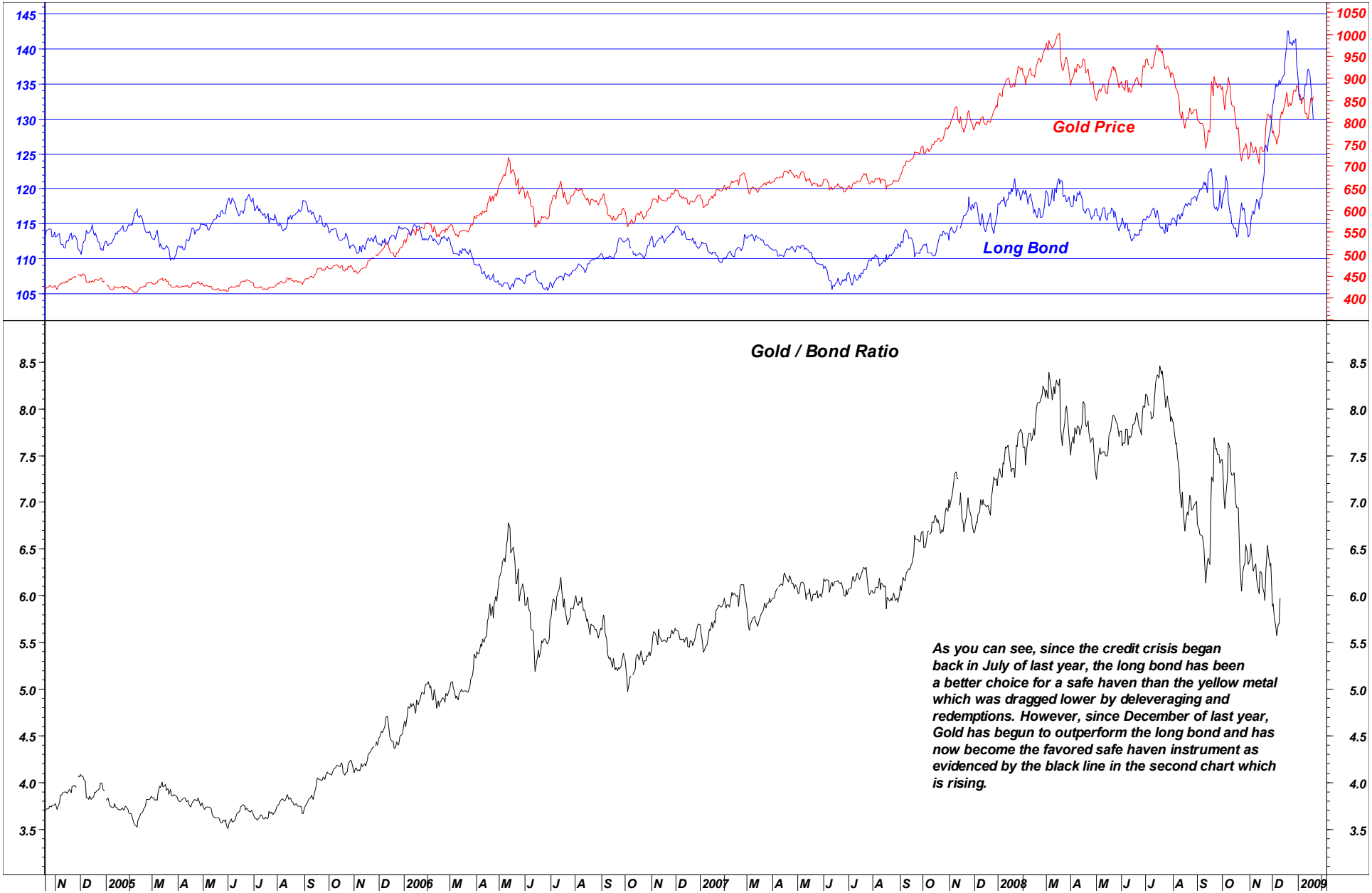
Gold Price
Long Bond
Gold / Bond Ratio
As you can see, since the credit crisis began back in July of last year, the long bond has been a better choice for a safe haven than the yellow metal which was dragged lower by deleveraging and redemptions. However, since December of last year, Gold has begun to outperform the long bond and has now become the favored safe haven instrument as evidenced by the black line in the second chart which is rising.
145
140
135
130
125
120
115
110
105
1050
1000
950
900
850
800
750
700
650
600
550
500
450
400
8.5
8.0
7.5
7.0
6.5
6.0
5.5
5.0
4.5
4.0
3.5
N D 2005 M A M J J A S O N D 2006 M A M J J A S O N D 2007 M A M J J A S O N D 2008 M A M J J A S O N D 2009