



## **TOPICAL CHARTS** **(tropical/sunny?)**

Study time : the power, and place of dividends.  
: M1 and Gold Price.  
: DJII Value vs. Price.

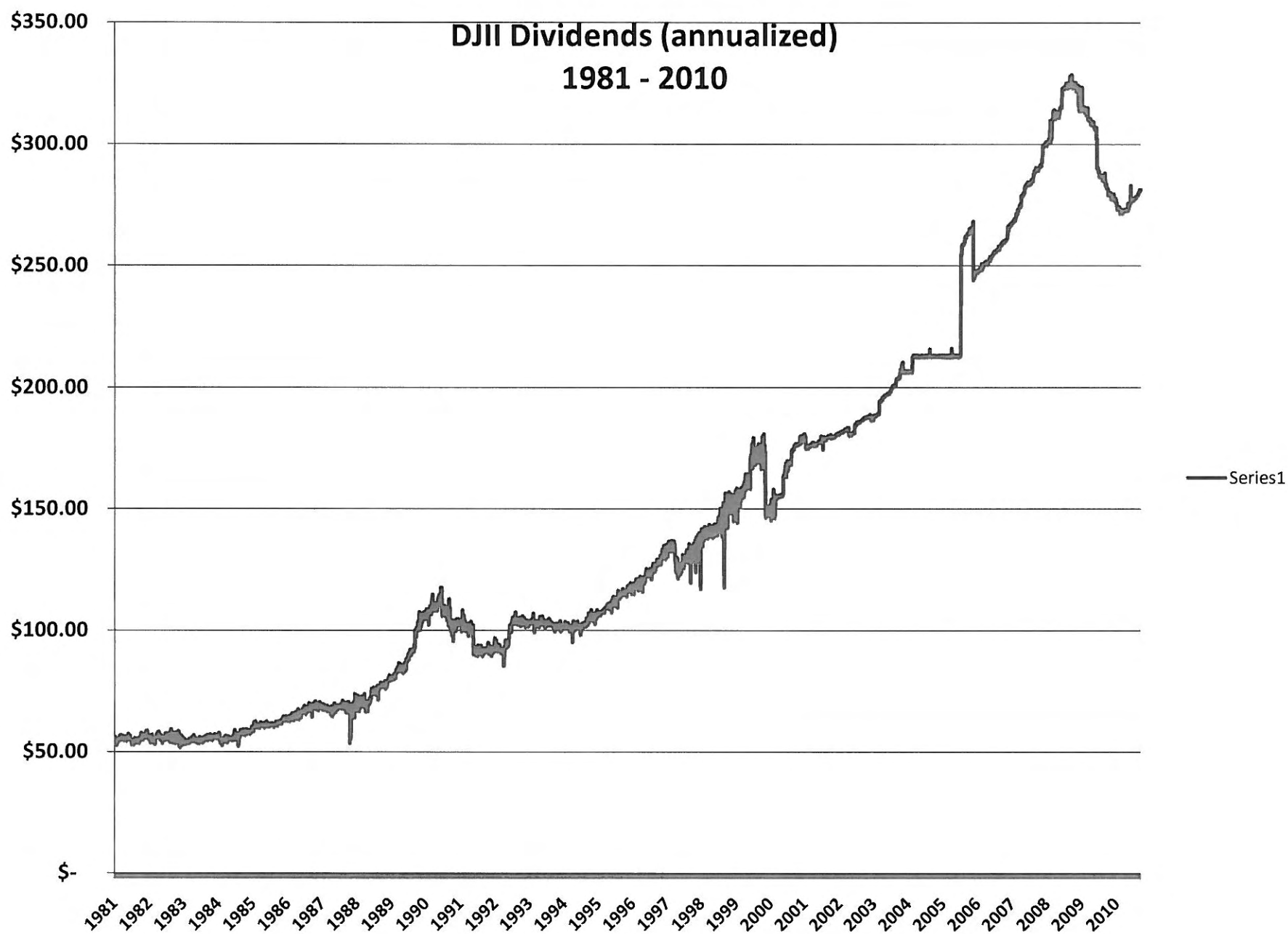
Conclusions : true value in the stock price is largely a function of the dividend.  
: gold may go higher, as printing presses continue to roll.  
: pessimism abounds – fundamentals are improving and markets will ultimately be valued higher.

