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***Quarterly
Presentation
November 2003***

Global Economic Perspective



	Year		
	2002	2003	2004
Real GDP Growth			
United States	2.4	2.6	4.1
Germany	0.2	0.0	1.6
Japan	0.2	1.9	1.2
Australia	3.2	3.4	4.5
Consumer Price Inflation			
United States	1.6	2.3	1.2
Germany	1.3	1.0	0.9
Japan	- 0.9	-0.3	-0.4
Australia	3.0	2.2	2.5

Asian Economic Perspective

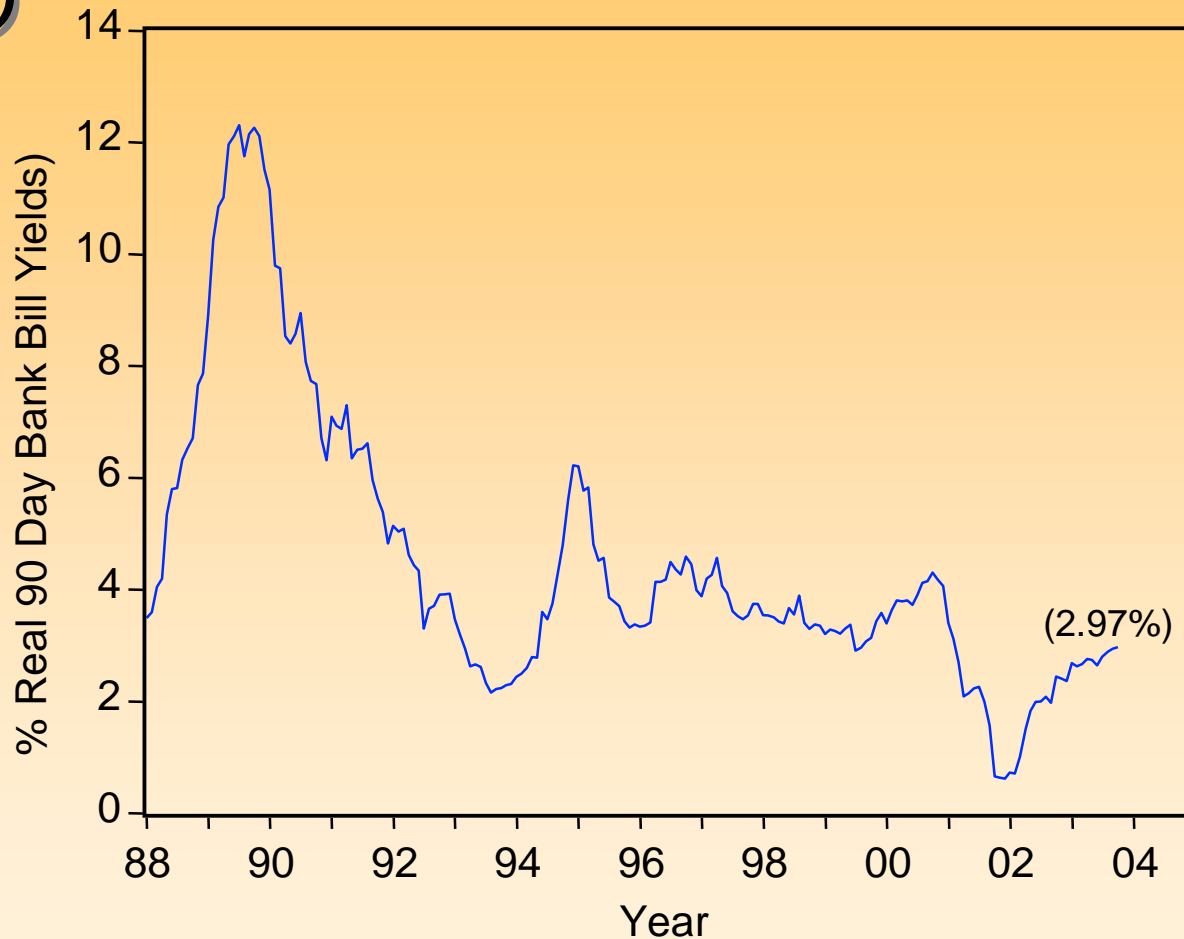


	Year		
	2002	2003	2004
Real GDP Growth			
North East Asia ⁽¹⁾	6.5	5.4	6.3
South East Asia ⁽²⁾	4.0	3.7	4.9
Consumer Price Inflation			
North East Asia ⁽¹⁾	-0.1	0.9	1.2
South East Asia ⁽²⁾	4.2	3.1	3.3

