



MONEY MORNING

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The Five Best Ways to Invest in Gold Today

With stock markets in a downward spin, gold has emerged as one of the safest and most profitable investments. This FREE report contains the key steps to profiting in gold – including the five best “profit machines” to buy right away...

When times are tough, gold soars.

And frankly, the economy has been tough. \$4 gasoline, the housing crisis, rampant inflation, plummeting stocks...

But all the while, gold prices vaulted a cool 43.25% in the past year.

Missing out on gold is already costing investors a pretty penny. What's more, most experts are forecasting gold to rise at least another 56% by the end of this year.

So how does one begin profiting from gold? It's simple. You don't have to wade through a plethora of flashy web sites offering bullion or risk it all on a junior mining company.

Instead, this free report covers the ideas any investor can use to start profiting from gold right way. It also includes research on the five best ways profit, from the most lucrative to the least risky.

No doubt, gold is on a record setting run that few will want to miss...

Most Lucrative Play: Triple-Digit Production Gains

Many gold investors are innately averse to risk, which is why some don't consider buying stocks in mining companies as “buying gold,” per se.

But unlike many other publicly traded companies, mining shares can rise sharply when the value of what they're extracting is spiking.

In this case, gold miners today are getting 182% more for the yellow metal compared to spot prices five years ago.

And – barring the increased costs of oil – mining the gold costs relatively the same, further widening a mining company’s profitability.

South Africa’s **Gold Fields Ltd.** (GFI) is the world’s fourth-biggest gold producer – with about 90 million ounces in reserves from its operations in Africa, South America and Australia.

It recently reported that its fourth-quarter production will beat its previous forecast by up to 120%.

Overall, the company has a solid balance sheet and ample reserves. But if anything scares investors away, it’s Gold Fields’ location.

South Africa mines are frequently a political tool between the country’s labor unions and state-owned utility provider Eskom Holdings Ltd., which controls 95% of the country’s power.

Eskom recently jacked electricity prices up 27.5%, and unions decided to hit the government where it hurts – by striking – thus gutting the government of taxes from its vast gold profits.

That is just one example of why this stock is a risky gold play. Gold could reach another record but Gold Fields may not see a penny of it if miners are striking.

Gold Play #2: All About “Cash Flow and Earnings”

When gold prices are high, investors should pay extra attention to mining companies with increasing production levels because they translate into a bigger bottom line.

For its second quarter this year, **Yamana Gold Inc.** (AUY) produced almost 10% more gold than it did in the previous quarter.

What’s more, its *gold production is expected to double* to 2.2 million ounces per year by 2012, primarily from its Brazil and Argentina mines.

That’s because Yamana Gold went on a spending spree in the past two years, buying up junior mines around the world to lock in reserves.

“Now it is about production, cash flow and earnings,” CEO Peter Marrone told Reuters in May.

It’s also about dividends. The company recently kicked up its investor payout by 300%, a strong vote of confidence to its production and stock performance.

Unlike Gold Fields, Toronto-based Yamana Gold has operations in relatively stable parts of the world – making it less risky on the geopolitical front.

But despite its name, Yamana Gold isn’t purely a gold miner. It also produces copper, silver and zinc. How well the company continues to mine those metals – as well as their fluctuating prices – will also affect Yamana’s stock value regardless of gold prices.

Gold Play #3: Multiplying Profits with “Free Oil”

Imagine how much money you’d save if you had your own gas station. Just fill up. Go anywhere. Forget worrying about dishing out \$100 a tank.

Now multiply the size of your oil consumption by 3,600 barrels.

Then multiply that by 365 for each day of the year.

That’s how much “free oil” Toronto-based **Barrick Gold Corp.** (ABX) is going to have now that its \$410 million takeover offer was accepted by Cadence Energy, an oil and gas producer.

And that oil sorely needed.

You see, gold prices have no doubt added billions to the bottom lines of mining companies. But 25% of the cost to mine that gold goes to oil.

Factor in gold’s projected 58% climb, and this company will have a huge profitability advantage over its mining peers and the average S&P stock.

Like Yamana, Barrick has also been on a spending spree. Over the past year, it has gobbled up stakes in a half dozen mines, multiplying its reserves and production capacities in light of record gold prices.

All totaled, Barrick owns 27 mines in five continents and produces over 8 million ounces of gold a year, making it the world’s largest gold miner.

We consider this a medium-risk investment because – despite its solid operations, profitability and efficiency – it’s vulnerable like any tradable stock.

But since it’s the world largest gold producer, its stock will move closest in line with gold compared to other gold miners.

And as an added bonus, it just kicked up its biannual dividend by 33%.

Gold Play #4: Tracking Gold Dollar for Dollar

Some investors want to buy gold but feel uneasy about storing it overseas, by another person... and for a commission nonetheless.

But on the same token, not many want to make their homes a burglary target by stashing gold reserves in their basements.

Enter SPDR Gold Trust (GLD), an exchange-traded fund (ETF) that trades like a stock but whose value is directly tracked the price of gold bullion.

Only 1.82 percentage points separate the gains made by gold price and Gold Trust in the past year.

Gold Trust has a \$17 billion-plus market cap, giving it ample liquidity.

And with the ongoing skid in the U.S. dollar, investors have been fleeing the greenback and investing in gold. As it gains investors, the Gold Trust has continued to add to its gold holdings.

At the same time, central banks have been selling their gold reserves. That's important to mention because it elevates Gold Trust's status on the list of global gold holders.

Right now, it has eighth largest gold holding in the world – meaning that it has more gold than 97% of all the countries in the world.

Simply put, it's the simplest way to buy gold without buying physical bullion or coins.

Gold Play #5: The Safest Gold Play Out There

Investors often shy away from bullion account providers because of their steep premiums and minimums. And reasonably so...

In addition to charging a 3% commission, Perth Mint also has a \$250,000 minimum investment requirement – not exactly a figure many first-time gold investors have in between their couch cushions.

Kitco charges a 6% premium for 1 oz. Gold Eagle coins. Shipping and handling costs are also added, but varies on the size of the order.

Monex is perhaps the worst. On top of the 3% to 5% difference between what it buys and sells, there are commission rates ranging from 0.5% to 2.0%. Then there are shipping costs of \$15 per transaction plus \$1 per ounce. Then there are handling charges of \$75 per unit ordered.

After all that, it's hard to get excited about collecting profits.

That's why we recommend an [**EverBank Select Metals Account**](#).

First off, EverBank's minimum deposit is 98% lower than its competitors, and its commission costs are up to 86% lower than other metals brokers and bullion banks.

Second, it offers two types of gold accounts:

- **Unallocated:** Your purchased gold is pooled with that of other investors, eliminating storage and maintenance costs. The minimum deposit amount for unallocated accounts is a scant \$5,000.
- **Allocated:** You directly own the gold you purchase, held in your own private account. The minimum deposit for allocated accounts is \$7,500.

Both types of accounts can be set up 24/7 [**online**](#). But if you prefer a phone, call 866-326-6241, and be sure to give them the code 12608 when setting up an account.

We should point out that the publisher of *Money Morning* has a marketing relationship with EverBank, but that's because its products are best in show.

[Editor's note: Inflation, the falling dollar, rising food and gas... they aren't isolated events. They're the dominoes that fell before the economy's \$6 trillion Super Crash. The new book from CNBC analyst and millionaire investor Peter Schiff, "Crash Proof," is a 257-page turner on how to survive *and profit* during economic collapse. [Here's how you can get the book for free...](#) and grow five times wealthier in the bear market.]



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