.60%	+212.25%	0.97%
PROPERTY/CASUALTY INSURANCE CO'S	222,977	+4.72%	+35.21%	0.83%
LIFE INSURANCE CO'S	182,918	+2.53%	-12.71%	0.68%
GSE'S	149,819	-3.73%	-28.80%	0.56%
HOLDING COMPANIES	122,649	-7.99%	+22.91%	0.46%
FOREIGN BANKING OFFICES IN U.S.	92,314	+2.51%	+3.27%	0.34%
NONFINANCIAL CORPORATE BUSINESS	90,652	+0.62%	+20.66%	0.34%
CREDIT UNIONS	78,441	-0.46%	+5.96%	0.29%
NONFINANCIAL NONCORPORATE BUSINESS	71,957	+0.06%	+6.64%	0.27%
OTHER FINANCIAL BUSINESS	61,627	+9.83%	+1.01%	0.23%
ABS ISSUERS	36,357	-0.15%	+5.43%	0.13%
BANKS IN US-AFFILIATED AREAS	22,952	-2.32%	+17.17%	0.09%
CLOSED-END FUNDS	2,353	0.00%	-18.67%	0.01%
INSTRUMENT DISCREPANCIES	1,753,876			6.51%
REST OF THE WORLD	7,535,991	+3.03%	-1.02%	27.96%
TOTAL	26,955,661	+0.46%	+3.61%	100%

source=Federal Reserve Quarterly Z.1 Flow of Funds Report; quarterly data thru: **2023Q1**

Source: U.S. Treasury, Meridian Macro. Data as of 6/30/2023.

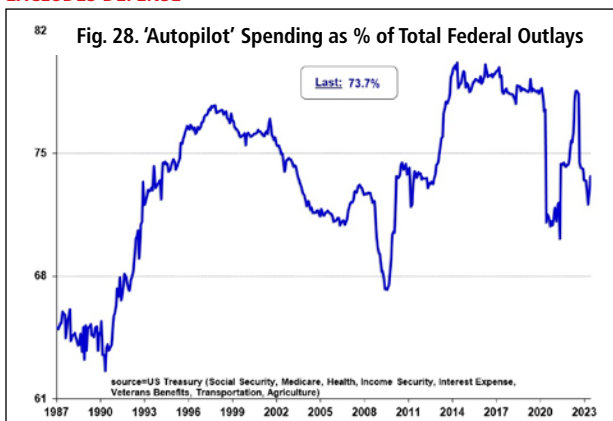


Source: Meridian Macro Research LLC. Statistics. Data as of 6/30/2023.

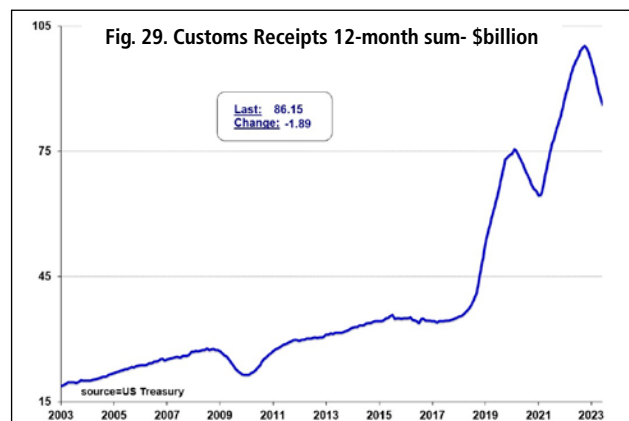


Source: FTT-LLC.com. Data as of 6/30/2023.

EXCLUDES DEFENSE

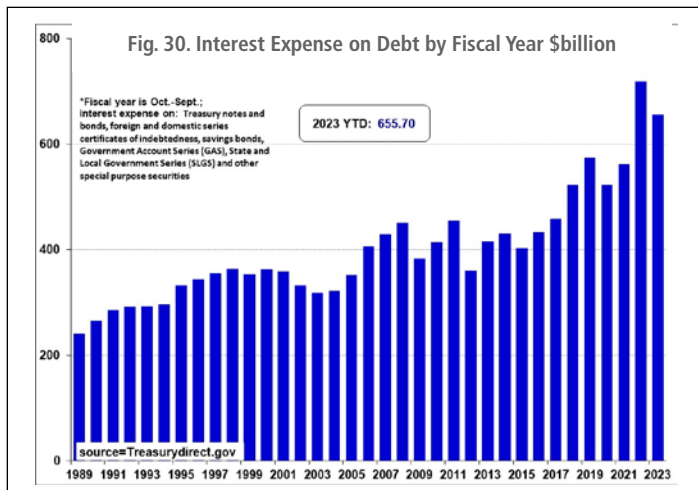


Source: Meridian Macro Research LLC. Data as of 6/30/2023.

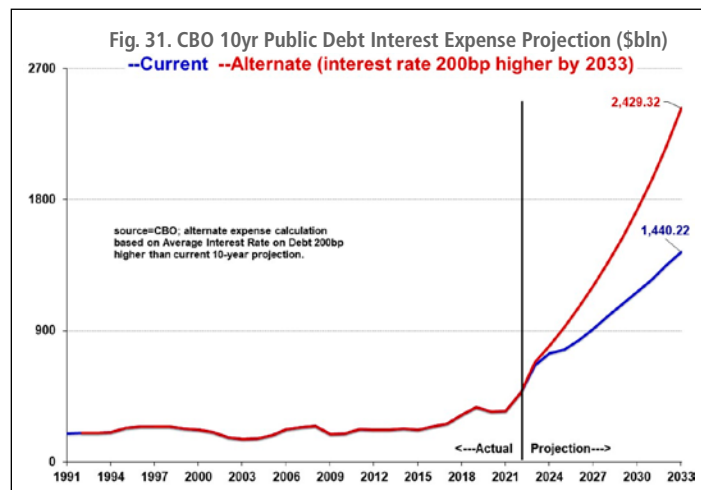


Source: Meridian Macro Research LLC. Data as of 6/30/2023.

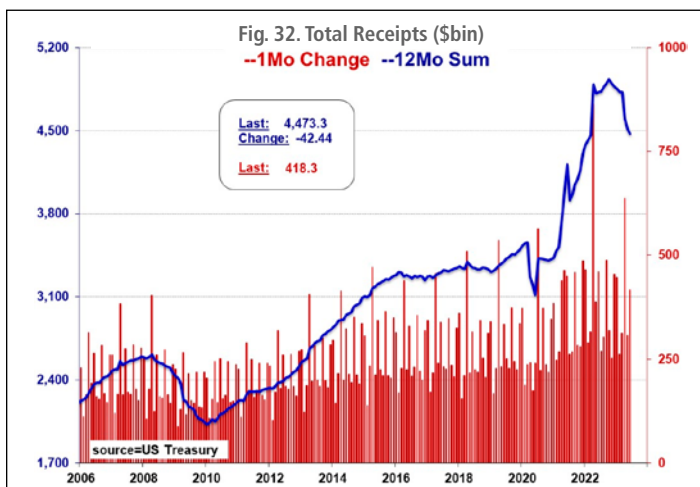
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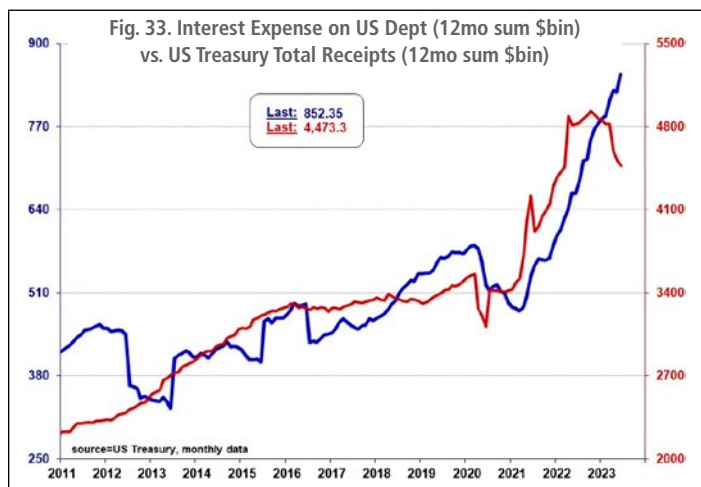
Source: Meridian Macro Research LLC. Data as of 6/30/2023.