(1) *China, Hong Kong, South Korea, Taiwan*

(2) *Indonesia, Malaysia, Singapore, Thailand and the Philippines*

Real 90 Day Bank Bill Yields (Bank Bill Yields Minus Core Inflation – 1988 to 2003)



Real short rates at 2.97% are still lower than the 3.3% average of the past 10 years.



**The central issue to the US dollar gold price
is the US Federal Budget Balance.**



The US Fiscal Balance had improved over the ten years to calendar 2000.

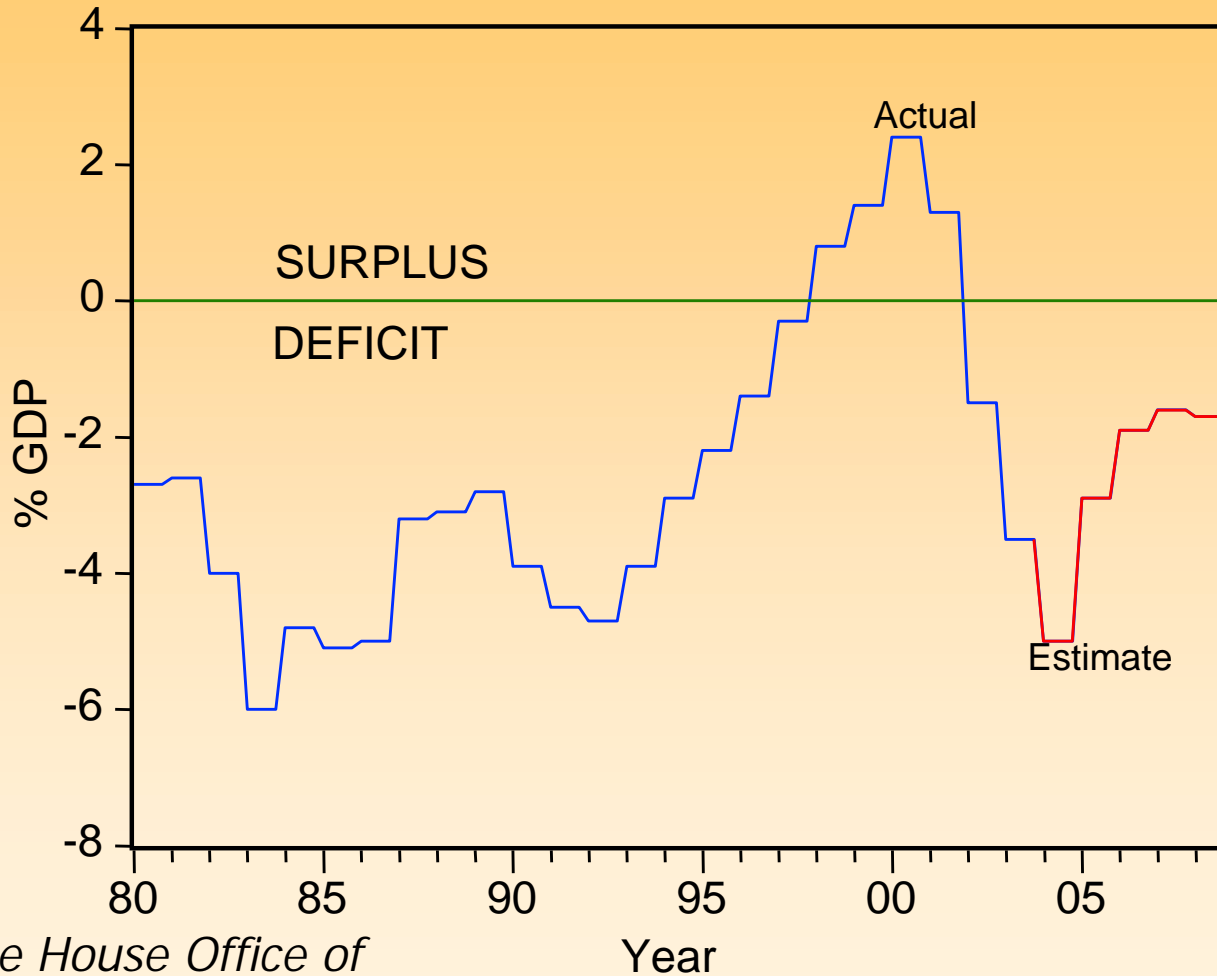
The Federal Budget Surplus in 2000 of 2.4% of GDP was the biggest surplus since 1948.



