CPM Group has been producing these bi-monthly reports for Gold Bullion International since the beginning of November 2020.

We mostly have used the report at the beginning of each month to lay out CPM’s outlook for gold in the coming month and the issues our firm has viewed as most salient at each time. The mid-month reports have focused more on specific aspects of the gold market or the broader economic, financial, and political environment that heavily influence trends in gold prices.

This edition takes a step back to discuss the gold market overall. The intention is to outline the parameters of the gold market and set the stage for future reports that will continue to focus on specific issues important to gold.

The gold market is extremely complex. While global and national economic and political trends heavily influence all asset markets, gold occupies a peculiar place in world markets.

Gold is many things. Foremost, it is a financial asset held by billions of investors around the world. It formerly was the central currency used everywhere, and still maintains an important role in central bank monetary reserve policies and practices. Gold also is a commodity, subject to trends and levels of mine production, secondary recovery from old scrap (mostly jewelry), and fabrication and inventory demand trends.

But gold is much more than the sum of its distinct personalities. Gold occupies that peculiar place in the minds of investors. As Sam Spade says at the end of **The Maltese Falcon**, gold is “the stuff that dreams are made of.” Gold commands a psychological attention and an emotion grip on people in ways that no other investment has been able to achieve. It has mythological importance in the minds of many people.

Due to its significant role globally, successfully understanding how gold prices are determined requires broad knowledge and insights into the expectations for the full range of investments, from stocks and bonds to currencies, commodities, derivatives, and now crypto currencies. It also requires an unbiased, detailed analyses of gold market fundamentals, as well as honest appraisals of international and domestic politics. All of this goes into any analysis of the gold market that allows for a chance to accurately gauge future price trends.

CPM provides ‘deep dive’ seminars into gold for governments, international organizations, central banks, mining companies, and institutional investors. These presentations last from four hours to five days. We will not provide such in any one of these reports, but over the course of the coming year these reports will delve into the individual components of the gold market.