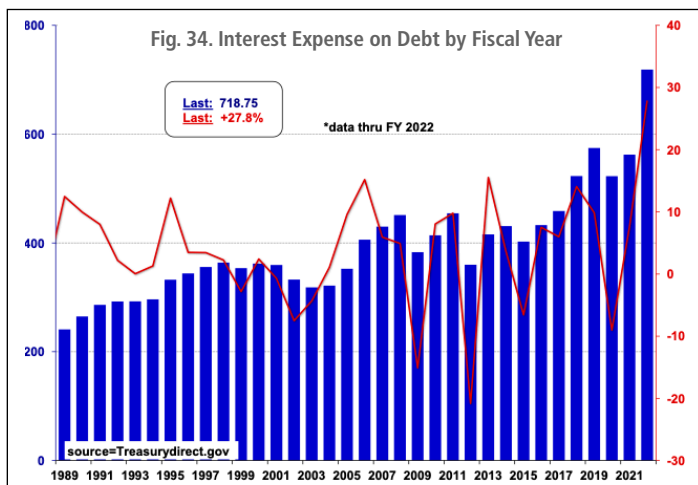
Source: Meridian Macro Research LLC. Data as of 6/30/2023.



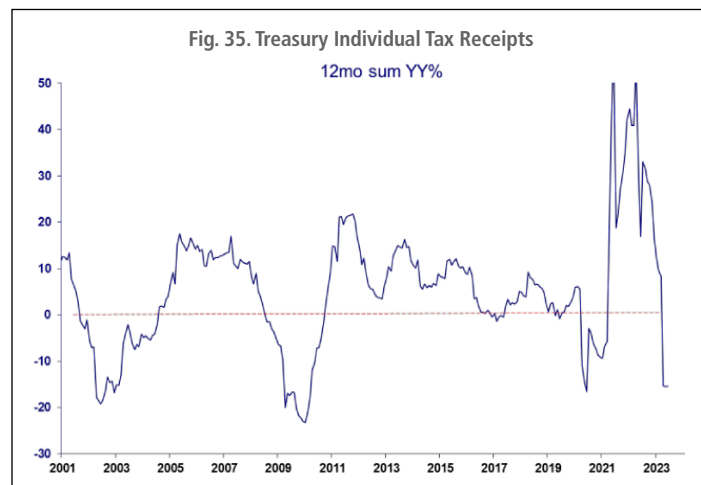
Source: Bloomberg. Data as of 6/30/2023.



Source: Bloomberg. Data as of 6/30/2023.



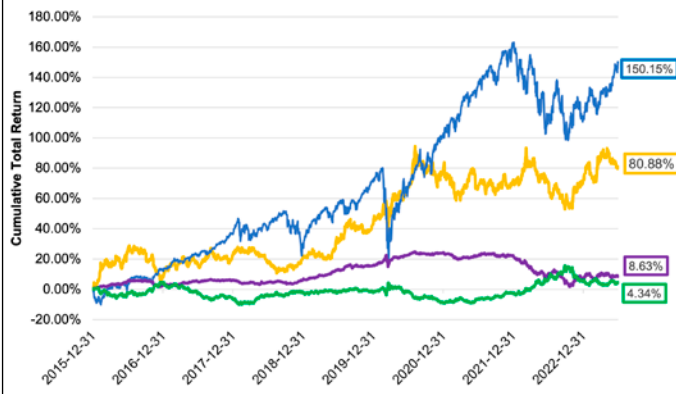
Source: Bloomberg. Data as of 6/30/2023.



Source: MacroMavens. Data as of 8/01/2023.

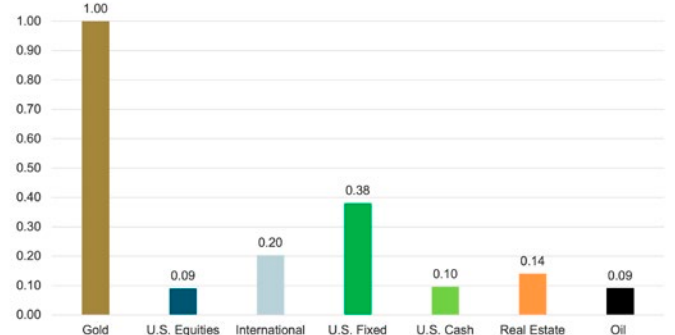
Section I. Macro

Fig. 36. Gold vs. Stocks, Bonds and USD



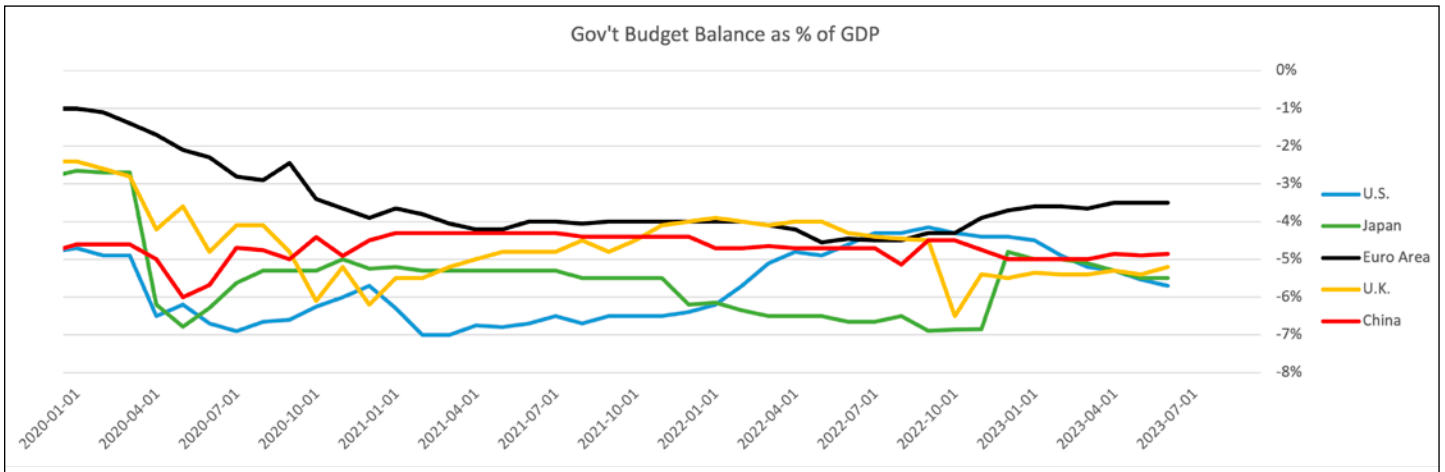
Source: Bloomberg. Data as of 6/30/2023.