Since 2000 the US budget balance has moved from substantial surplus to substantial deficit.

The deficit of 5.0% of US GDP in 2004 will be some 7.4% of GDP worse than the result for calendar 2000.

US FEDERAL BUDGET BALANCE 1980 to 2008



Source: White House Office of
Management and Budget & Congressional
Budget Office

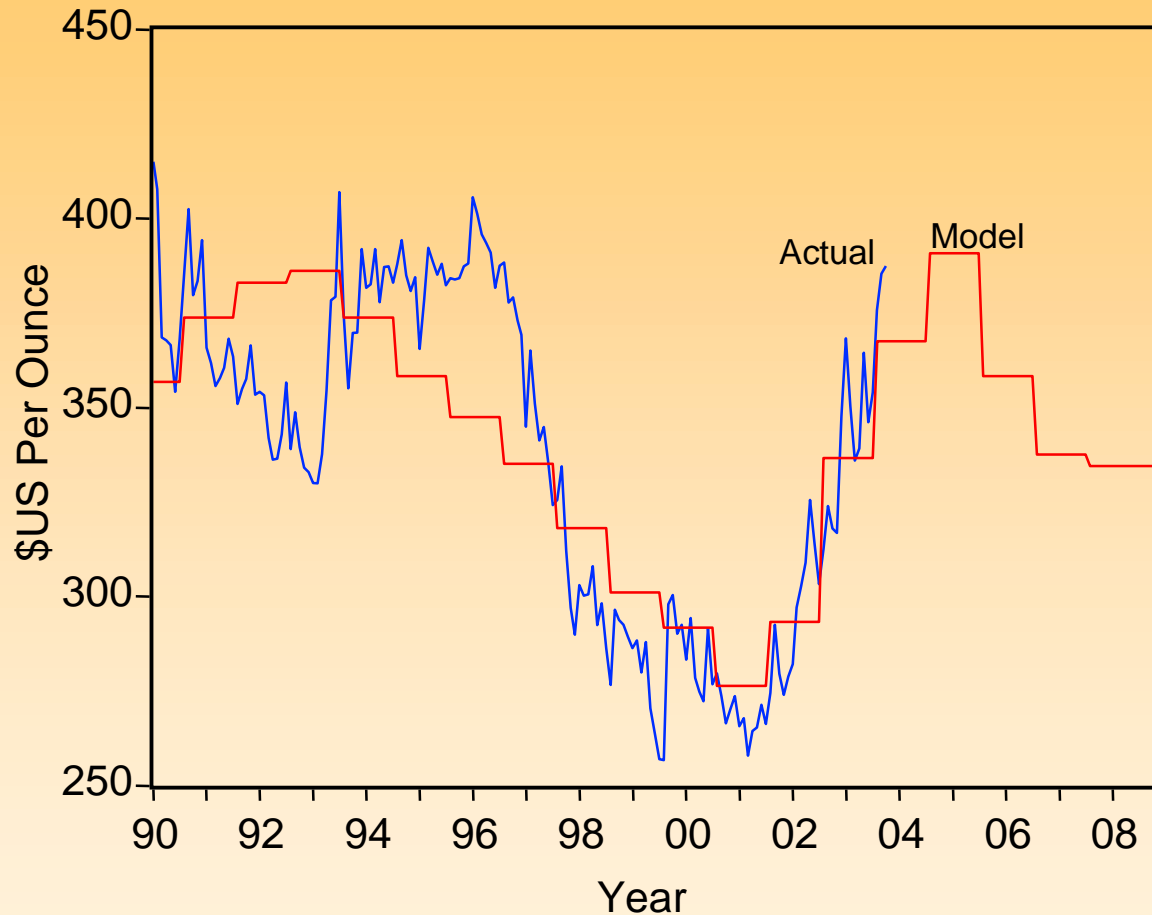


