The gold coverage ratio measures the amount of US Treasury gold reserves against the Monetary Base (M0). Because of quantitative easing, the coverage ratio is currently at an all-time low of 9 percent, suggesting that gold is severely undervalued. The historical average for the gold coverage ratio is roughly 40 percent, meaning that the current price of gold would have to more than quadruple to reach the average. The gold coverage ratio rose above 100 percent twice during 20th century, most recently at gold's 1980 peak. Were this to happen today, the value of gold would approach $15,000, assuming no further quantitative easing is employed.

Gold is undervalued, oversold, and today represents a historically low buying opportunity for an asset that every investor should own. For investors who have not already built the foundation of their investment portfolio with gold, the manipulation has provided an opportunity to do so at extremely favourable prices. Investors who have already laid their gold foundation can rest assured that the manipulation cannot last forever, and the greater and the longer the manipulation, the greater the eventual price will be. It is easy to purchase assets when they are moving up. The best time to purchase is at the time of maximum pessimism.

***Paul de Sousa** is the Executive Vice President at Bullion Management Group Inc. (BMG), a company that focuses on protecting investors' wealth through the purchase and allocated storage of uncompromised physical gold, silver and platinum bullion. Paul has 15 years of experience, and has specialized in precious metals for the past 10 years. Prior to arriving at BMG, Paul held positions as Regional Manager and Director of Investment Services with mutual fund and investment dealers.*

At BMG, Paul is responsible for leading the Canadian, European and South American teams. He travels extensively in Europe and South America, developing uncompromised physical bullion investments with banks, brokerages and wealth management firms. He contends that we are in the midst of a monetary devaluation that began 43 years ago and is accelerating due to worldwide debt levels. Precious metals bullion, Paul believes, is an important tangible diversification tool that protects against systemic and monetary risks. www.bmgbullion.com