Chart Source: A.G.B Hayes CFA

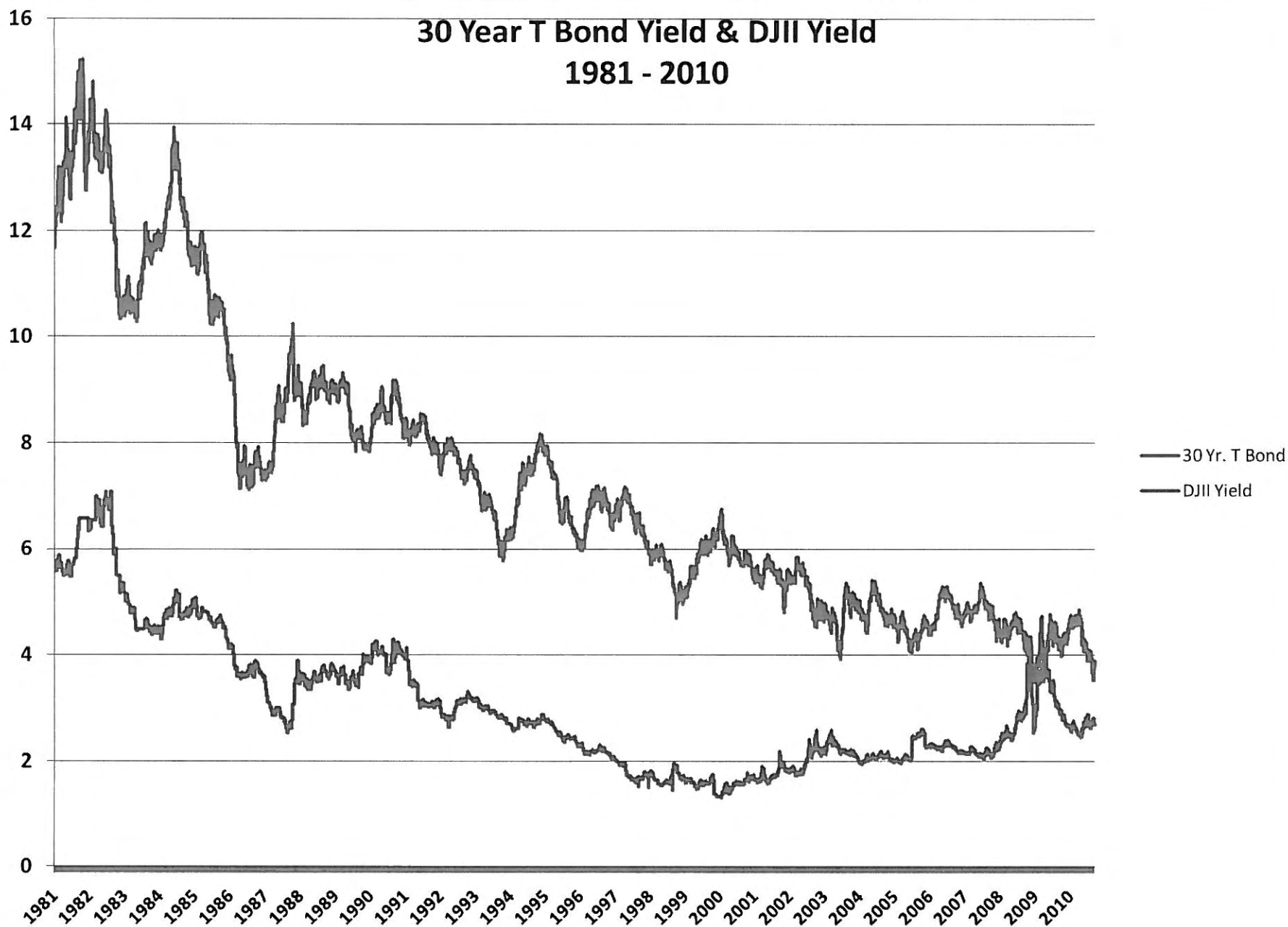