This increase in the US Federal deficit increases the risk of holding US dollar securities relative to other investments such as gold.



Each 1.0% of US GDP increase in the US budget deficit increases the average annual gold price by \$US15.47 per ounce.

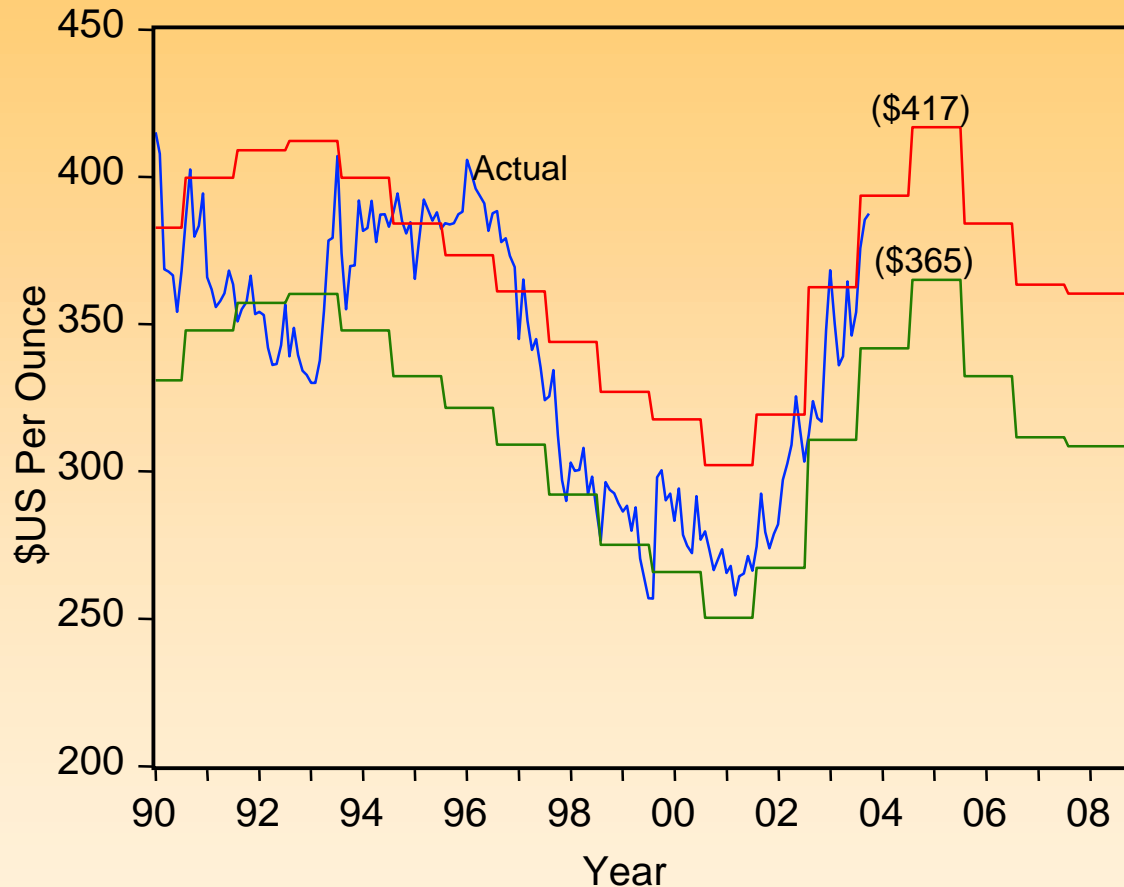
A MODEL OF THE GOLD PRICE BASED ON THE US BUDGET BALANCE – 1990 to 2008



Our model suggests the fair value of gold of \$US391 from August 2004 to July 2005.



