



Stop Watching | Start Living

Our Mission

To enthusiastically provide dynamic tools, research, and services within the financial community by empowering institutions and individuals to redefine what financial freedom really means.

Introduction

In this issue of State of the Bands™ Heavy Metal, Healthcare and “Wall, what wall, will there ever be a wall within this presidential term?” This report concludes with a brief look at cryptocurrency advancements and how switching to a cryptocurrency gold standard may help the US avoid a global recession.



History Of The Gold Standard



The **Full Gold Standard** was originally implemented in The United Kingdom in 1821. The idea was built upon previous implementation of currency and concluded with the adoption of a paper currency that could be exchanged for predetermined amounts of precious metal.

This standard was adopted by the United States and France in 1870 and lasted until 1914 when World War I began. The problem was that many countries limited the import and export of gold during wartime which meant banks could not honor the gold and silver certificates. However, after World War I ended, the **Gold Exchange Standard** was

implemented in most countries from 1928 until 1930 when **The Great Depression** began. By 1937 most countries had once again abandoned this derivative of the gold standard. It was not until 1958 that most European countries agreed to switch to an **International Gold Standard**. Unfortunately, this gold standard was short lived as well - it was eliminated and replaced with a US Dollar Standard. It was implemented by President Nixon in 1971 due to an increased demand for gold to be kept in reserve among other contributing factors. One of these factors was that many countries reneged on their promise to honor certificates and IOUs.

Fun Fact: Whales Teeth were used as the first IOU system and currency. Each tooth was about 8 inches long and 3 inches wide. Imagine putting that in your pocket.

Gold, Gold Stocks and Gold ETFs

Since May of 2019 GDX has increased over 50% in value. The price of gold per ounce has gone from \$1280.00 to over \$1550.00 in under 3 months. Right now, globally, there is over 2.2 billion ounces of gold being demanded and the supply is still being mined or recycled. The price of gold is rising, forcing investors to find alternative places to hide their money in the short term. Others are buying precious metals and looking to Gold ETFs to find stability in the long term.

Gold Equities w/ Dividends

CMCL - Caledonia Mining - 3.88%

GOLD - Randgold Resources - 2.4%

NEM - Newmont Gold Corp - 1.5%

Gold Mining Stocks

FCX - Freeport-McMoRan

SBGL - Sibanye-Stillwater

AU - AngloGold Ashanti



Globally India controls approximately 25% of the demand for gold. This demand is largely due to the expensive jewelry worn within their local ceremonies and festivals. The highest demand for gold is usually during the Diwali Holiday season. *Diwali, also known as the “Festival of Lights”, is celebrated in late October to early November. It celebrates the triumph of light over dark and good over evil, and the blessings of victory, freedom, and enlightenment.* Diwali is celebrated primarily in India, and South Africa but has also made its way into parts of the United States.

Making Steel and Making It Profitable



Steel is an alloy which is composed of 99% iron and 1% carbon or coal.

Since July 2nd 2018, US Steel: equity symbol X, has fallen from \$37.47 a share down to \$11.00 a share. This is a great opportunity to buy if there is a need a for steel in the near future. However, since 2018 the ability to export steel to foreign counties has drastically declined because China has increased its production of steel by 10% and so has the US and other neighboring countries in Europe.

With such a large increase in supply, and the demand not being there *currently*, many have been left holding the bag and waiting for relief or Christmas. Meanwhile, Defense Secretary Mark Esper has authorized the US to build 20 miles of a wall along the US / Mexico Border earlier this year. Since the price of steel has fallen by almost 75%, recent estimates believe that over 100 miles of wall can be built using the current funds available.



Golden Age Of Music And The Heart Of Rock & Roll Beats On

Musicians from the 1960's and the 1970's are still touring so get out there and see them! It's been over 50 years since some of these legends hit the road and took the stage. In 2017 this became very apparent when we lost David Bowie, Prince, and Tom Petty and then in 2018, Aretha Franklin. However, the party is not over for these guitar heroes as many are starting to book one last tour to show their thanks and appreciation and of course to say goodbye.



Entertainment Stocks w/ and w/o Dividends

SPOT - Spotify - No Dividend

SIX - Six Flags Entertainment -5.76%

VIA - Viacom - 2.88%

MSG - Madison Square Garden - No Dividend

Music Stocks

YAMCY - Yamaha Corp

YAMCF - Yamaha Corp

2018 Fairwell Tours

Paul Simon - "Natural End"

Neil Diamond - World Tour - Canceled

Aerosmith - Aero-Vederci Baby! - Canceled

2019 Farewell Tours

Bob Seger - "Roll Me Away"

Elton John - "Fairwell Yellow Brick Road"

Kiss - "End Of The Road"

Motley Crue - "Final Tour"

Ozzy Osbourne - "No More Tours II"

Joan Baez - "Fare Thee Well"

Aerosmith - "50th Anniversary Tour"

AC/DC - TBA

The Affordable Care Act And Baby Boomers

The Affordable Care Act, also referred to as ACA, in its inception in 2010 was a good idea. It was designed to ensure that everyone could receive health benefits regardless of preexisting conditions. However, the senate and the house of representatives had 2 distinct versions of what the new healthcare bill would and should cover. Both systems agreed that everyone would have to pay for health insurance premiums or face a rather harsh individually mandated penalty.