Fig. 37. Correlation of Spot Gold to Traditional Financial Assets



Source: Bloomberg. Data as of 6/30/2023.

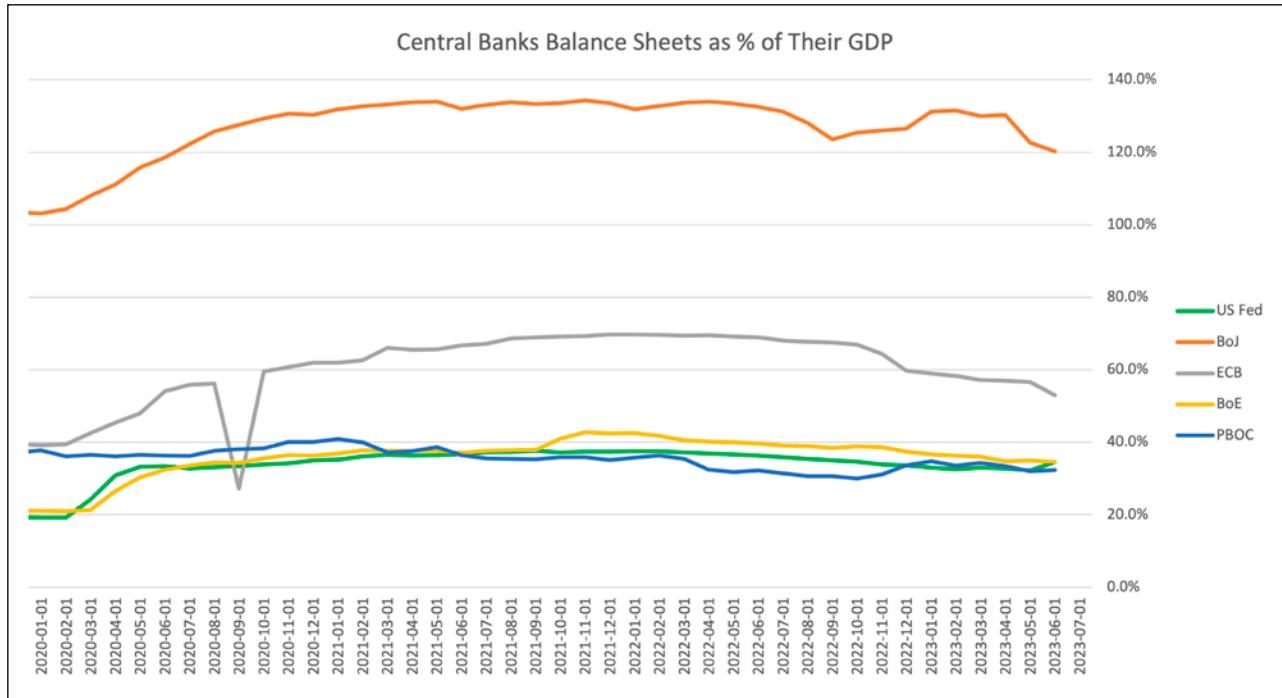
Fig. 38. Gov't Budget Balance as Percentage of GDP



Source: Data as of 6/30/2023.

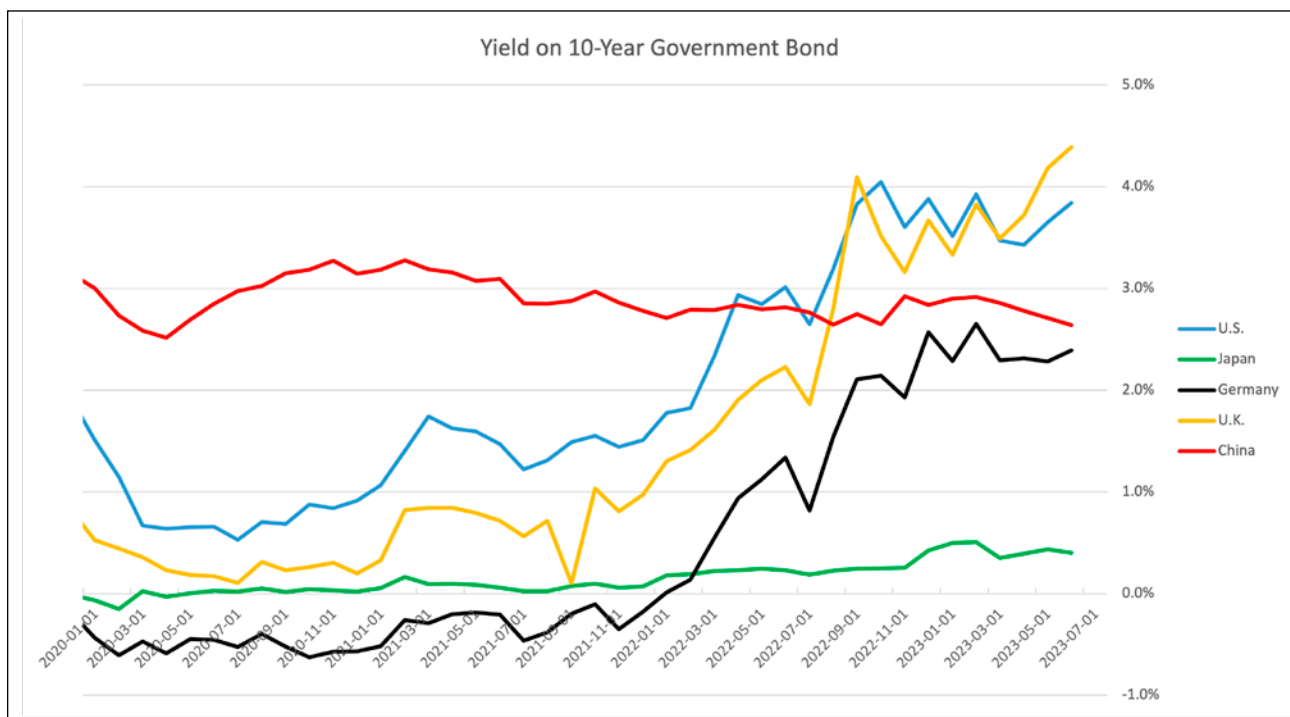
Section I. Macro

Fig. 39. Central Banks Balance Sheets as % of Their GDP



Source: Bloomberg. Data as of 6/30/2023.

Fig. 40. Yield on 10-Year Government Bond



Source: Bloomberg. Data as of 6/30/2023.