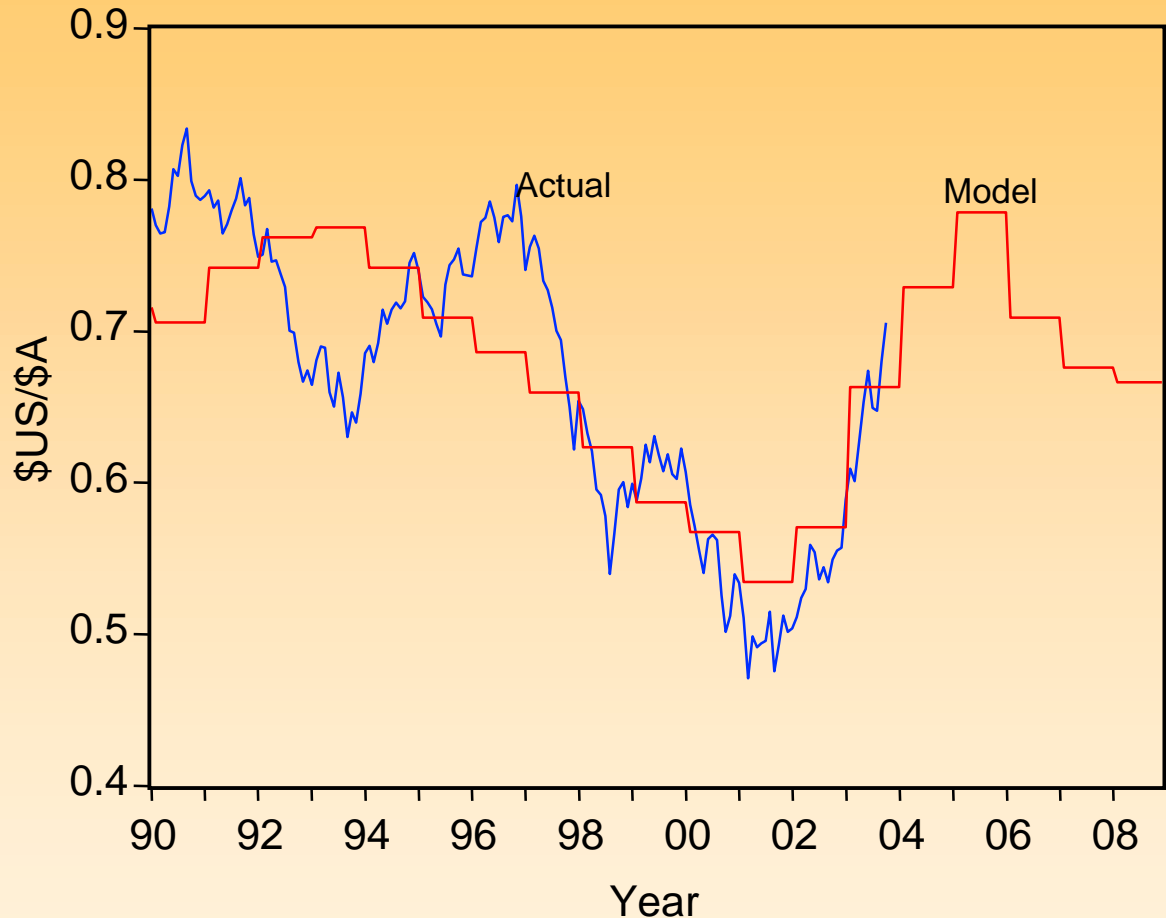
The Gold Price and Model Confidence Intervals – 1990 to 2008



Gold could overshoot as far as \$US417 from August 2004 to July 2005.



