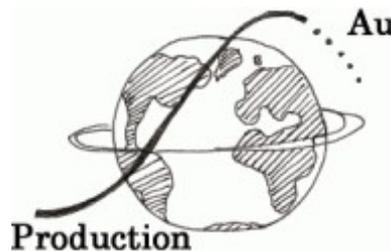


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The world gold production since 1840, 1/3 : Analysis of the cycles.

Mailing n°3-8

27.07.2004




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The world gold production of 1840 in 2003, 2/3 : Technical analysis.

The world gold production Since1840, 3/3 : History.

I have to warn the reader that there are two types of figures on this graph. From 1840 until 1900, the world golden production is given in million francs and after 1900, it is given in tons of gold, but it changes nothing this study. I do not use the technical analysis because I don't want to mix the various works. I just wish to highlight the cycles of production of the gold which seem very regular.

Regular cycles of the golden production

For 164 years, the golden production has regular cycles between bottom and heights.

A. Tops.-the last four cycles :

There are four summits of production of the gold in the world, on 1845, 1915, 1942, on 1970 and 2001.

Here is their length :

1870-1915 = 45 years

1915-1942 = 27 years

1942-1970 = 28 years

1970-2001 = 31 years

If we look at the average of these four cycles is of 32.75 years between every summit of cycle.

- In 2001, the production seems to have marked a summit with 2600 tons of golden production. The cycle since the previous summit of 1970 is of 31 years, while three previous cycles are of 33.3 years.

- Are we really on a summit? According to this approach yes (according to the other approaches also, but we shall see later, for a next time).

B. The hollows of production of the gold.

- The last four cycles :

There are four hollows of production of the gold since 1840: 1845, 1885, 1922, on 1945 and 1975.

Here is their length :

1845-1885 = 40 years

1885-1922 = 37 years

1922-1945 = 23 years

1945-1975 = 30 years

If we look, the average of these four cycles is of 32.5 years between every hollow of cycle.

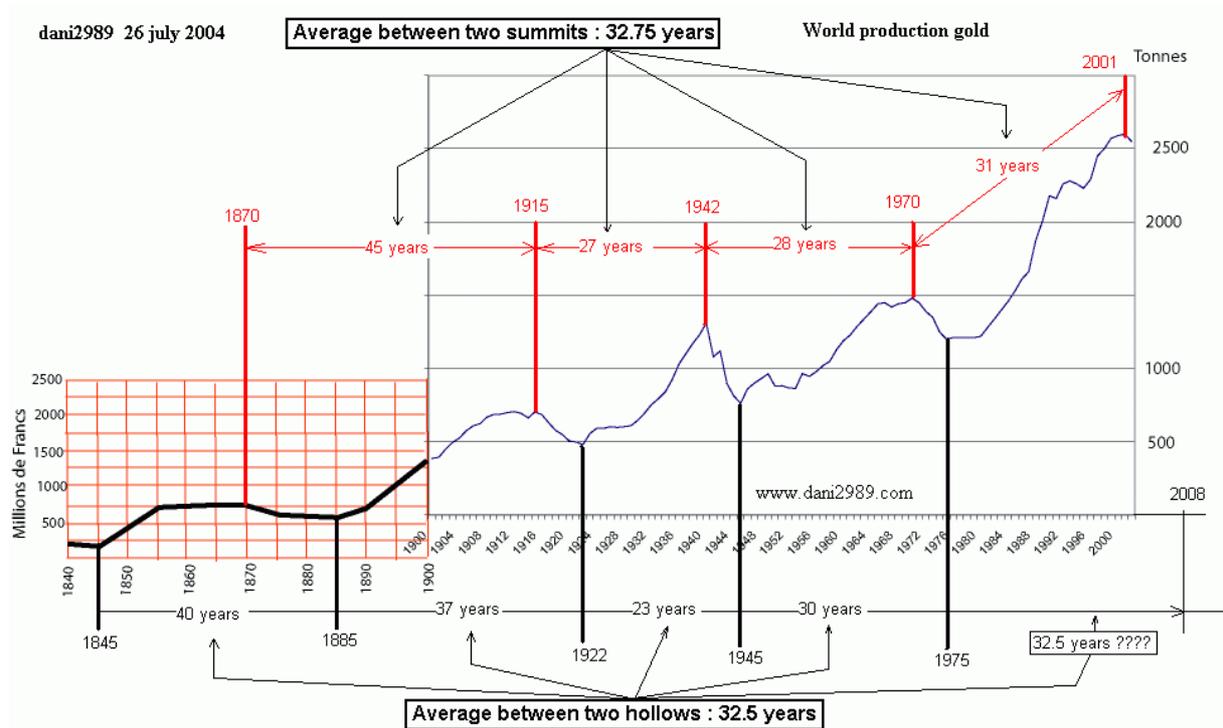
- In 1975, the production marked a hollow of 1200 tons of golden production. The cycle since the previous hollows is 30 years.