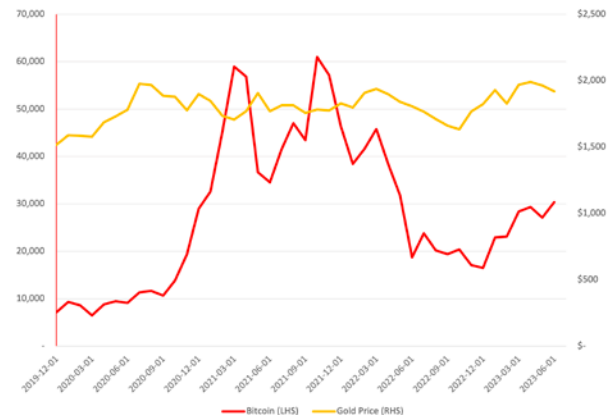
Section I. Macro

Fig. 41. NFT (Non-fungible Tokens) Index to USD



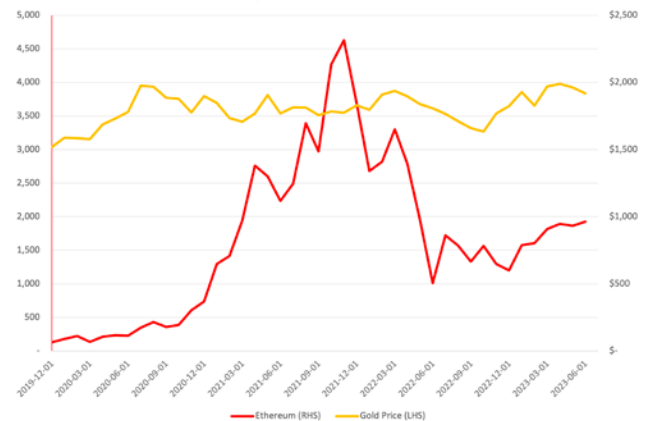
Source: CoinMarketCap.com. Data as of 6/30/2023.

Fig. 42. Bitcoin vs. Gold



Source: Bloomberg. Data as of 6/30/2023.

Fig. 43. Ethereum vs. Gold



Source: Bloomberg. Data as of 6/30/2023.

Section II. Gold

Fig. 44. Gold Supply and Demand (tonnes)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Supply										
Mine production	3,167	3,262	3,366	3,515	3,578	3,653	3,599	3,475	3,561	3,612
Net producer hedging	(28)	105	13	38	(26)	(12)	6	(46)	(45)	(2)
Recycled gold	1,197	1,132	1,070	1,233	1,111	1,132	1,273	1,292	1,150	1,146
Total supply	4,336	4,499	4,449	4,786	4,664	4,772	4,878	4,721	4,666	4,755
Demand										
Jewellery	2,735	2,544	2,479	2,019	2,258	2,285	2,138	1,327	2,221	2,190
Technology	356	348	332	323	333	335	326	303	330	309
Sub-total above fabrication	3,091	2,892	2,811	2,342	2,591	2,620	2,464	1,630	2,551	2,498
Total bar & coin demand	1,730	1,067	1,091	1,073	1,044	1,090	867	900	1,180	1,217
ETFs & similar products	(936)	(134)	(113)	582	266	83	408	874	(173)	(110)
Central bank & other inst.	630	601	580	395	379	656	605	255	463	1,136
Gold demand (Fabr. Basis)	4,514	4,426	4,370	4,392	4,279	4,449	4,344	3,658	4,021	4,741
Surplus/Deficit	(178)	73	80	394	386	323	534	1,062	645	14
Total demand	4,336	4,499	4,449	4,786	4,665	4,772	4,878	4,721	4,666	4,755
LBMA Gold Price (US\$/oz)	1,411	1,266	1,160	1,251	1,257	1,268	1,393	1,770	1,799	1,800

Source: World Gold Council. Data as of 6/30/2023.

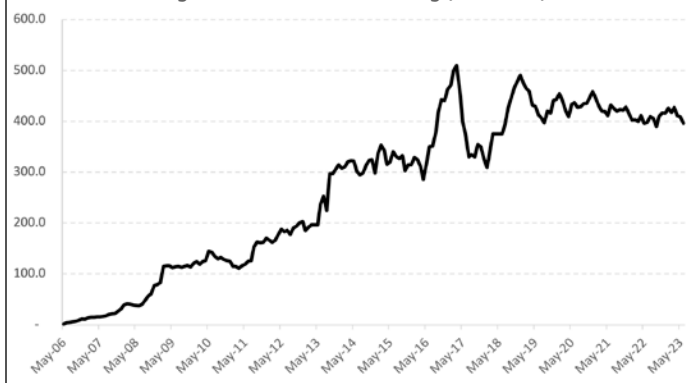
Fig. 45. Gold Held by ETFs



Source: Bloomberg. Data as of 6/30/2023.

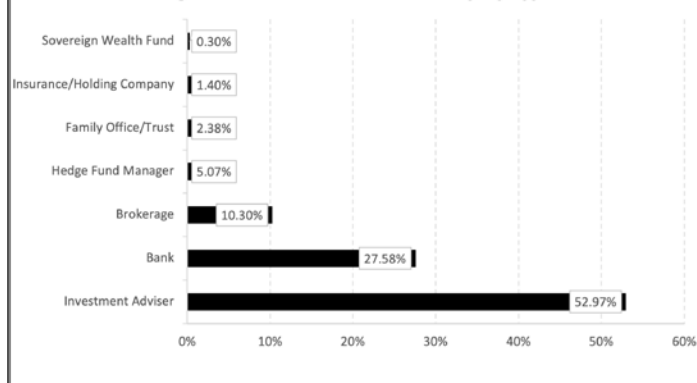
Section II. Gold

Fig. 46. GDX Shares Outstanding (in millions)



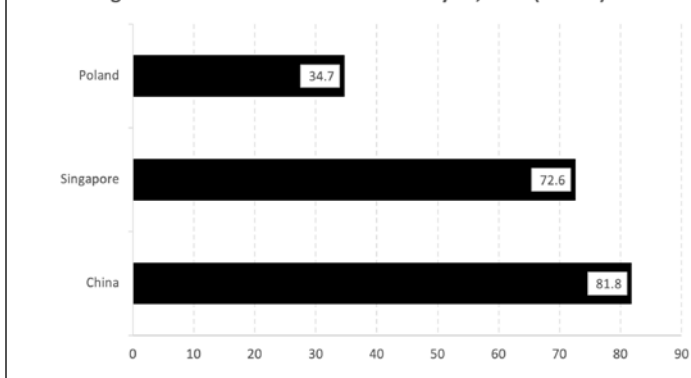
Source: Bloomberg. Data as of 6/30/2023.

Fig. 47. SPDR Gold Trust Ownership by Type



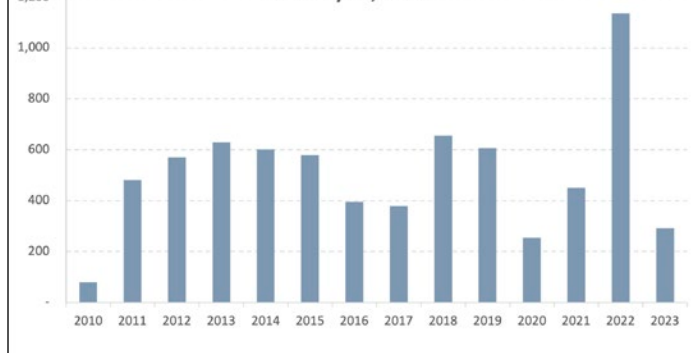
Source: FactSet. Data as of 6/30/2023.