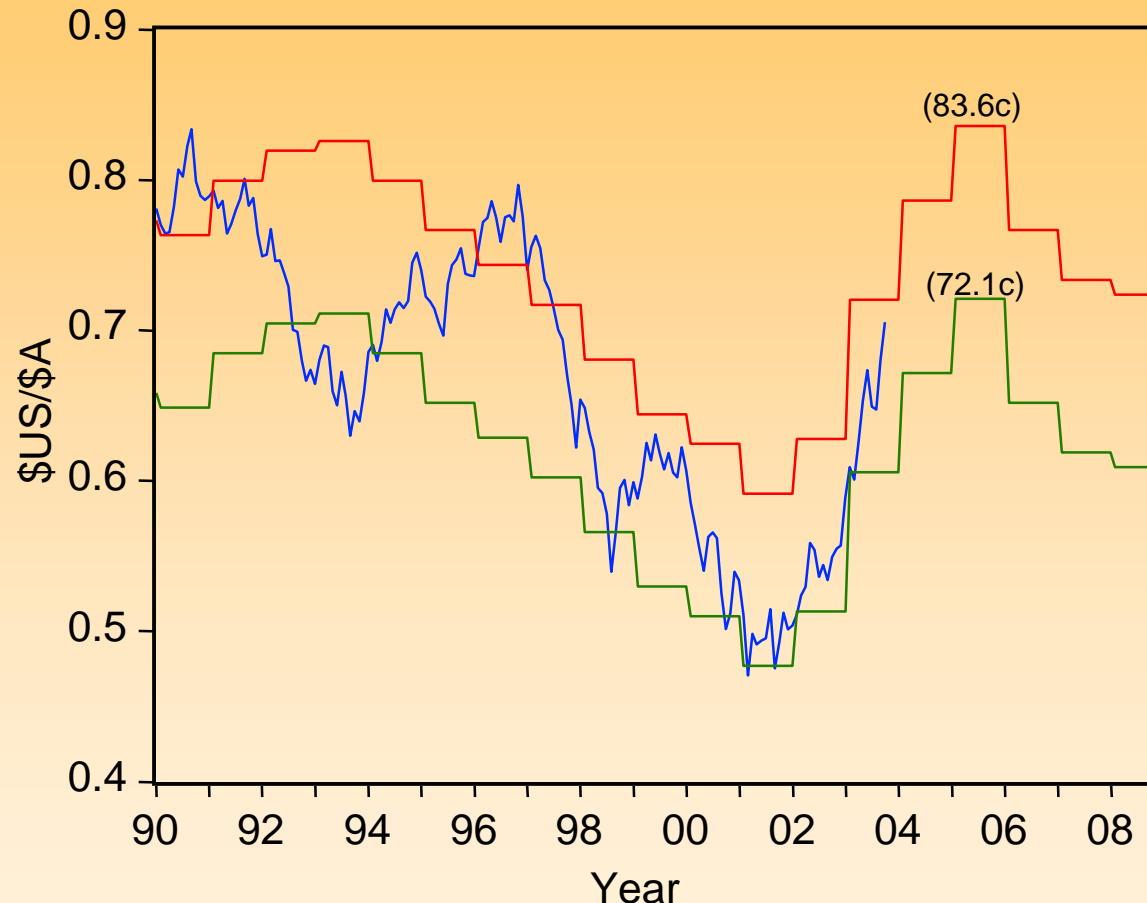
A MODEL OF THE \$US/\$A BASED ON THE US BUDGET BALANCE - 1990 to 2008



Our model suggests a fair value for the Australian dollar of \$US0.78 cents from February 2005 to January 2006



The \$US/\$A and Model Confidence Intervals - 1990 to 2008



The Australian dollar could overshoot as far as \$US 0.836 between February 2005 and January 2006.