- When will take place the next hollow? If one account 32.5 the years since 1975, it indicates a hollow of production in 2008.

C. Hollows and summits of production of the gold are regular.

- Summits arrive every 32.75 years and hollows every 32.5 years. It is surprising to see how every hollow and every summit are spaced out by the same number of years.

- Even the less precise figures from 1840 till 1900 go to the same direction.



The decline of production of the gold

Have the periods of declines of the production resemblances?

A. That it is the amplitude of the declines of the production of the gold?

That it is the amplitude of decline between a summit and a following hollow?

1870-1885 = 200 million francs of decline = 26.7 % of decline

1915-1922 = 223 tons of gold = 31.7 % of decline

1942-1945 = 358 tons of gold = 32 % of decline

1970-1975 = 280 tons of gold = 18.9 % of decline

If we make the average of all these declines: 27.3

A decline is on average 27.3 % of the increase which precedes it.

B. That it is the amplitude of the declines of production of the gold in the time?

How long lasts a decline after a summit?

1870-1885 = 15 years of decline

1915-1922 = 7 years of decline

1942-1945 = 3 years of decline

1970-1975 = 5 years of decline

The average of these four declines is of 7.5 years.

Four cycles of decline of production of the gold lasted on average 7.5 years.

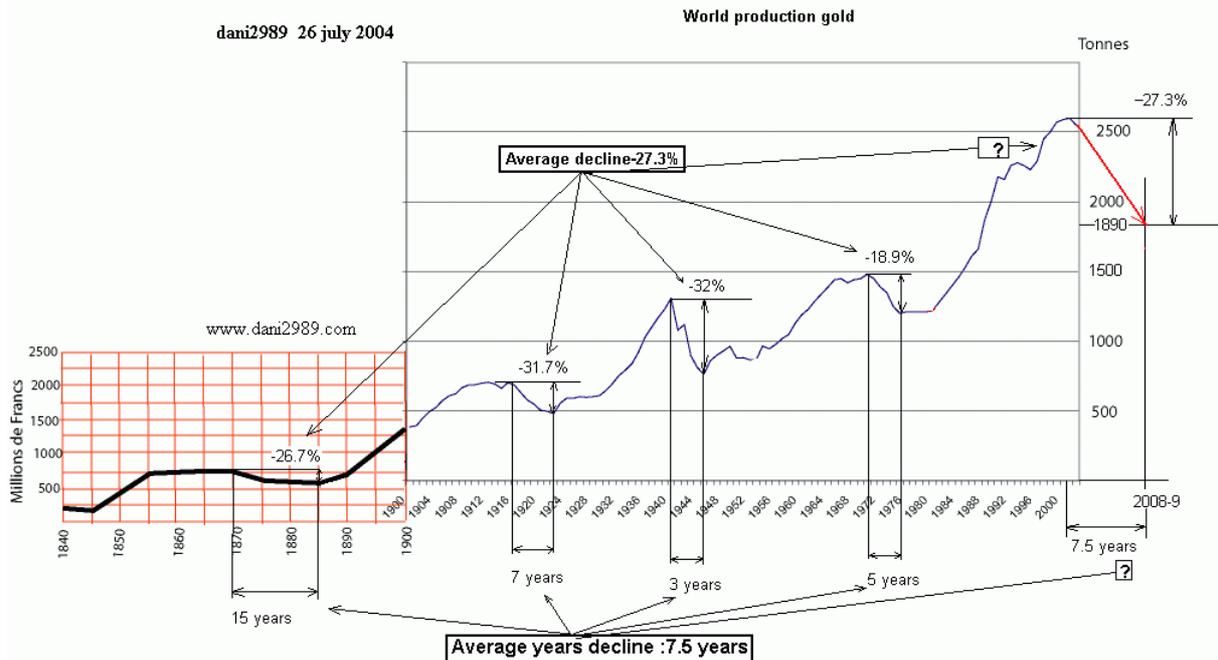
C. If 2001 is a summit?

If 2001 is a summit and what we apply these statistics, here is what it gives :

- In 2001, the golden production was 2600 tons of gold. If we subtract the average of the previous declines of 27.3 % production, the next hollow of production is 1890 tons of gold (look at the red arrow on the graph).

- The average of the last four declines of production is of 7.5 years. If we add it at the top of 2001 we obtain 2008-2009.