Fig. 48. Notable Gold Purchases YTD May 31, 2023 (tonnes)



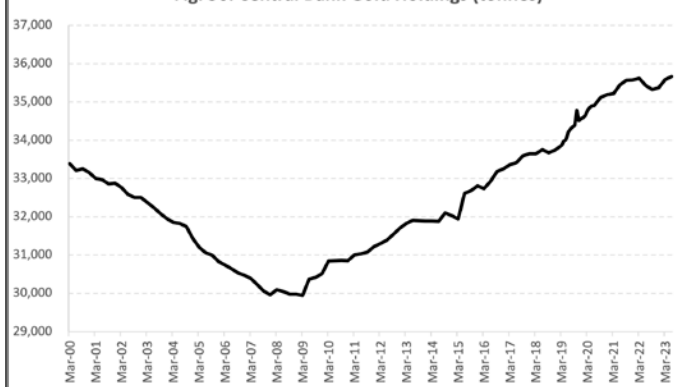
Source: World Gold Council. Data as of 5/31/23.

Fig. 49. Central Bank Net Purchases/(Sales) (tonnes) YTD May 31, 2023



Source: World Gold Council. Data as of 5/31/23.

Fig. 50. Central Bank Gold Holdings (tonnes)



Source: World Gold Council. Data as of 6/30/2023.

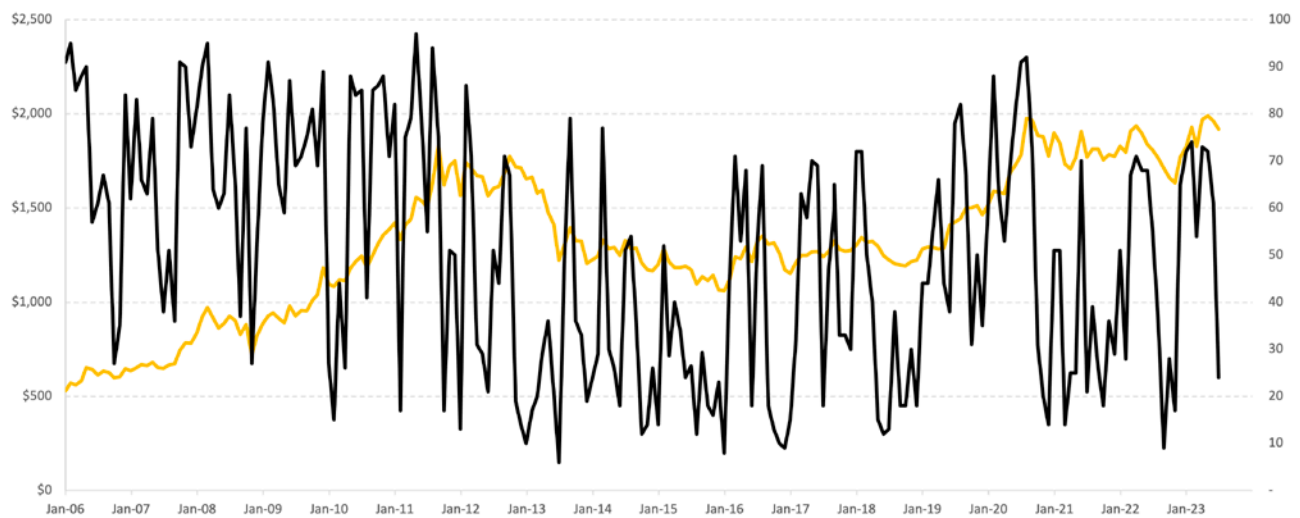
Fig. 51. Central Bank Gold Holdings as % of Total Reserves



Source: World Gold Council. Data as of 6/30/2023.

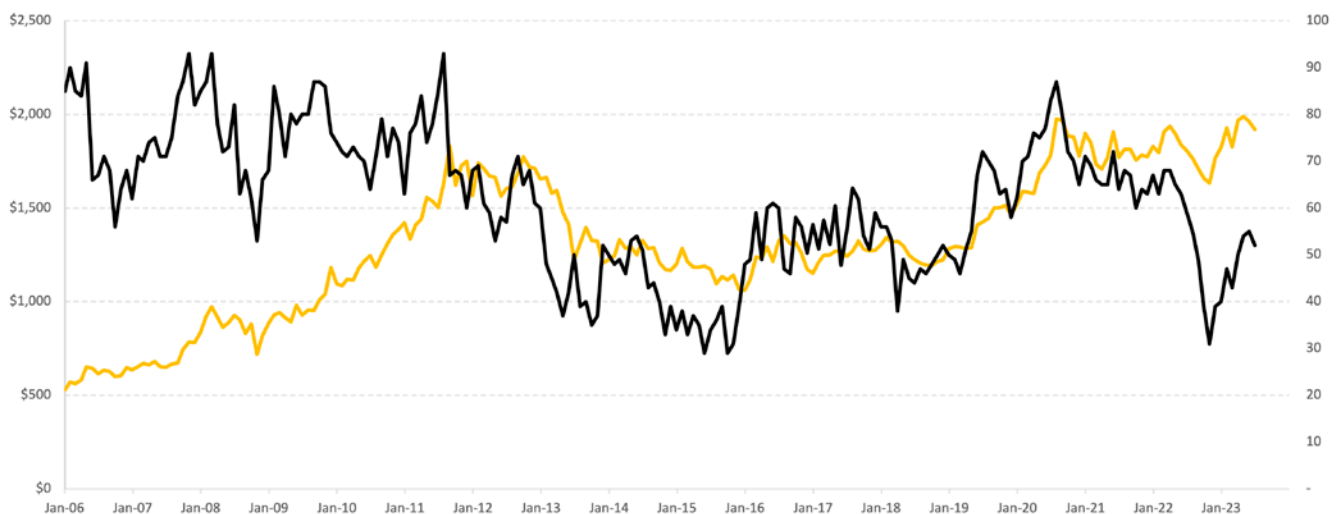
Section II. Gold

Fig. 52. Bernstein's Daily Sentiment Index



Source: Bloomberg, Bernstein's DSI. Data as of 6/30/2023.

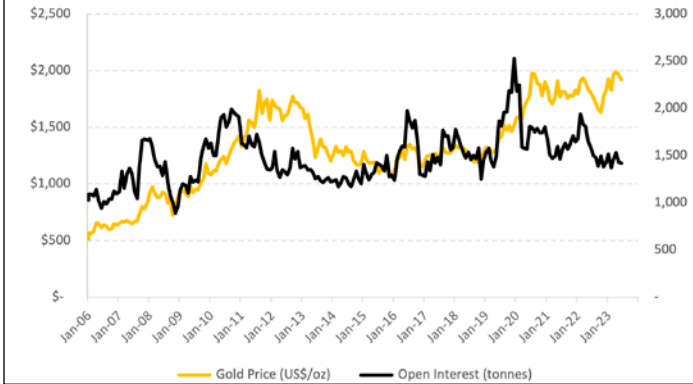
Fig. 53. Market Vane Sentiment Index



Source: Bloomberg, Market Vane. Data as of 6/30/2023.