US BONDS



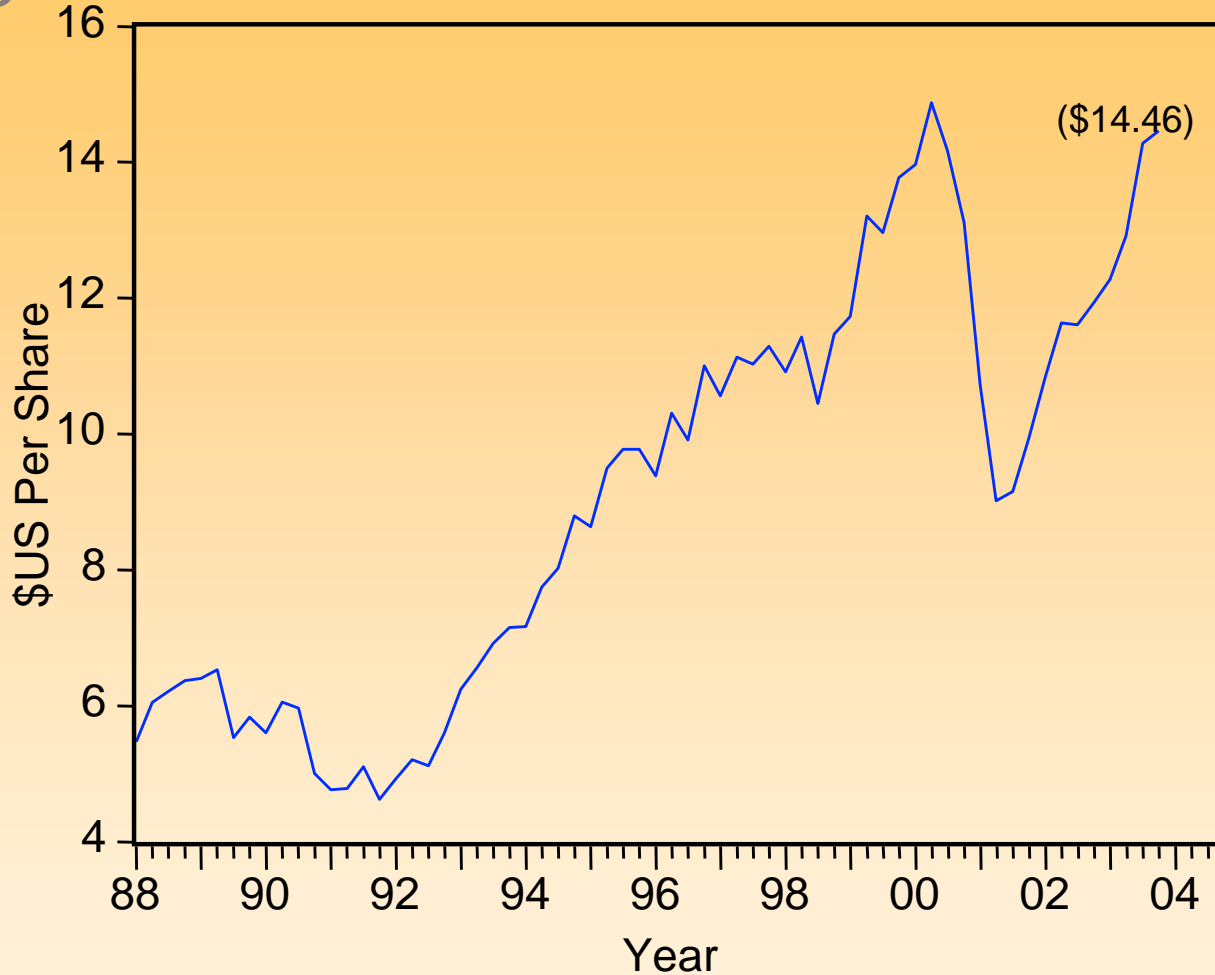
On 28 October, US Ten Year Bond yields were 4.18% or 3 basis points higher than fair value at 4.15%

AUSTRALIAN BONDS



On 28 October, Australian Ten Year Bond yields were 5.61% or 50 basis points higher than fair value at 5.16%.

