



MAU CAPITAL MANAGEMENT



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Depression, Debt Implosion, Gold, and Prosperity

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**Deflation and Depression hinge on an event that
triggers debt implosion**

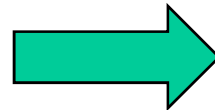
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**If your cow sounds like this,
may we suggest the fish...**



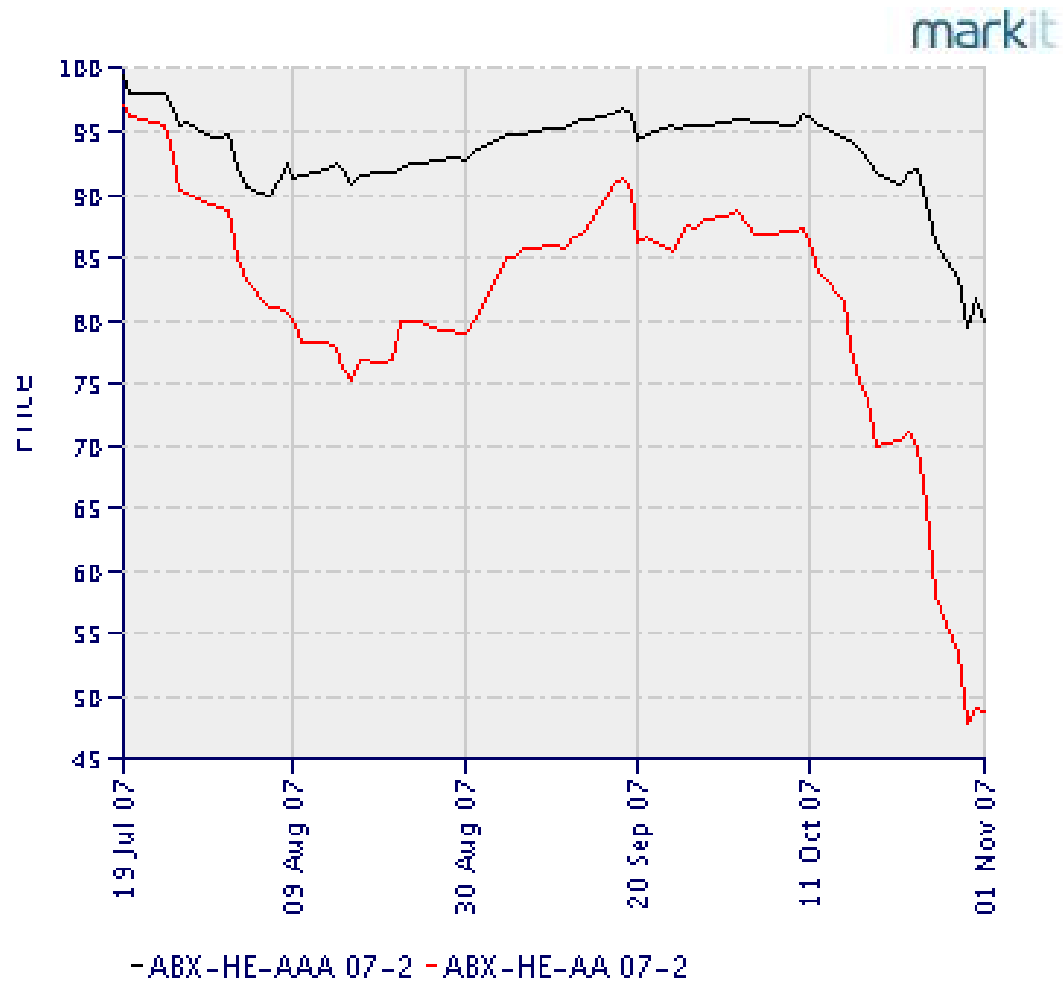
SubPrime



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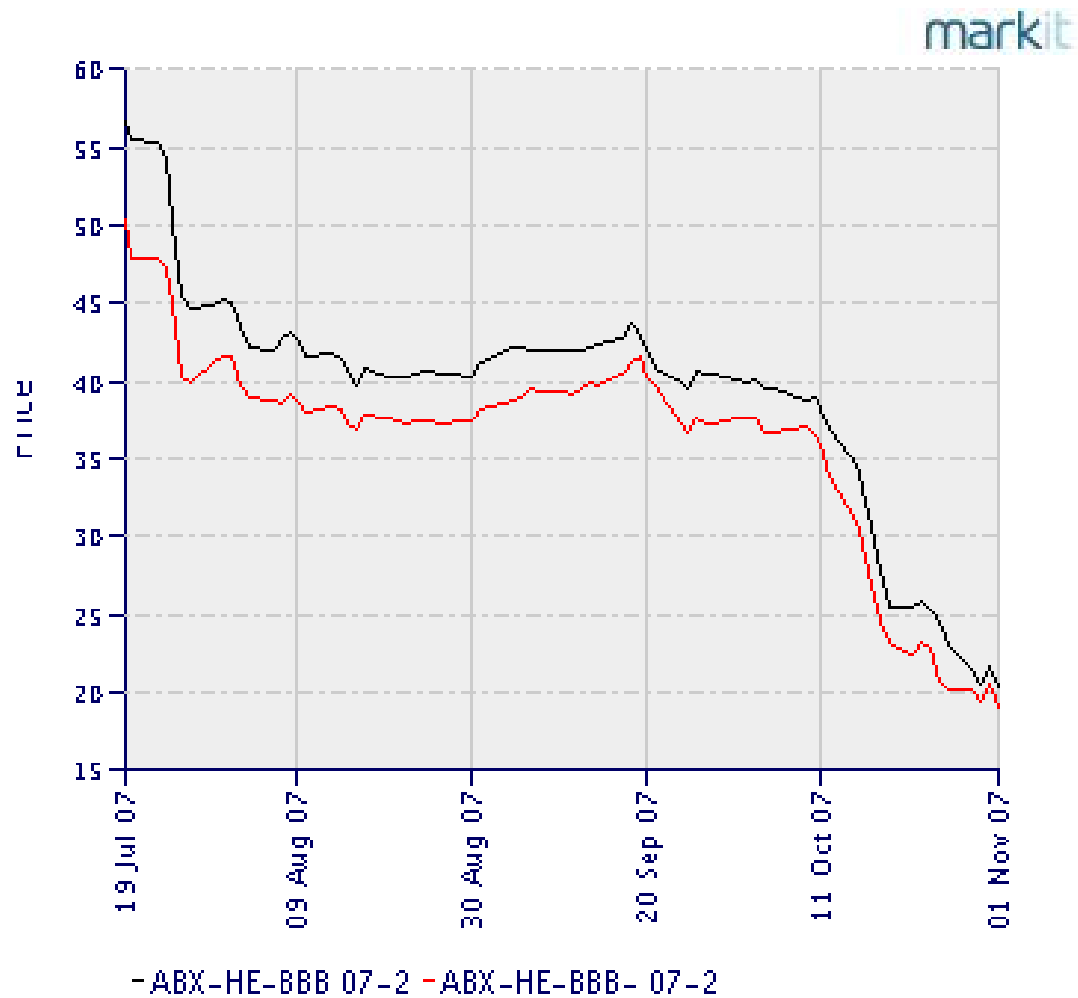
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subprime



banks

housing

equity

spending

bond

economy



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The Subprime Fall out

Fresh turmoil in equity markets
FT: Published: August 10 2007

The Fed promised to provide whatever funding was needed to ensure that the banks were able to continue lending to each other at normal rates.

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It pumped \$38bn into the financial system on Friday via its money market operations and **promised privately whatever additional funding was needed.**

It also started accepting high- quality mortgage-backed securities as collateral for the entire amount of these funds – something it only rarely considers acceptable.



