

THE KEY TO SPECULATION IN THE GOLD MARKET



*A SCIENTIFIC CORRELATION & PROOF AS TO WHEN & WHY
THE GOLD MARKET MAKES TOPS & BOTTOMS*

INCLUDING 100 YEARS OF PROJECTIONS TO 2100

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COSMOLOGICAL ECONOMICS

AUTHOR'S FOREWORD

Knowledge is a journey of self-enlightenment, based upon reflection and contemplation of the world around us. No one exists in a vacuum, and we all stand upon the shoulders of previous greats and the foundation of work they have laid preceding us, regardless of one's field of endeavor.

From time to time, a glimmer of discovery or original thought emerges, and the primary cycle(s) I present in this book are original and my personal discovery. The supporting concepts, ideas and inspiration are from foundational work, which originated thousands of years ago and have only been brought to light recently by great minds like the Master, W. D. Gann, the Isaac Newton of financial forecasting, Sepharial and George Bayer, plus great contributors like L. J. Jensen, Professor Weston, J. H. Nelson, J. M. Langham, Donald Bradley, Samuel Benner, T. G. Butaney, Lcdr. David Williams, M. W. Walker, Bradley Cowan, Bryce Gilmore, Daniel Ferrara, Granville Cooley, Patrick Mikula, Jack Gillen, J. M. Hurst, Jeanne Long, Michal Jenkins, Dr. Ruth Miller, Larry Pesavento and Kaye Shinker, to name a few.

It is upon these shoulders I have tried to stand in an attempt to see the forest from the trees. I must also acknowledge the many knowledgeable people from various investment communities I have belonged to and learned from over the years. I would also like to thank Brad Stewart for his guidance, which was instrumental in the development of this book.

It is my hope that many find this work an inspiration and of financial benefit, for that is its sole purpose in publication. Although this research is not intended to act as financial advice in any regard, perhaps the user can find these cycles of benefit if considering investment in the Gold market. It can certainly help to provide an otherwise missing perspective through a greater understanding of the cyclical history of the Gold market.

If the past is any indication of the future, then hopefully the knowledge of the cycles illustrated in this work can perhaps help prevent financial loss and inspire greater financial gain.

INTRODUCTION

Thank you for your interest in *The Key to Speculation in the Gold Market*. I trust you will find this work as important and valuable as I believe it to be. Armed with this critical knowledge it could help you profitably invest in the Gold market both now and far into the future.

The primary scope of this work is to illustrate a scientific correlation and proof that I discovered, which accurately identifies when and why the Gold market makes its primary tops and bottoms. This correlation has been highly accurate to date, and covers the entire history of the freely traded Gold market, which was first posted on the COMEX and CBOT on 12/31/1974, but didn't begin its first official trading in the United States until 1/2/1975.

Extending this study to Gold prices prior to 1975 might be academic because the price of Gold had been strictly controlled and fixed by various governments for decades and centuries at a time. Centuries worth of data on the fixed prices of Gold do exist, and I will share that information with you. Additional data also exist in various academic studies that show the inflation adjusted price of Gold over the last 759 years.

If the basis of my model is a scientific proof that affects the price of Gold at specific times, one would expect correlations to my model should be evident throughout the Gold market's trading history, as well as in Gold related geopolitical events throughout history.

That being the case, I will illustrate the correlations of my model not only to the prices and price changes of Gold over the last 700+ years, but also to these various geopolitical events, which ultimately and subsequently have affected the price of Gold. This should serve to strengthen the foundation of my model and the 40 years of correlations regarding the free market trading prices of Gold.

GEOPOLITICAL TIME LINE & THE PRICE FIXING OF GOLD

Gold has a very long, complex and prominent history, reflected in global geopolitical events, which are not within the scope of this book. But let's begin with a little modern history on the price of Gold, just for perspective.

In 1717, Sir Isaac Newton, then Master of the UK Mint, set the fixed price of Gold in England (to about \$20 US per troy ounce) and it remained essentially unchanged for 200 years until 1914. There were some fluctuations during the Napoleonic Wars from 1797 – 1821 and during the Civil War in the United States. War usually has an inflationary effect on the price of Gold even though the official fixed prices have not been changed. These changes occur due to a growing lack of confidence in paper currencies during war time.

“The London Gold Fix” was started on 9/29/1919 to start London's Gold market after WW1. The original fix price was 4 Pounds, 18 Shillings and 9 pence (£4.18s 9p = 4.9375). The price of Gold was fixed daily by phone and committee between five European and American banks.

The Official U.S. Government fixed Gold price changed only four times starting from 1792 at \$19.39 per troy ounce. Gold's official price was then raised to \$20.67 in 1834, to \$35 in 1934, to \$38 in 1971 and then to \$42.22 in 1972.

Even though the official price of Gold was fixed, you will find some variations in its pricing data due to inflationary trends and the trading that occurred between countries, exchange rates and military conflicts.

Following is a brief time line for the pricing of Gold in the United States:

1792 Alexander Hamilton, the first Secretary of the Treasury under George Washington, pegged the American Dollar at 24.75 grains of Gold, or at just about 1/20th of an ounce. This created the original US Gold Standard, or more accurately, the “Bi-Metallic Standard” (the fixed valuation ratios between silver and Gold) in the United States at a price of \$19.39 per ounce.