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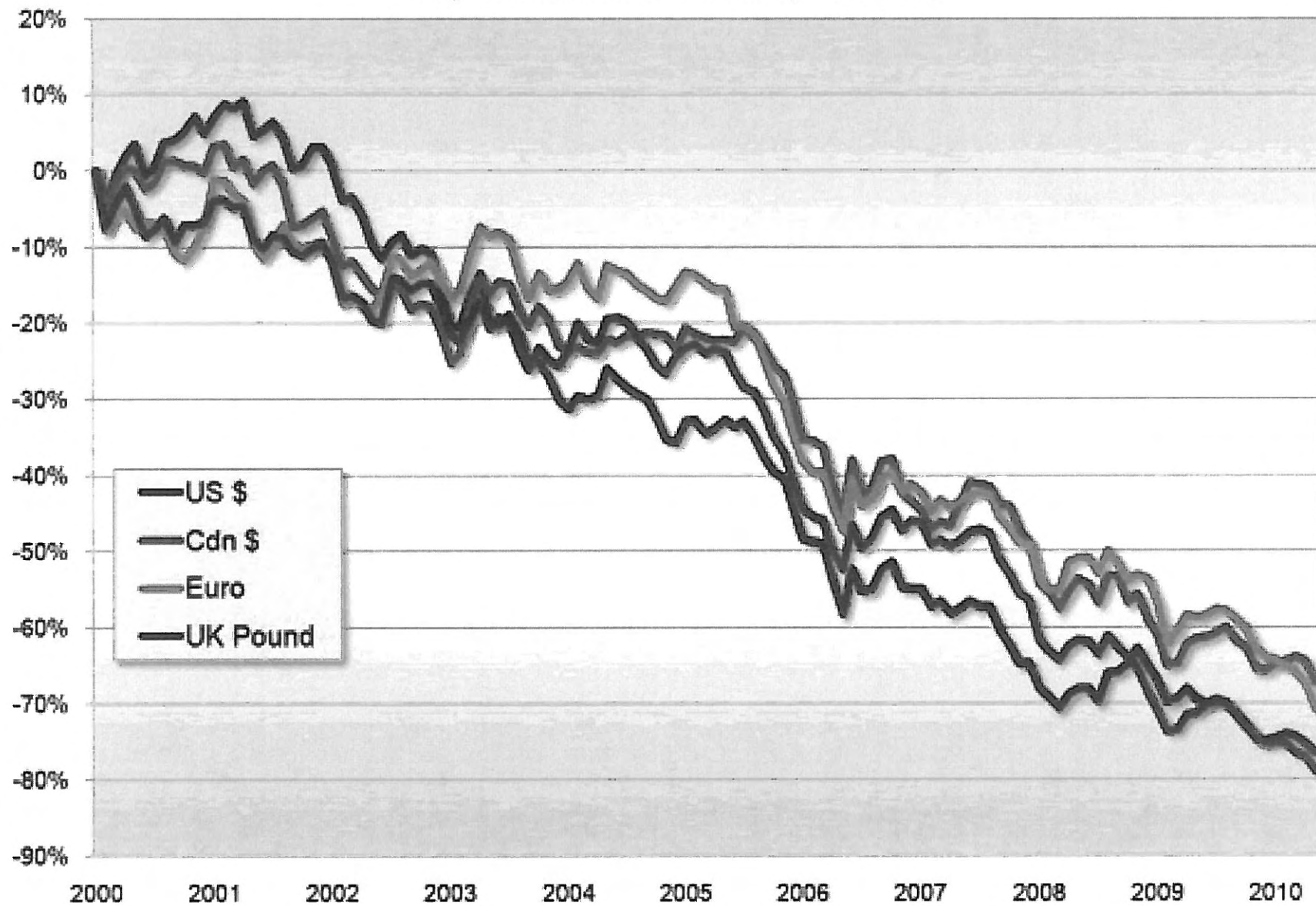
October 4, 2010