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According to Mr. Gillian Tett of The Financial Times (Nov 1), quoting an anonymous trader,

“...as he has embarked on this sordid task, he has discovered that the only effective way to get rid of these distressed assets is to avoid putting any tangible price on the trade.

“Barter is the only thing that works right,” he chuckles grimly. “It is like the Dark Ages.”

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According to Mr. Gillian Tett of The Financial Times (Nov 1), quoting an anonymous trader,

“Moreover, many financiers outside the world of Wall Street banks remain very wary of rewriting their mortgage assets to current ABX price levels, due to a lingering hope that the recent ABX slump will remain temporary.”

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**No use mucker with interest rates, more drastic
measures are needed!**

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- a. For lenders and investors, Central Banks must redeem any and all mortgages with new papers. Fannie Mae and Freddie Mac are buying increase mortgage purchase to troubled outfits.

- b. For borrowers, the administration is working with banks to “forgive” certain amount of mortgages. The Fed is lowering interest rates to lessen the burden despite oil and commodities prices reaching all time high.



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The worst debt implosion event has already occurred, central bankers have chosen their path, the world has gone on as usual,

World major equity and real estate markets remain near all time high

inflation vs deflation debate is settled

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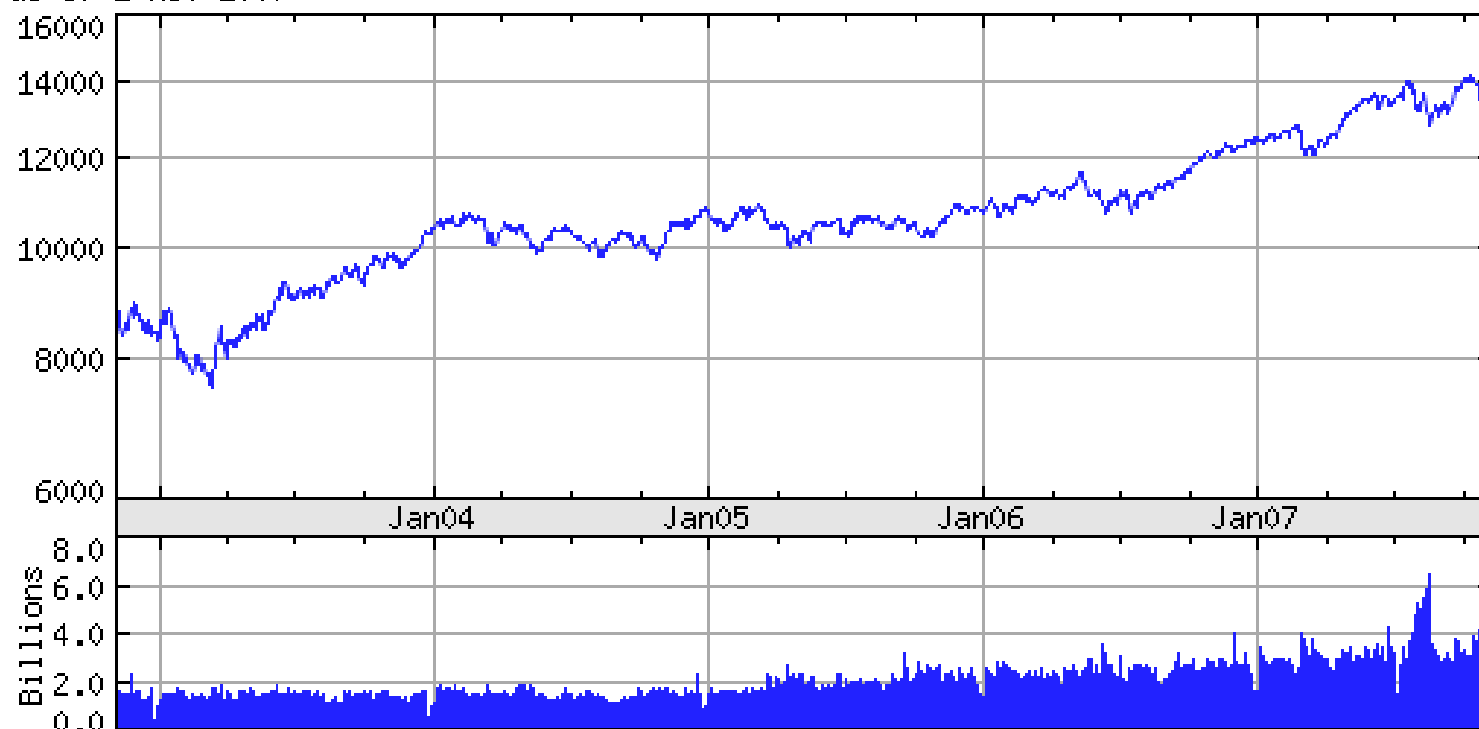
Dollar down 17% in 2 years, 37% in 6 years.