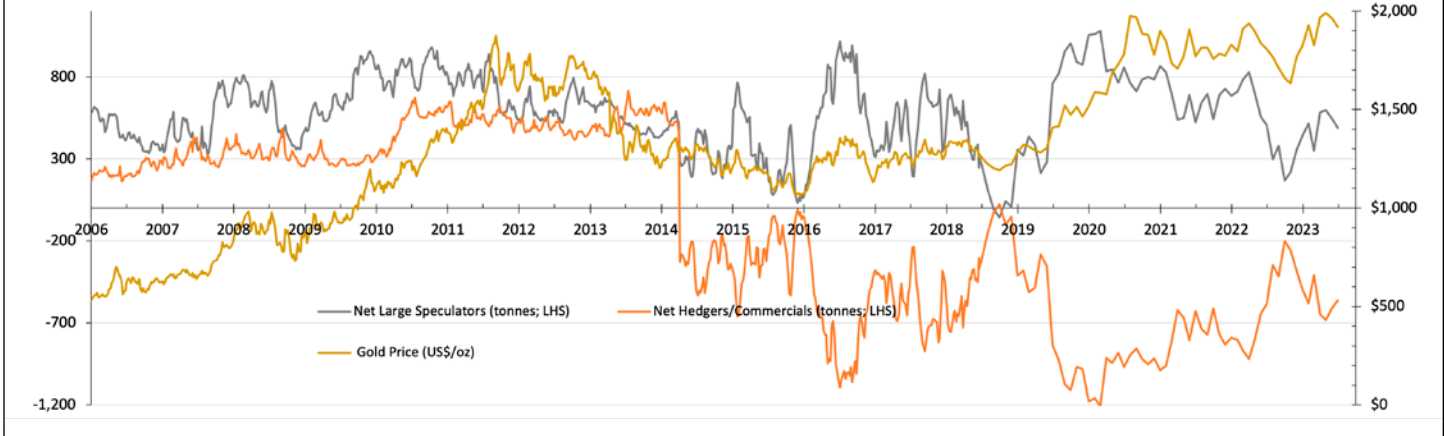
Section II. Gold

Fig. 54. Comex Gold Futures Open Interest



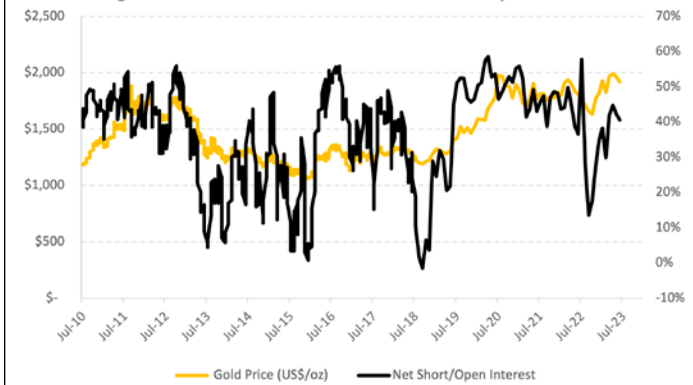
Source: Bloomberg. Data as of 6/30/2023.

Fig. 55. Comex Gold Futures Activity



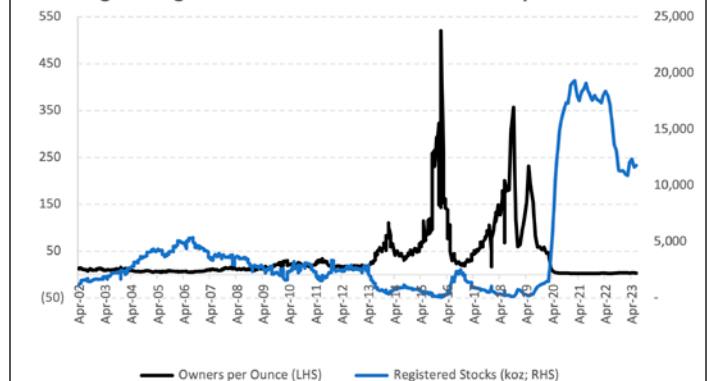
Source: CFTC. Data as of 6/30/2023.

Fig. 56. Commercial Net Shorts as % of Total Open Interest



Source: Bloomberg. Data as of 6/30/2023.

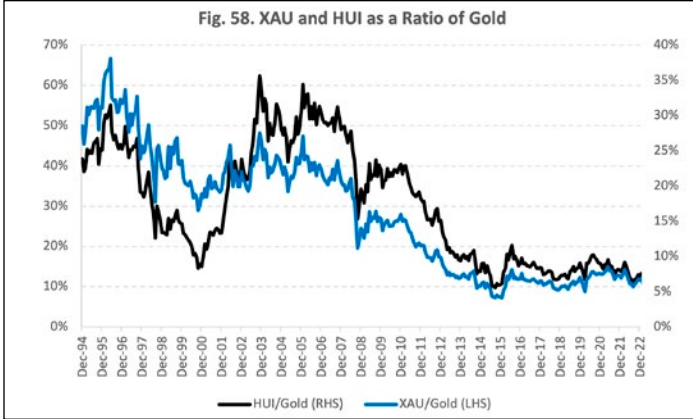
Fig. 57. Registered COMEX Gold Stocks vs. Owners per Ounce



Source: Bloomberg. Data as of 6/30/2023.

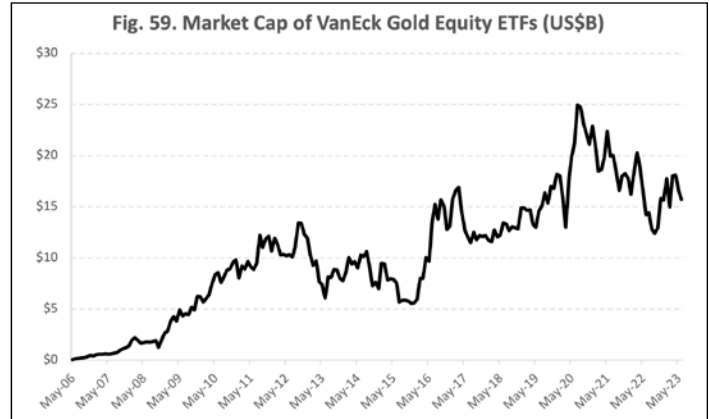
Section III. Gold Mining Equities

Fig. 58. XAU and HUI as a Ratio of Gold



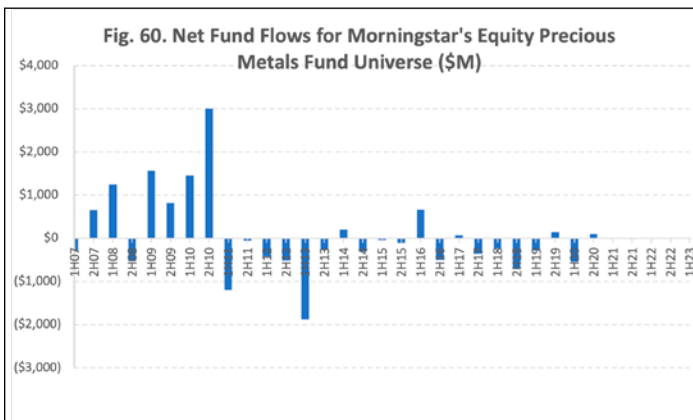
Source: FactSet. Data as of 6/30/2023.