### 30 Year T Bond Yield & DJII Yield 1981 - 2010

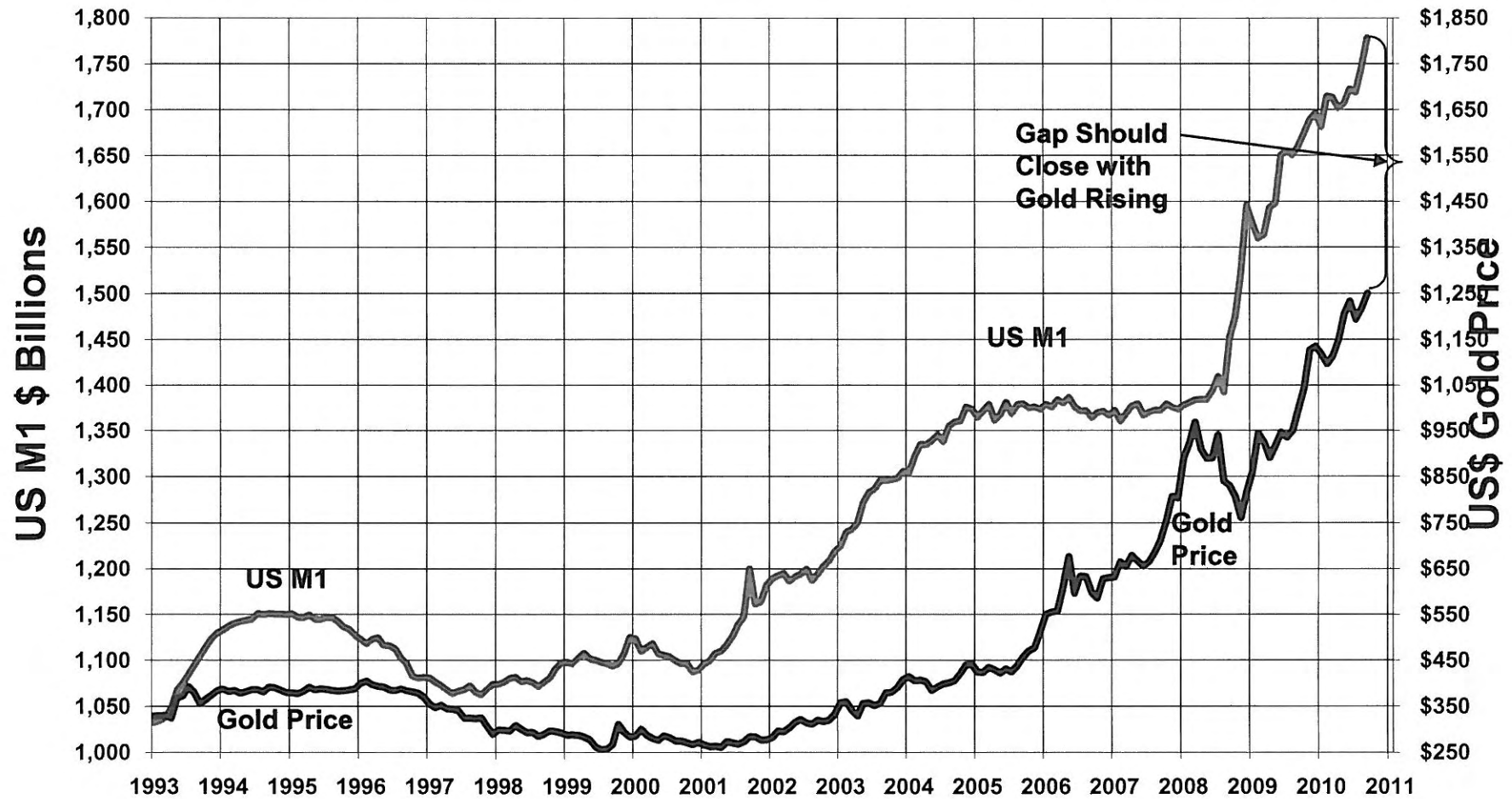