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DJ INDU AVERAGE (DOW JONES & CO
as of 1-Nov-2007



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Crime: Stealing

Victim: Dollar holders

Remedy: Gold

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Gold and Chinese RMB: Last shoe to drop

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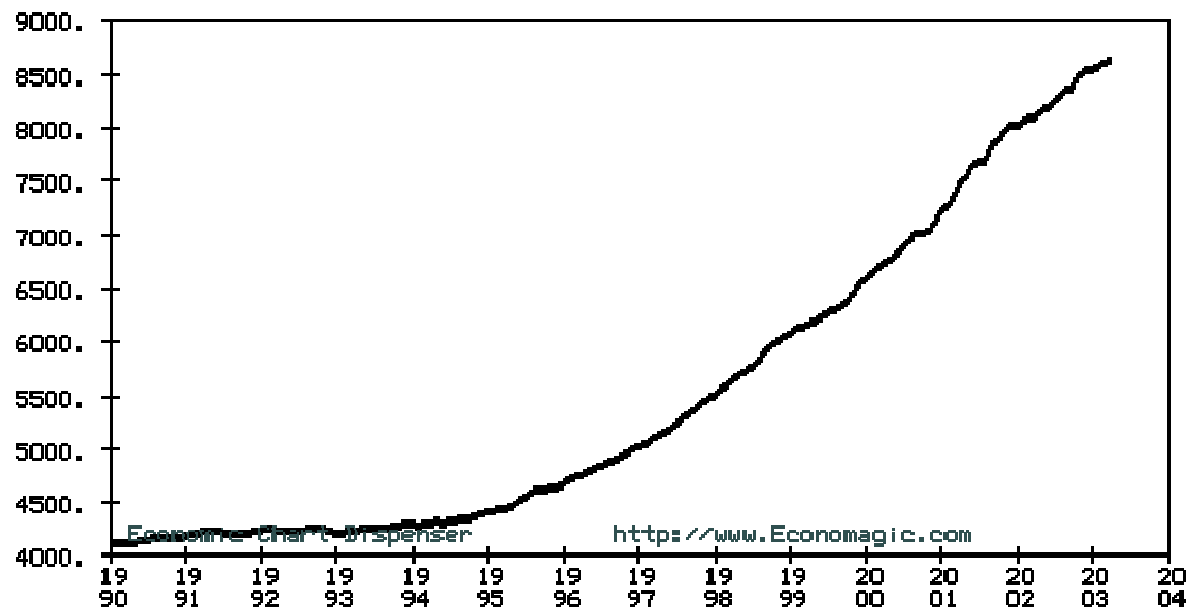


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Question:

Why hasn't inflation been prominent in the US?

