

**ABOUT VC MARKET INTELLIGENCE**  
 The goal of this monthly intelligence is to provide a big picture snapshot of market signals, commodity trends, and economic indicators in an intuitive and visual way.

**MARKET TRENDS** MONTH-TO-MONTH SEPTEMBER 2013 VS PREVIOUS MONTH



**MONTHLY TECHNICAL ANALYSIS**

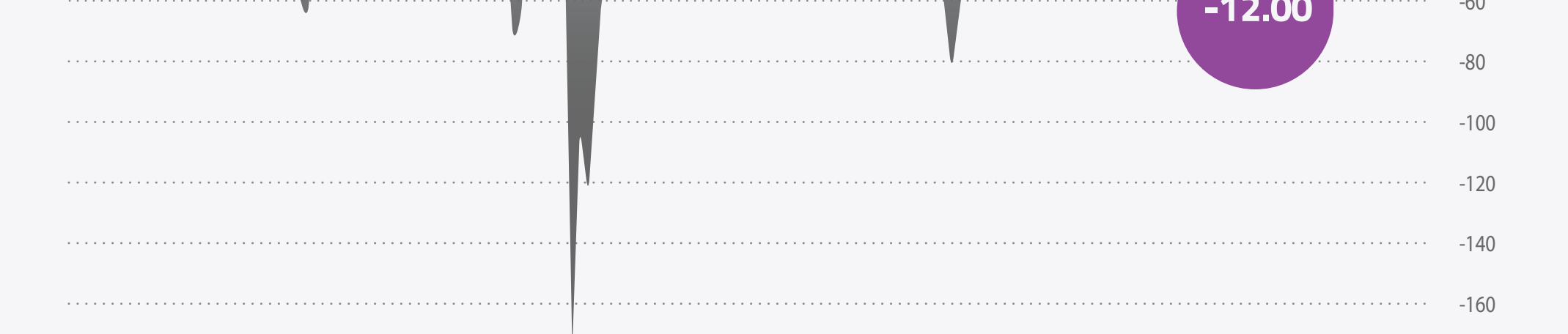
**MARKET COMMENTARY**  
 At suppressed gold prices, junior miners continue to focus on operations with significant positive cash flow potential.

**SLIGHTLY BEARISH**  
 Intermediate term (1-3 months)

**Important Dates in October:**

- 4 Bank of Japan Interest Rate Decision
- 9 European Central Bank Monthly Economic Report, United States FOMC minutes
- 11 United States Unemployment Rate & Non-Farm Payrolls, Canadian Unemployment Rate
- 14 Chinese Consumer Price Index
- 16 European Consumer Price Index, United States Consumer Price Index
- 23 Bank of Canada interest rate decision
- 30 United States Federal Reserve interest rate decision