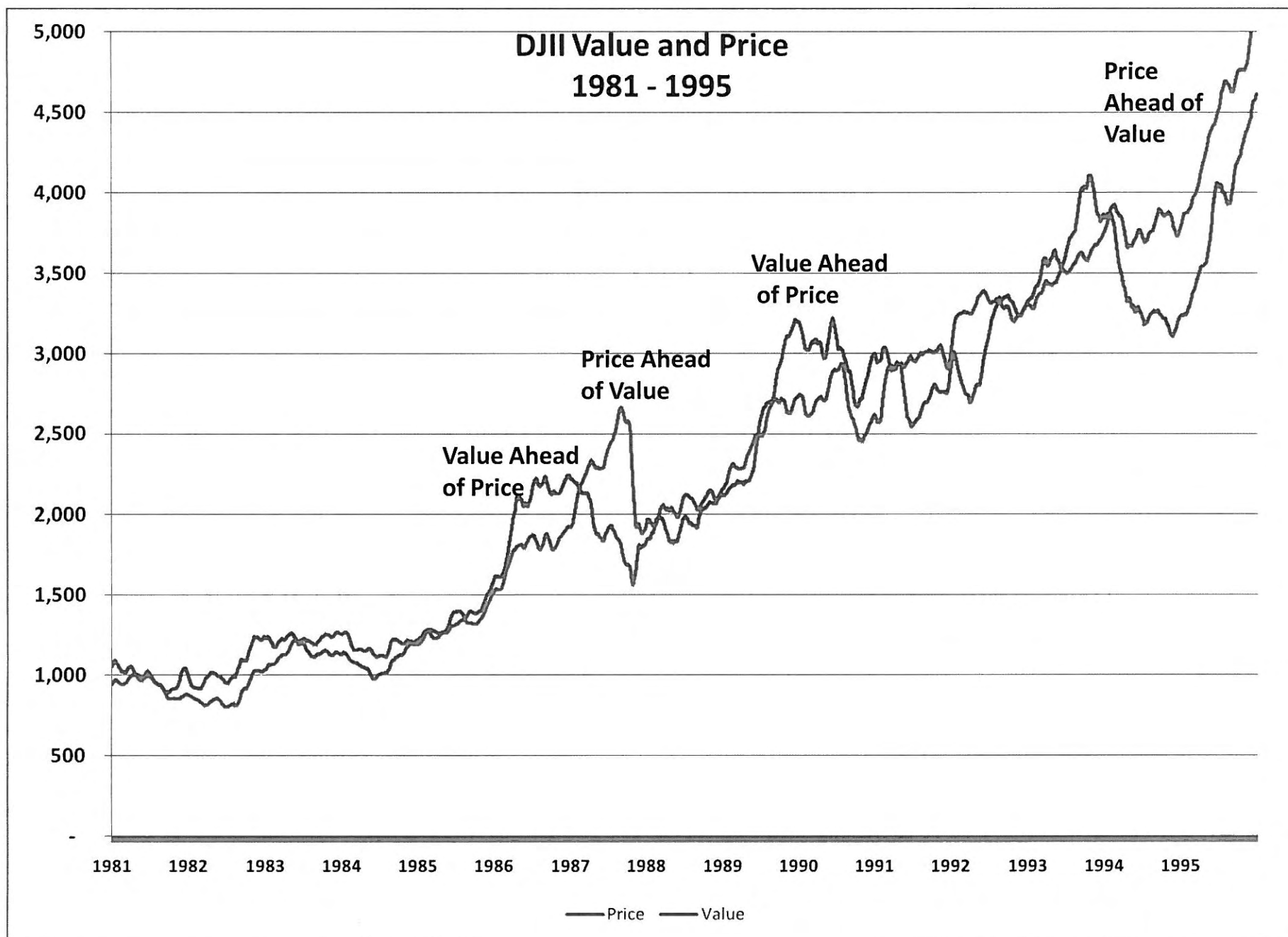
Major Currencies as Valued by Gold Price