M3 Money Stock; Billions of Dollars; SA

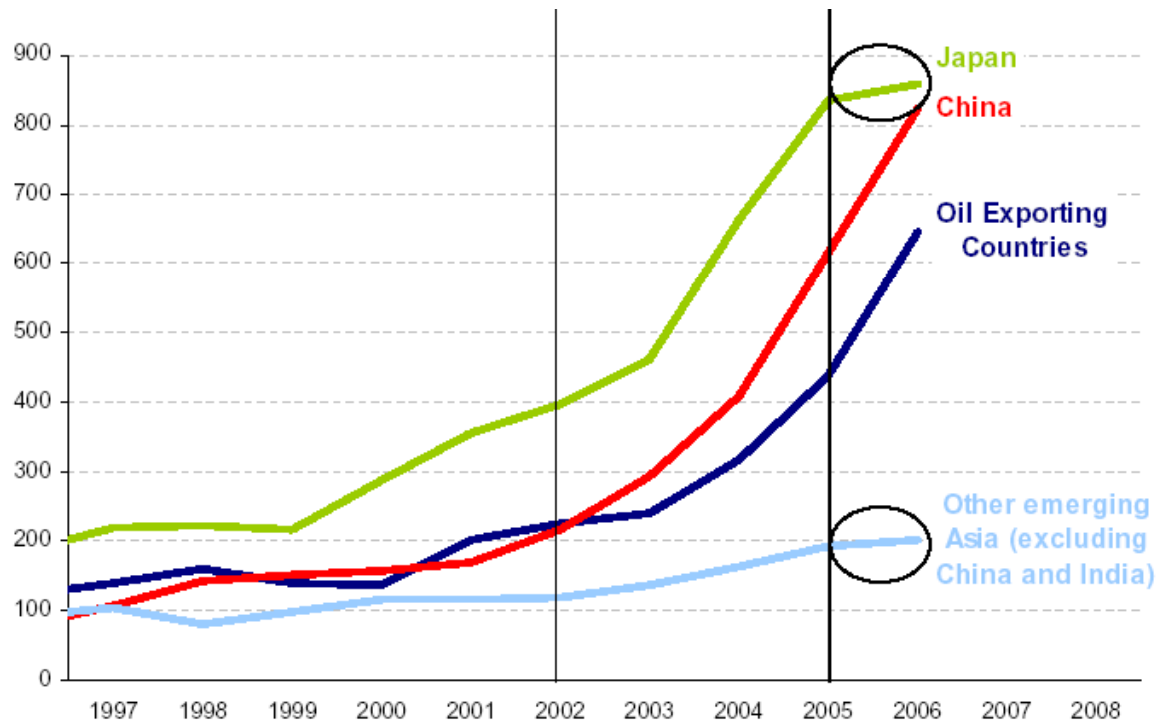


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Foreign Exchange Reserve Asset Holdings (USD Billions)