**\*\*Due to the U.S. government shutdown, American data may be delayed or unavailable\*\***



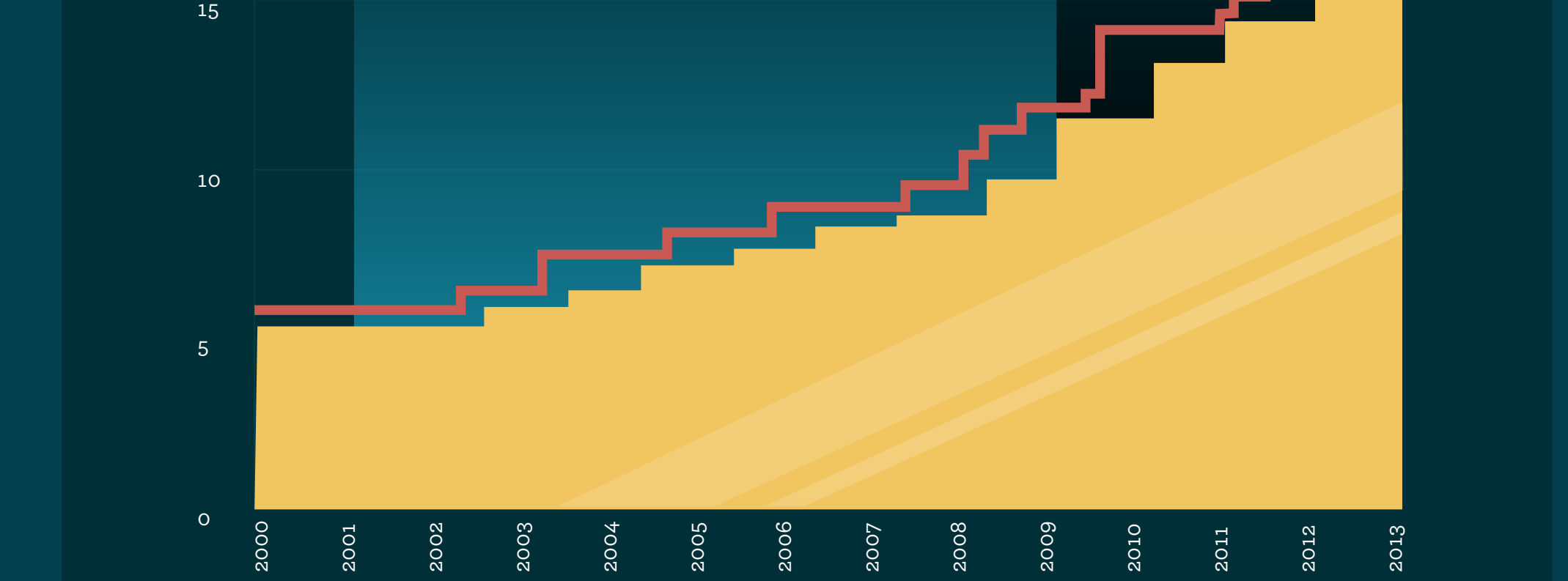
**WHAT DOES THE U.S. DEBT CEILING MEAN FOR STOCK MARKETS AND PRECIOUS METALS?**

The U.S. debt ceiling is a cap on the amount that the U.S. government can spend.  
 The current cap is **\$16.699 TRILLION.**  
 The U.S. Treasury controls the fiscal policy for the U.S. and the Federal Reserve controls the monetary policy. U.S. government spending is approved by Congress and goes through the U.S. treasury system, not the Federal Reserve.

The U.S. Treasury has borrowed trillions of dollars over the past decade, much of it from foreign investors. A government must increase the debt ceiling in order to continue running a budget deficit.

RAISING THE U.S. DEBT CEILING ALLOWS THE GOVERNMENT TO MEET ITS EXISTING OBLIGATIONS, NOT MEET NEW ONES.

The failure to raise the debt ceiling without a delay in 2011 cost U.S. taxpayers **\$1.3 BILLION**



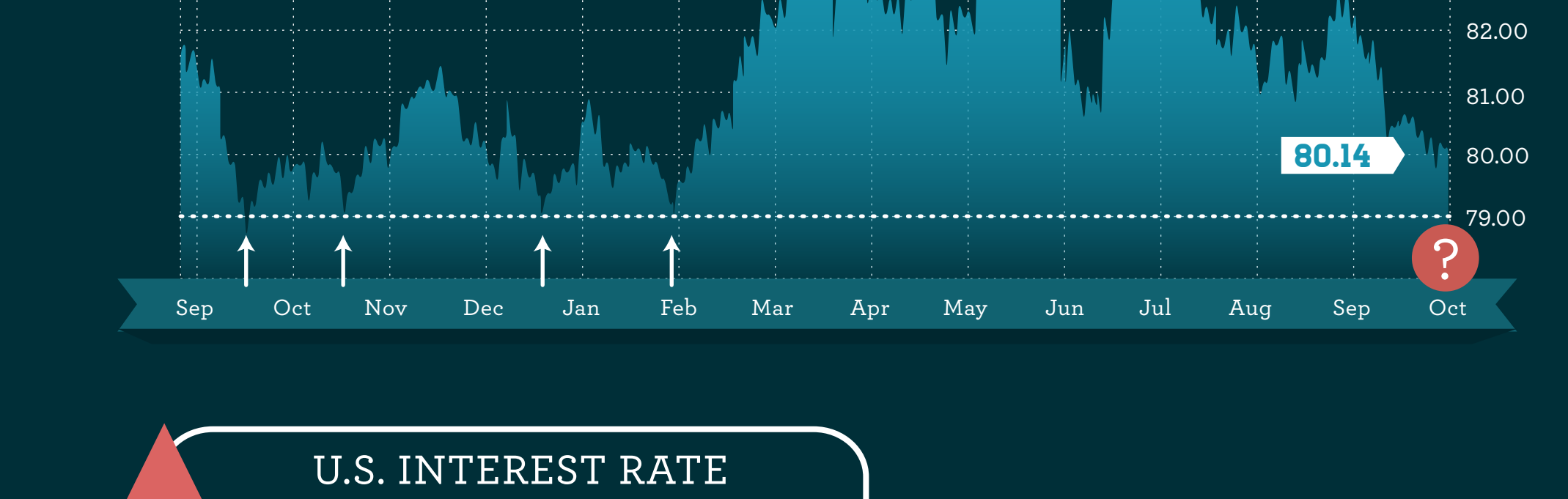
If the debt ceiling reaches its limit, it will prevent the Treasury from issuing new debt to manage short-term cash flows or to finance an annual deficit. ESSENTIALLY, THE GOVERNMENT MAY BE UNABLE TO OBTAIN THE CASH NEEDED TO PAY ITS BILLS.