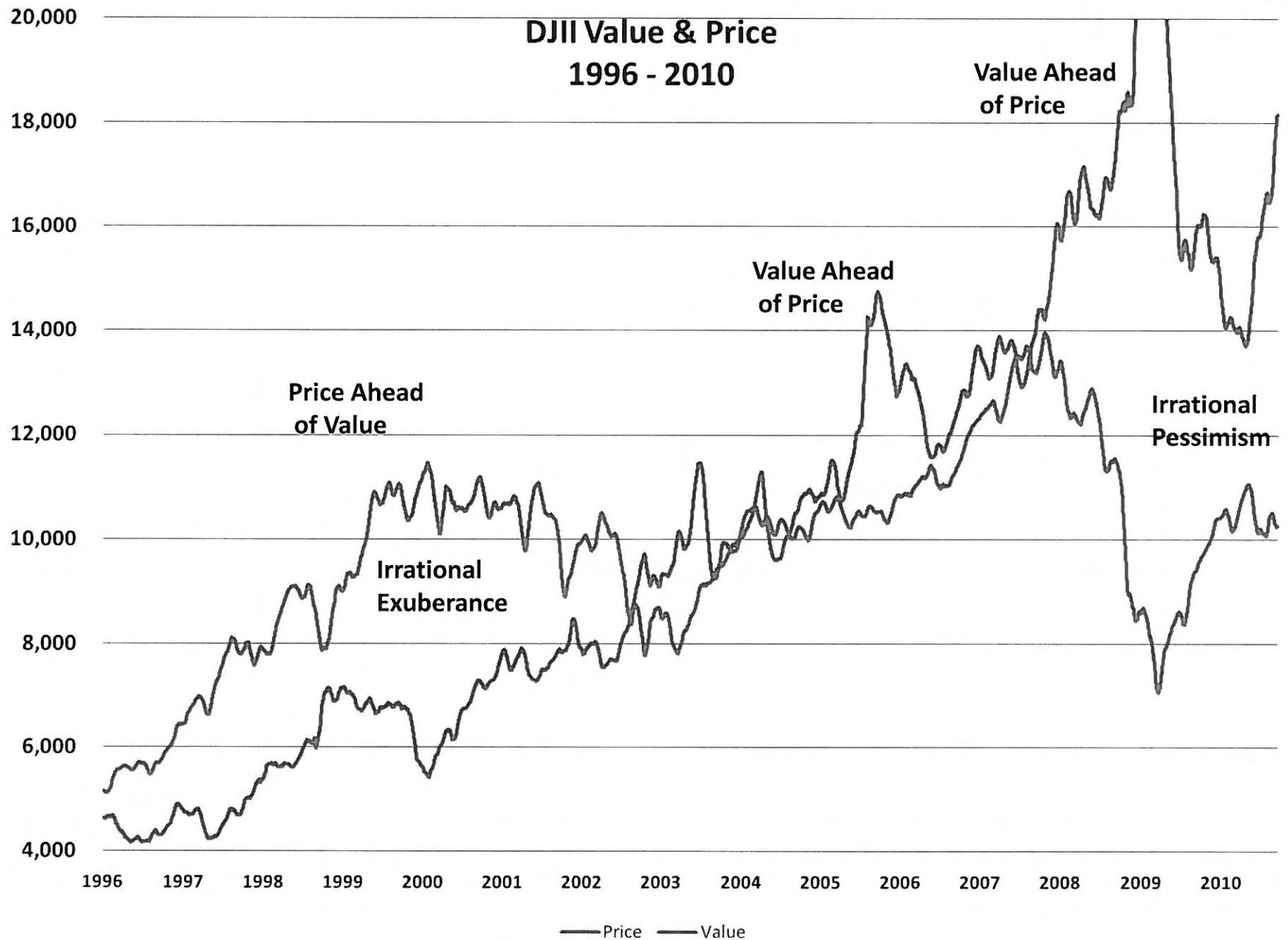
# US M1 vs US\$ Gold Price

(Monthly Averages)