- The projection of the statistics of the previous cycles of decline of the gold gives a decline of the 1890 ton production for 2009.



It is possible to make a certain number of remarks about these cycles of production of the gold.

A. Historic remarks of order :

Summit of 1870 = dates the French-German war and there is a decline of the production of the old gold-bearing discoveries of the middle of the 19th.

Summit of 1915 = dates the First World War.

Summit of 1945 = dates the Second World War.

Summit of 1971 = it is the oil crisis.

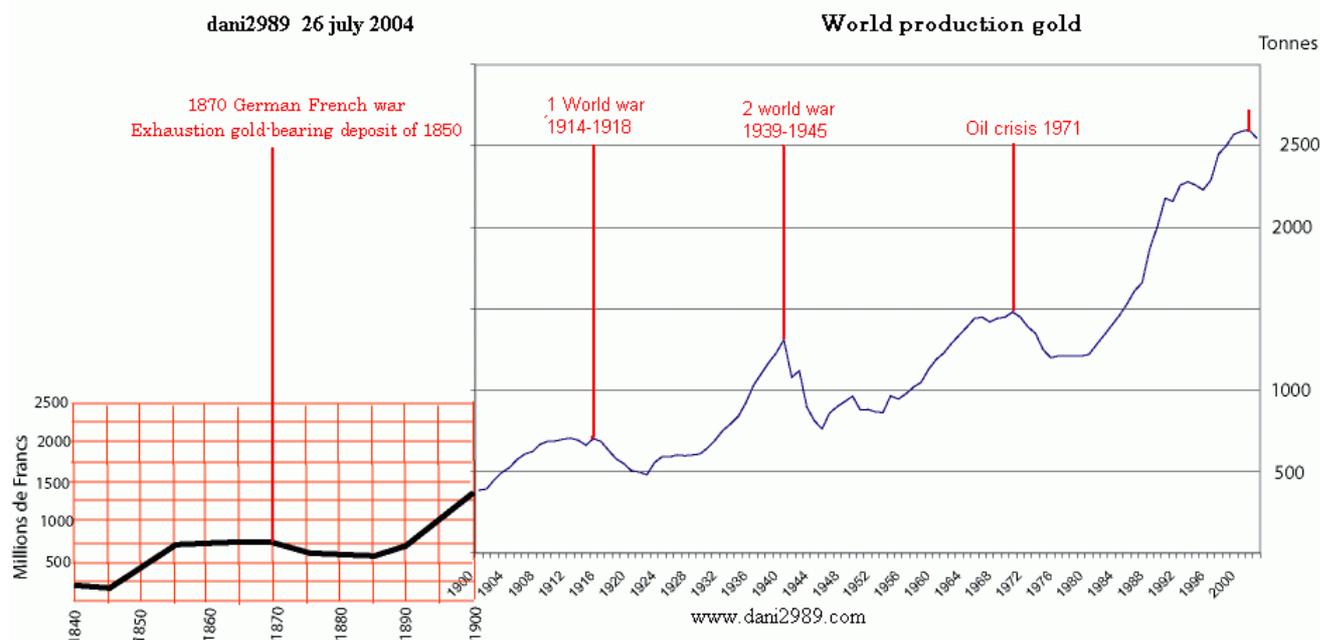
Summit of 2001 = He can have various reasons there which I shall evoke in another analysis (there are various possible structural factors which are long to explain and already well known by the specialists, as the peak of production, the decline of the investment and of the investigation).

B. Does the objectives handbook?

We use here a particular approach to have an opinion of the dimension of the decline of the production if it takes place as in the previous cycles. We obtain an order of height of the decline of the production. That is 1890 tons of golden production for 2008-9. It is necessary to put it in connection with the other approaches and to compare.

C. My opinion.

- There are persons who will say that it is not possible, that the production of the gold is going to continue to increase as it has already made it since 1900, and that the prices of the gold will go down at the bottom of \$300, maybe to \$200.
- I believe the opposite, which the production will continue to fall below 1890 tons, because we reached a peak of production. Do not forget that what is true for the gold is even more important for the silver.
- This article is the first one of a series on the golden production in the long-term world.



For summary, we can say that if the cycles apply as previous cycles, it is possible that in 2008-2009, the golden production falls to 1890 tons, what implies a price increase of the gold because the demand it does not seem to want to fall, but it is another subject. In this analysis of the golden production, it is just question of the cycles and the figures. In two other analyses, I shall study it under the day of the technical analysis and the history to explain the various periods of increase and decline which explain by the technical progress, the wars and the economic situation. Be careful, this is only the opinion of a convinced bull about the gold's sector it thus is to consume with the biggest moderation.

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