The U.S. government will have approximately **\$30 BILLION** left in its treasury on October 17th 2013.

A DELAY IN INTEREST PAYMENTS ON TREASURY SECURITIES WOULD TRIGGER A DEFAULT AND RISK SERIOUS NEGATIVE REPERCUSSIONS FOR ECONOMIES AND FINANCIAL MARKETS AROUND THE WORLD.

**WHAT COULD HAPPEN IF THE U.S. DOES NOT INCREASE THE DEBT CEILING?**

Federal Reserve Chairman Ben Bernanke has said a U.S. default could be a **“RECOVERY-ENDING EVENT”** that would likely spark another financial crisis.



Sources:  
<http://www.fas.org/spp/crs/miso/RL31967.pdf>  
<http://www.gao.gov/products/GAO-12-701>  
[http://www.cfr.org/budget-debt-and-deficits/us-debt-ceiling-costs-consequences/p247513cid5ppe-Google-debt\\_ceiling\\_backgrounder&gclid=CKa1o87BgoCFctxQgodRFAADg#p7](http://www.cfr.org/budget-debt-and-deficits/us-debt-ceiling-costs-consequences/p247513cid5ppe-Google-debt_ceiling_backgrounder&gclid=CKa1o87BgoCFctxQgodRFAADg#p7)

**MARKET DASHBOARD**

**UNITED STATES**  
 Understanding VC Market Intelligence

**ECONOMIC INDICATORS**

- UNEMPLOYMENT RATE: 7.2%
- VIX VOLATILITY INDEX: 17.37
- CPI CONSUMER PRICE INDEX: 233.95
- MONEY SUPPLY M2: 10.99 TRILLIONS

**HIGHLIGHT**  
 The US Government has shut down and they face the debt ceiling debacle on October 17th. Can the world's largest economy figure things out and strike a deal? Expect some wild volatility in stocks this month.

**CCI CONSUMER CONFIDENCE INDEX**: \$81.8 (↑ from \$79.7)

**RETAIL SALES GROWTH VS PREV QUARTER**: \$380.69 (↑ from \$379.94)

**PMI PURCHASING MANAGERS INDEX**: 56.2 (↑ from 55.2)

**EUROZONE** **CANADA** **CHINA** NOTE: Eurozone / Euro Area only refers to the 17 countries using the euro.

**PMI**: 52.2 (↑ from 51.9)

**GDP**: 1.6% (↓ from 1.6%)

**UNEMPLOYMENT**: EUROZONE 12.0% (↓ from 12.0%), CANADA 7.1% (↓ from 7.2%), CHINA\* 48.9 (↓ from 49.1)

**COMMODITY TRENDS** Percentage change from last month

**SUMMARY**  
 A volatile month for the metals as the FED decided to hold off on tapering.

**COMMODITY AV. PRICE**

- AL GOLD (OZ): \$1348.8
- AG SILVER (OZ): \$22.56
- PT PLATINUM (OZ): \$1456.86
- PD PALLADIUM (OZ): \$709.14
- OL OIL (WTI): \$106.29
- GA NAT. GAS (HENRY HUB): \$3.63
- U URANIUM (LB): \$35.00
- CU COPPER (LB): \$3.27