## DJII Value & Price 1996 - 2010



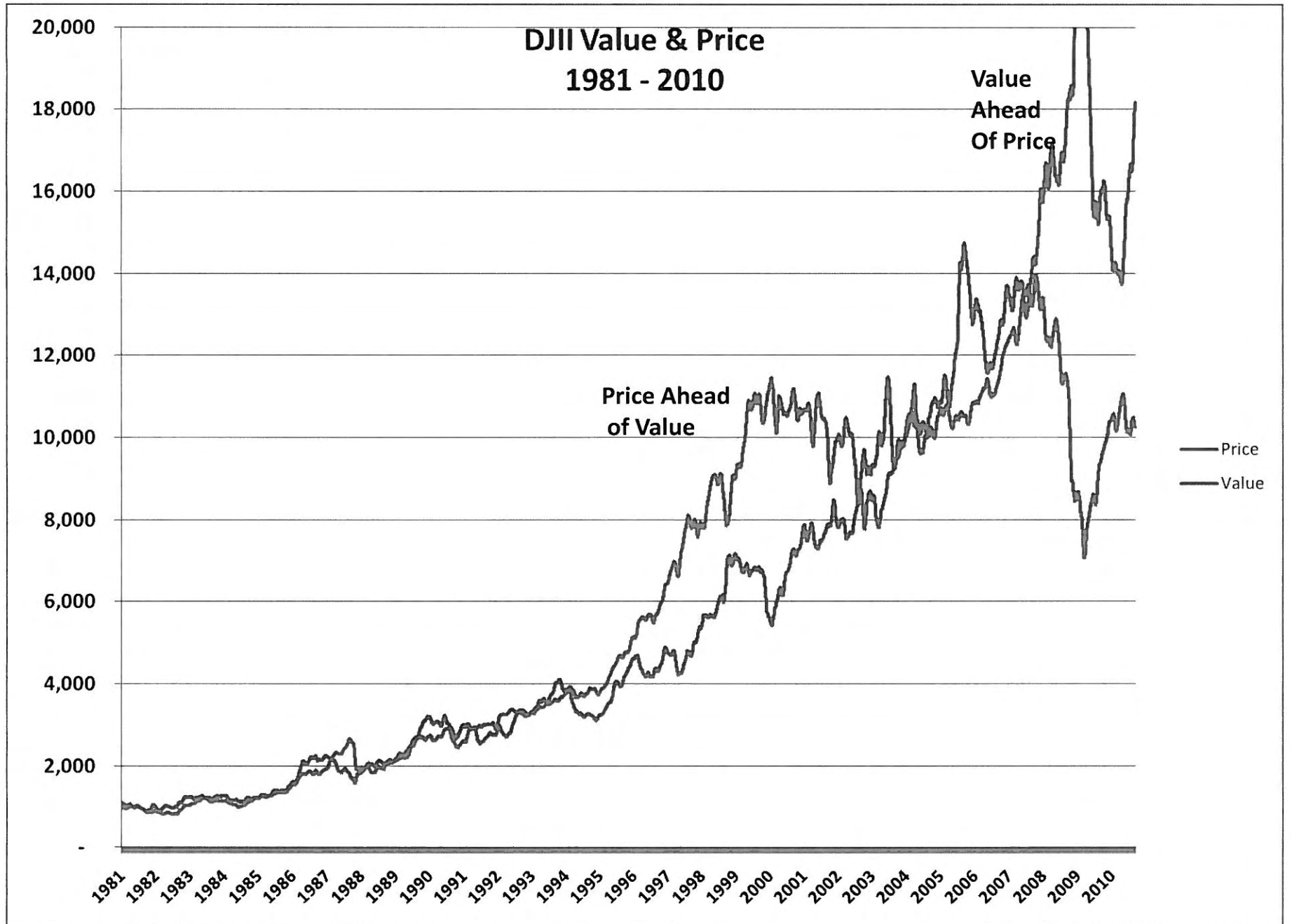
# DJII Value & Price 1981 - 2010

Value  
Ahead  
Of Price

Price Ahead  
of Value

— Price  
— Value

1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010





**How many times have you heard this?**

**“On Wall Street today news of lower interest rates sent the stock market up, but then the expectation that these rates would be inflationary sent the market down, until the realisation that lower rates would stimulate the sluggish economy pushed the market up before it ultimately went down on fears that an overheated economy would lead to the re-imposition of higher interest rates.”**