

Au fait

The rise of the Bitcoin may challenge trading as we know it, but there is still no currency that is worth the weight of transition metal Gold, 79_{AU}

Approximately four billion years ago, gold is understood to have been delivered to the Earth's crust and mantle by asteroid impacts during heavy bombardment. A disproportionately large quantity of asteroids are theorised to have collided with the early terrestrial planets in the inner Solar System, including Mercury, Venus, Earth and Mars.

While there is thought to be more gold in the earth's planetary core, sunk from the collision of neutron stars and the dust that formed our Solar System, its rarity and distinctive colour – in purest form – led to gold's universal wonderment.

Today, almost 200,000 tonnes of gold exist above ground, with around 50% of global consumption in jewellery, 40% in investments and 10% in industry. As a precious metal, a gold standard was often implemented as a monetary policy, but gold coins ceased to be minted as a circulating currency in the 1930s and the world gold standard was abandoned for currency system with no intrinsic value after 1976.

Mints across the world today sell gold bullion (coins, ingots

or bars) in varying sizes, with the kilobar most extensively used for trading and investment. The standard gold bar, held as gold reserves by central banks and traded among bullion dealers is the 400 troy ounce (12.4kg/438.9oz) Good Delivery gold bar.

The world's largest gold bar stands at 250kg (551lb), measuring 45.5cm long, 22.5cm wide and 17cm high and valued at approximately 1.1bn Yen / US\$9.7m in 2016 (not accounting for the premium associated with being the largest gold bar in the world). It was manufactured by Mitsubishi Materials Corporation and went on display in 2005 at the Toi Gold Museum, next to the Toi gold mine on the south coast of Japan.

Below: The kilobar is the most commonly traded form of gold

From jewellery and rings, to teeth, pens and credit cards, and now edible cupcakes, iPhones and laptops, almost anything comes in gold today.

luxuryelectronics.com (Ademov) have released a polished 24-carat MacBook Pro, from US\$10,000, and a Playstation 3 Slim, from US\$5,000, while Brikk (brikk.com) are selling the Lux iPhone X collection, with all surfaces coated in gold, from US\$9,995. They are set to release a Deluxe collection, a Haute collection and an Ingot collection (108 and 250), with the latter featuring 250g/8.88oz of 22-carat gold, available from US\$69,995. Brikk also retail Apple AirPods (wireless earphones), Nikon camera, iPhone docks and a diamond-encrusted gold dog harness.

In 2010, TG Gold Super-Market brought Gold to Go to the market and installed the world's first (gold-plated) gold dispenser in the lobby of Emirates Palace Hotel in Abu Dhabi. The 'ATM' dispensed 320 items made of gold, including ten gram bars and customised coins. Later that year, the first U.S. vending machine was installed in Boca Raton (Florida) before making it to shopping malls and airports in Switzerland, Austria, Germany and the UK. The vending machines update their prices to market value every ten minutes over an internet connection. ➤



Portfolio

GOLD



In an intriguing attempt to make a statement about excesses in the luxury industry, designer Ken Courtney and artist Tobias Wong produced a series of products in 2005 that included ingestible 20mm gold capsules which they sold for \$425 a piece. They were part of the collection called 'Indulgences', which also included a pair of \$4,750 gold dipped Nike shoes.

There are several reasons that investors choose to purchase physical gold bullion; to attempt to hedge against currency risks, inflation risks, geopolitical risks, or to add diversification to an investment portfolio.

Market uncertainty and risks benefit gold prices as financiers clutch to the bricks and mortar of the investment world. And while politicians publicly disparage

attention to gold, it remains the most politicised form of money. Jim Rickards, the author of bestseller *Currency Wars*, points to Germany, and its repatriation of gold from New York and Paris, and U.S. Treasury Secretary Steve Mnuchin's visit to Fort Knox as examples of unusual recent behaviour. Mnuchin tweeted that all \$200 billion dollars worth of gold is still there.

"Mnuchin is only the third Treasury secretary in history ever to visit Fort Knox and this was the first official visit from Washington, D.C., since 1973," explained Rickards. "The U.S. government likes to ignore gold and not draw attention to it."

From Ancient Egypt to the Roman Empire to the 19th Century, gold rushes in Australia, New Zealand, Brazil, Canada, South Africa and the United States have had major impact upon migration, trade, colonisation and environmental history. And today the most noble of noble metals still carries gravitas in its socio-economic impact. ■



Above: Minted gold bars and a gold nugget in raw form

Left: Jewellery accounts for approximately 50% of global gold consumption

Right: Brikk sells the 22k gold-plated Lux iPhone X

