



Watson French

INDEPENDENT FINANCIAL PLANNING
& INVESTMENT MANAGEMENT



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Gold could hit \$2000 as investors seek safe haven from market turmoil

One of the region's leading investment managers is predicting that the price of gold could top \$2,000 an ounce as investors try to insure themselves against further market turmoil.

Stephen Watson, managing director of Watson French, the Truro-based Chartered independent financial planning and investment management company, said gold was in the midst of one of the biggest bull markets investors are likely to see in their lifetimes.

Continued uncertainty about the European sovereign debt crisis and its potential impact on the global economy meant the flight to gold would continue as investors sought a safe haven, pushing demand and prices higher.

Stephen said: "This week we've seen gold prices tumble as fund managers have sold to cover other positions. It may have further to fall but I believe it will bounce back and that there are profits to be made.

"The questions to ask are 'Will the sovereign debt crisis in Europe come to an end shortly?' and 'Is the global economy about to gain momentum and enter a new bull phase?' The answers are the same: it's very unlikely.

"Unless and until the level of investor fear and uncertainty abates, the gold price will rise to new records and I believe it could top \$2,000 an ounce, which means its price will have doubled in two years. There are risks of course - gold is a volatile investment and timing the purchase and later sale is critical, but we believe there is considerable upside potential for gold and should be a core holding in all investment portfolios."

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Stephen said mining shares also offered potential because they had not kept pace with the price of physical gold and there was scope for possible returns from collective investment funds investing in a basket of gold mine shares.

Watson French has more than £100 million of funds under management, typically for high net worth individuals, and is one of just a handful of firms in the region with Chartered Financial Planner status.

Chartered firms have demonstrated through examination the highest possible levels of technical competence. It is an objective measure of professionalism, commitment to quality and adherence to ethical standards.