As a result, health insurance premiums have quadrupled since health insurance companies were being forced to accept everyone.

Fortunately, in December 2017, the comprehensive tax bill was passed which effectively repealed the individual mandate by reducing the penalty to \$0 for not carrying insurance.

Meanwhile in Texas, the 5th circuit court of appeals met July 9th, 2019 to decide once and for all if the ACA is unconstitutional. If found unconstitutional, almost 32 million currently insured Americans will lose their health benefits and insurance companies could once again refuse preexisting conditions.



The ACA includes significant provisions to improve Medicare benefits by providing free coverage for some preventive benefits, such as screenings for breast and colorectal cancer, cardiovascular disease, and diabetes, and closing the coverage gap which is approximately \$3,820.00 per person per year in the Part D drug benefit by 2020. The biggest expense for people covered by Medicare is prescription drugs.

Biotech, Health Care and Pharmaceutical Stocks

Biotech Stocks

CRL - Charles River Laboratories

MTD - Mettler Toledo International

PKI - Perkinelder Inc

Health Care Stocks

CNC - Centene Corporation - No Dividend

WCG - WellCare Health Plan Inc No Dividend

Pharmaceutical Stocks w/ Dividends

JNJ - Johnson & Johnson - 10.8%

PFE - Pfizer – 4.56%

ABBV - Abbvie Inc. 6.16%

ICPT - Intercept Pharmaceuticals - No Dividend

BHC - Bauch Health Company - No Dividend

PRGO - Perrigo Company - 1.52%



Being The First To A Crypto Gold Standard

In June of this year, Russia announced that they would continue to explore the possibility of a gold backed cryptocurrency. Russia's 7th state Duma, Vladimir Gutenev, proposed the creation of a digital asset tied to the value of gold. This would alleviate issues found in cryptocurrencies and offer something akin to a stable coin.



Conversely, if the United States decided to be the first to adopt a cryptocurrency backed gold standard, doing so would provide clear direction to the global economy as well as allow it to maintain control of money in both paper and digital exchanges.

Meanwhile, in the United States speculation on returning to a gold standard is now in debate. For example, if the United States returned to a gold back standard, it has been hypothesized that 2.7 trillion US dollars would have to be backed 1 to 1 with an ounce of gold, which calculates to almost 261 million ounces of gold would need to be held in reserve by the US government.

This would take the price of gold to nearly \$10,000 per ounce and could result in heavy inflation and tremendous damage to the global economy.

Introducing a new gold standard, however, could and would force the United States to live “within its means”



A Digital Gold Currency

As with any new endeavor, a digital gold currency involves substantial risk. However, many companies and countries are laying the foundation required because of the speculative upside that a global world currency could provide.



One such pioneer is Coeptis/CMO Inc. It is based out of Melbourne, Florida and issued its own digital currency, calling it Global Standard Gold (AUG), which is backed by physical gold and held in a trust—meaning it has the potential to be liquidated at market value at any time.

Digital currency transactions occur after a licensed financial institution has acquired the gold on the open market and deposited it into the trust.

While most cryptocurrencies use a decentralized system (blockchain), Coeptis uses a centralized one. This more conservative approach to digital currency has a lot of potential for continued success.

Fun fact: Annuity Coeptis is located on the back of every US dollar bill and it means “Favor Our Undertakings”

Order. Order? Order!

A **Buy/Sell Market Order** is agreeing to buy or sell an equity at the **highest or lowest** price being offered. Typically, this is the default setting. However, this type of order has additional risks since the buyer is agreeing to pay the highest price and the seller is agreeing to accept the lowest price being offered.

A **Buy/Sell Limit Order** is agreeing to buy or sell an equity at a specific price. In the case of a buy limit order, the buyer is agreeing to pay no more than the value listed. A seller on the other hand is agreeing to sell the equity for no less than the value specified.



A **One-Cancels Other Order** is attempting to achieve the best of both worlds. The purchaser is specifying in a single transaction to perform two separate actions depending on the price reached. For example, if stock X reaches \$10.00 sell for a profit but if it falls below \$8.00 sell for a loss to prevent further losses.

A **Stop-Loss Order** is attempting to buy or sell an equity at the current market price if it reaches the stop price. This type of order is designed to limit your loss. If X falls 10% then sell it.

A **Stop-Limit Order** is attempting to buy or sell an equity at a limit price or better but only after the stop criteria has been filled. For example, if stock X falls below 10.00 try to buy it at the \$9.00 limit price or better.

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