Source: IMF, World Economic Outlook

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\$XEU (Euro Index) INDX

© StockCharts.com

19-Oct-2007 Op 142.88 Hi 143.00 Lo 142.49 Cl 142.84 Chg -0.08 (-0.06%) ▼



\$CDW (Canadian Dollar Index) INDX

© StockCharts.com

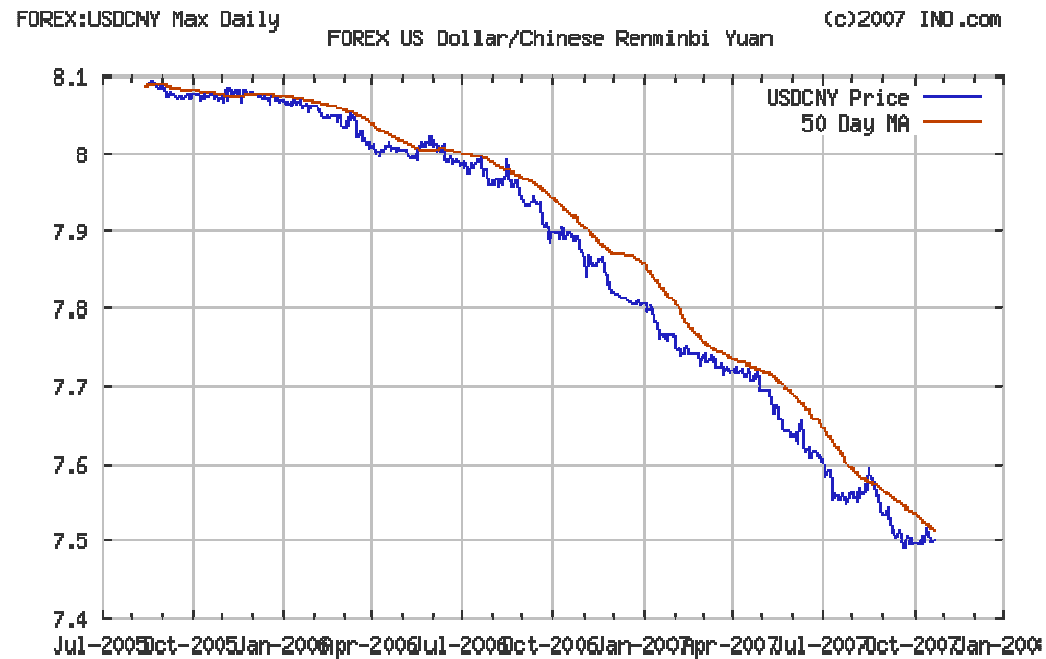
19-Oct-2007 Op 103.47 Hi 103.78 Lo 103.43 Cl 103.68 Chg +1.06 (+1.03%) ▲



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RMB Target: 5-6 by end of 2009

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What about Gold?



Gold is international money, and will follow suit of RMB and other Asian currencies.

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\$XEU (Euro Index) INDX

© StockCharts.com

19-Oct-2007 Op 142.88 Hi 143.00 Lo 142.49 Cl 142.84 Chg -0.08 (-0.06%) ▼



\$CDW (Canadian Dollar Index) INDX

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19-Oct-2007 Op 103.47 Hi 103.78 Lo 103.43 Cl 103.68 Chg +1.06 (+1.03%) ▲



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\$WTIC (Oil - Light Crude - Continuous Contract (EOD)) INDX

© StockCharts.com

19-Oct-2007

Open 88.06 High 88.49 Low 86.26 Close 86.95 Chg -1.09 (-1.24%) ▼



\$COPPER (Copper Futures - COMEX) INDX

© StockCharts.com

19-Oct-2007

Open 354.00 High 357.30 Low 352.00 Close 355.15 Chg +1.00 (+0.28%) ▲



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Target

Gold: \$850, XAU: 230

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Conclusion:

We are in a new era

global wealth is being redistributed on a massive scale.
global GDP never grown faster since right after WWII.

Dollar scarcity is no longer the case

wobbling dollar casts doubts on American-centric theme
massive foreign reserves at Asian banks boost confidence

High commodity prices here to stay

1 billion Chinese with no money prior to 2000 vs..
1 billion Chinese with \$ 1 trillion today

Gold has a place as store of value and as viable global currency

Undervalued relative to all other asset classes
Buy LOW, Sell HIGH



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Romeo Must Die

Jet Li : That (holding dollars)

.. was a mistake

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Capital Introduction Wed 10:45 am – 12 pm (Fontaine A)

Free Newsletter Sign up (Junior Resource Sector)

GoldMau.com (ranked 8,000 most visited site)

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Stock Selection

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Sacred-Coeur Minerals, Ltd.

SCM.v

225.9 meters of 1.05g/t Au.

178.4 meters of 2.48 g/t Au

261.8 meters of 1.64g/t A

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**Red Hill Energy
RH.v**

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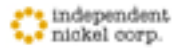


Gateway Gold
GTQ.to

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**Independent Nickel
INI.to**

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Ivory Energy
IV.v

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