Fig. 59. Market Cap of VanEck Gold Equity ETFs (US\$B)



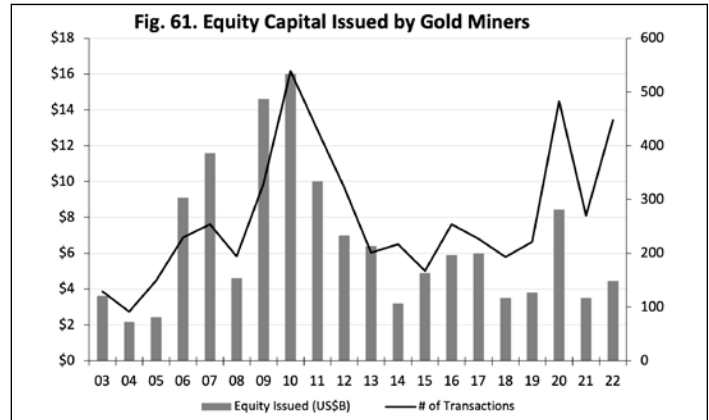
Source: FactSet. Data as of 6/30/2023.

Fig. 60. Net Fund Flows for Morningstar's Equity Precious Metals Fund Universe (\$M)



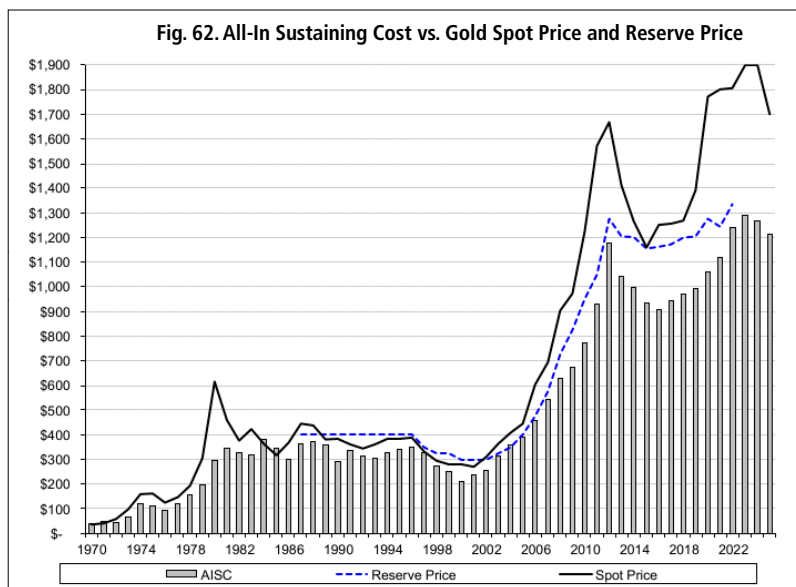
Source: FactSet. Data as of 6/30/2023.

Fig. 61. Equity Capital Issued by Gold Miners



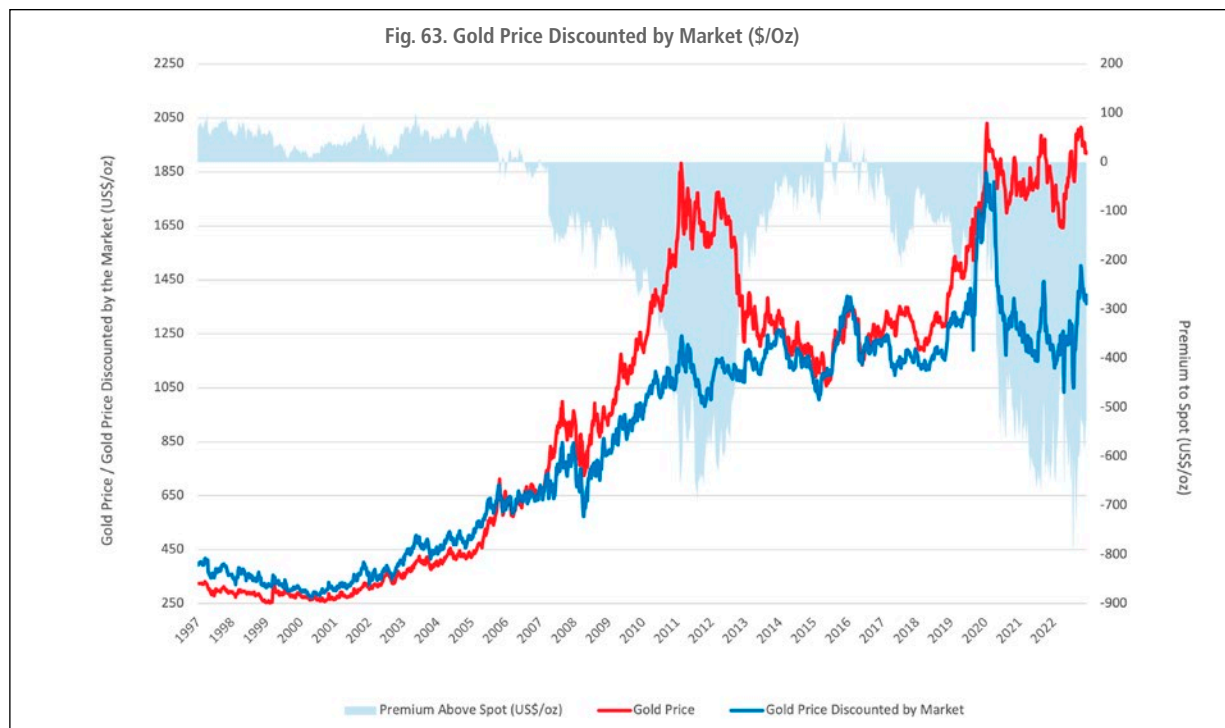
Source: Bloomberg. Data as of 6/30/2023.

