

A Snapshot Of Gold, Silver And The Miners

Gold & Silver Miners Index Total Return vs. Price Change of Gold, Silver & U.S. Dollar

Year	Philadelphia Gold & Silver Index	Gold (Spot)	Silver (Spot)	U.S. Dollar Index (DXY)
2021 (6/22)	0.43%	-6.13%	-2.13%	2.02%
2020	36.04%	24.40%	46.88%	-6.69%
2019	51.32%	18.31%	15.21%	0.22%
2018	-17.13%	-1.56%	-8.52%	4.40%
2017	8.13%	13.53%	6.34%	-9.87%
2016	74.08%	8.14%	15.02%	3.63%
2015	-34.14%	-10.41%	-11.86%	9.26%
2014	-18.27%	-1.44%	-19.31%	12.79%
2013	-49.18%	-28.28%	-35.83%	0.33%
2012	-8.33%	7.06%	9.02%	-0.51%
2011	-20.28%	10.10%	-9.94%	1.46%
2010	34.67%	29.57%	83.16%	1.50%
2009	35.85%	24.37%	48.03%	-4.24%
2008	-28.54%	5.80%	-22.95%	6.01%
2007	21.84%	30.94%	14.65%	-8.31%

Source: Bloomberg. **Past performance is no guarantee of future results.**

View from the Observation Deck

1. Today's blog post illustrates the wide disparities that often exist between the annual price performance of an ounce of gold bullion, silver and the equity returns posted by the mining companies.
2. Since precious metals tend to be priced in U.S. dollars, investors should also be aware of the relative strength of the U.S. dollar against other major global currencies, in our opinion. For this reason, we have included the U.S. Dollar Index (DXY) in the table.
3. Precious metals have historically been considered potential inflation hedges by investors. The Consumer Price Index (CPI) stood at 5.0% in May 2021 on a trailing 12-month basis, up from 1.4% at the close of 2020, according to the Bureau of Labor Statistics. From 1926 through May 2021, the CPI rate averaged 3.0%.
4. Gold, in particular, has been a traditional safe-haven destination for investors in reaction to such things as geopolitical conflicts or elevated levels of uncertainty, such as the COVID-19 pandemic (see 2020 return in table).
5. As of 6/22/21, the spot price of gold closed trading at \$1,778.31 per ounce, according to Bloomberg. The all-time closing high for the spot price is \$2,060.59 per ounce, set on 8/6/20.
6. From 2007 through 2020, the Philadelphia Stock Exchange Gold & Silver Index only posted a positive total return in seven of the 14 calendar years, but four of them occurred in the past five years.
7. As of 6/23/21, Bloomberg's earnings per share (in dollars) figures for 2019 and 2020 (actual earnings) and consensus estimated earnings per share for 2021 and 2022 for the Philadelphia Stock Exchange Gold & Silver Index were as follows: \$1.00 (2019); \$4.62 (2020); \$8.26 (2021 Est.) and \$9.73 (2022 Est.).
8. The Federal Reserve's ("Fed") take on inflation is that it will ease moving forward as the so-called supply chain bottlenecks abate during the reopening of the global economy. The Fed's buzzword for this type of inflation spike is "transitory." Many economists and pundits do not agree with the Fed's take on inflation and believe it is here to stay for the foreseeable future.
9. FactSet reported that 197 S&P 500 Index companies discussed inflation during their Q1'21 earnings conference calls, the highest number in at least a decade, according to Fox Business.

The chart and performance data referenced are for illustrative purposes only and not indicative of any actual investment. The index performance data excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. There can be no assurance that any of the projections cited will occur. The Philadelphia Stock Exchange Gold & Silver Index is a capitalization-weighted index comprised of the leading companies involved in the mining of gold and silver. The U.S. Dollar Index (DXY) indicates the general international value of the dollar relative to a basket of major world currencies.

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