Fig. 62. All-In Sustaining Cost vs. Gold Spot Price and Reserve Price

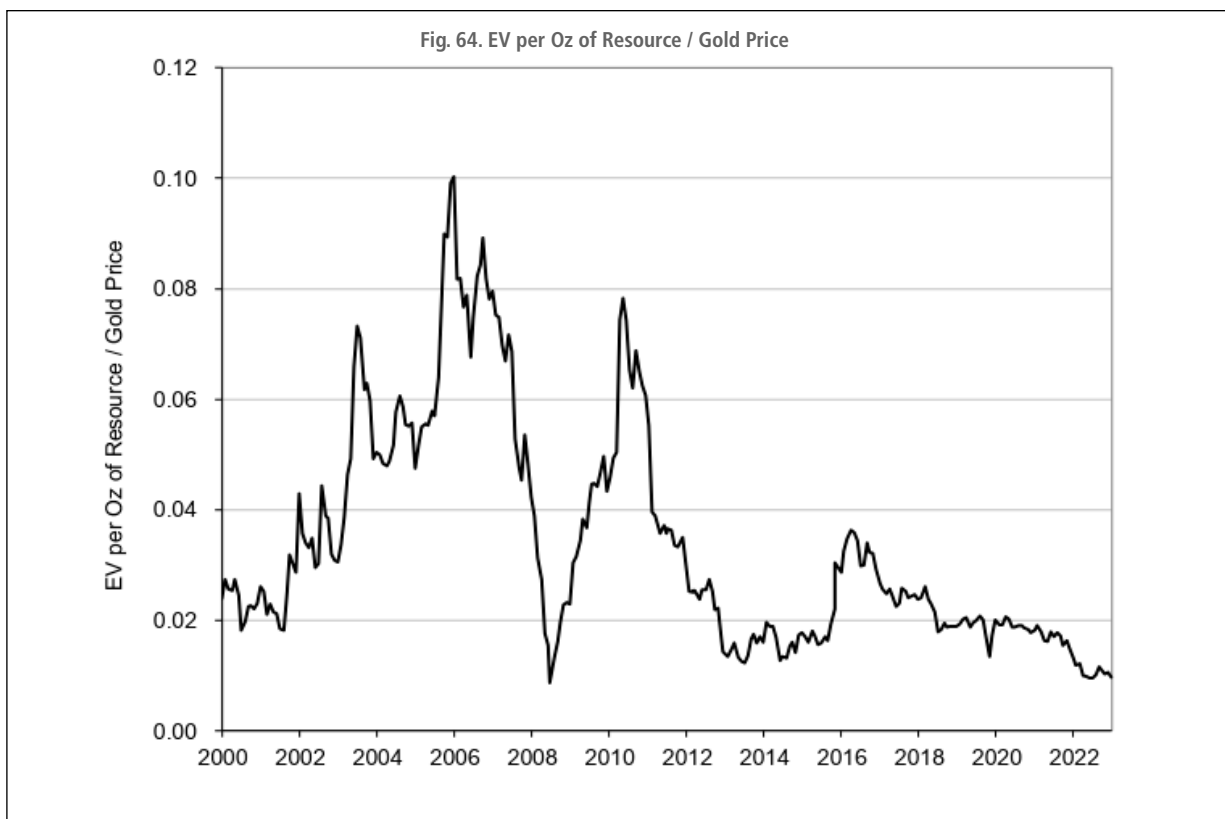


Source: Scotiabank. Data as of 6/30/2023.

Section III. Gold Mining Equities

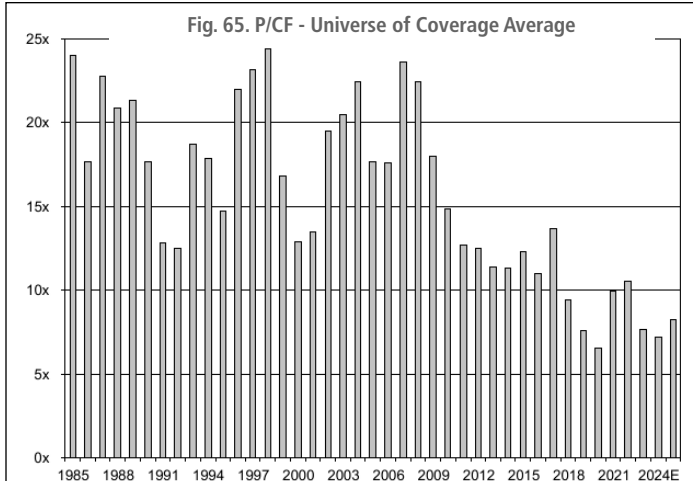


Source: BMO Capital Markets, FactSet. Data as of 6/30/2023.

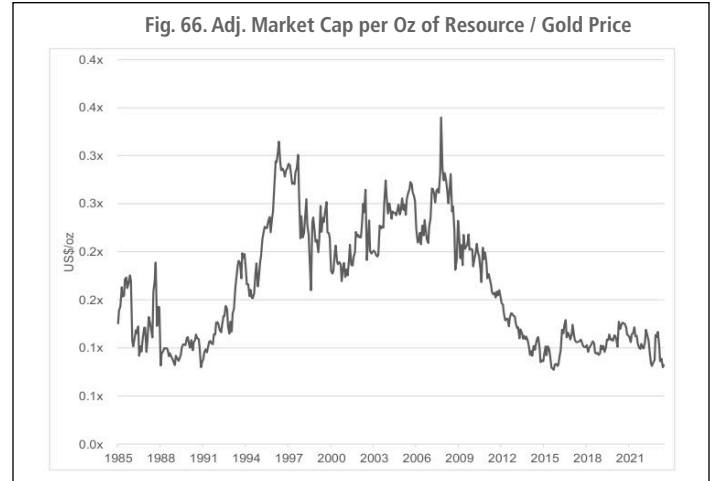


Source: BMO Capital Markets, FactSet. Data as of 6/30/2023.

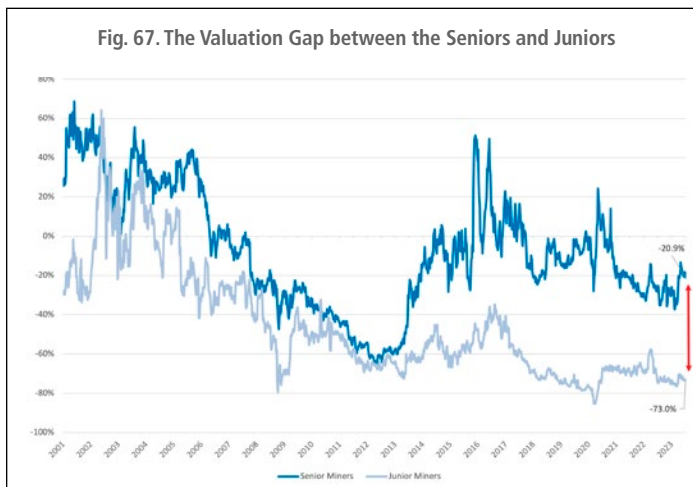
Section III. Gold Mining Equities



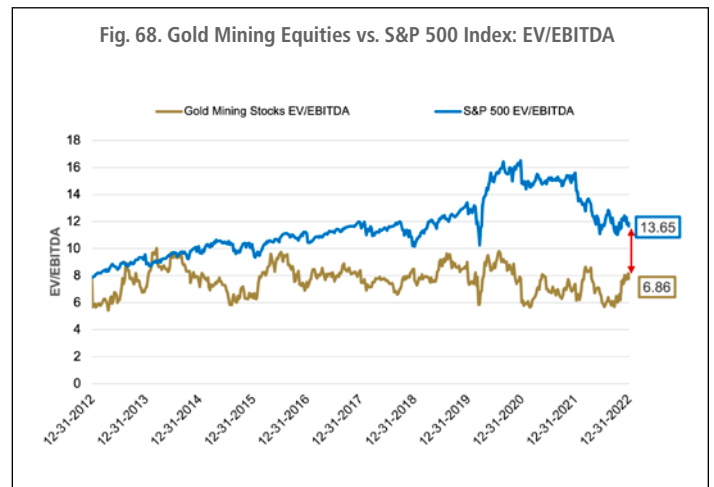
Source: Scotiabank. Data as of 6/30/2023.



Source: Scotiabank. Data as of 6/30/2023.



Source: BMO Capital Markets, FactSet. Data as of 6/30/2023.



Source: Bloomberg. Data as of 6/30/2023.

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