S&P500 Quarterly Operating Earnings Per Share



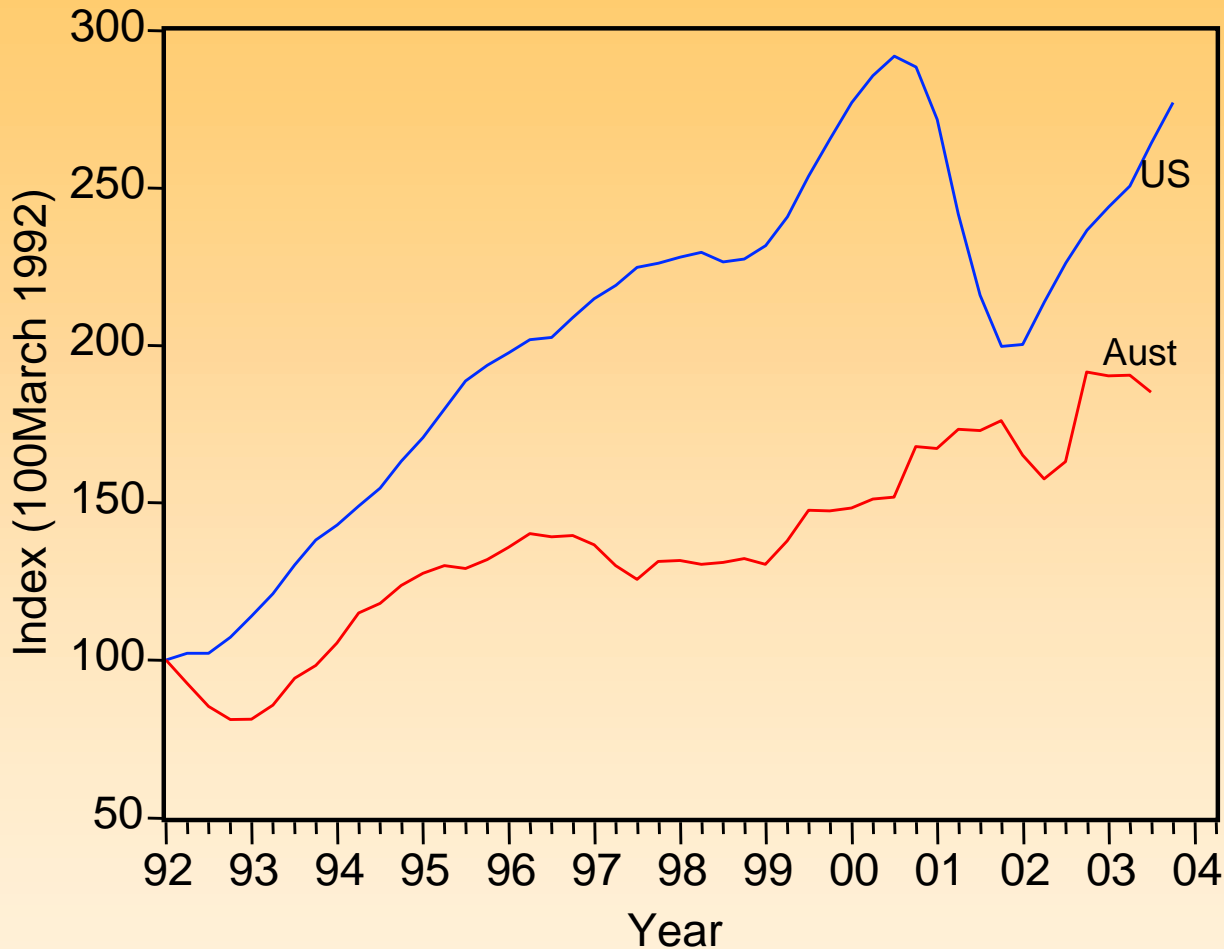
US Quarterly Operating Earnings have improved to \$US14.46 per share

S&P500 12 Month Rolling Operating Earnings Per Share



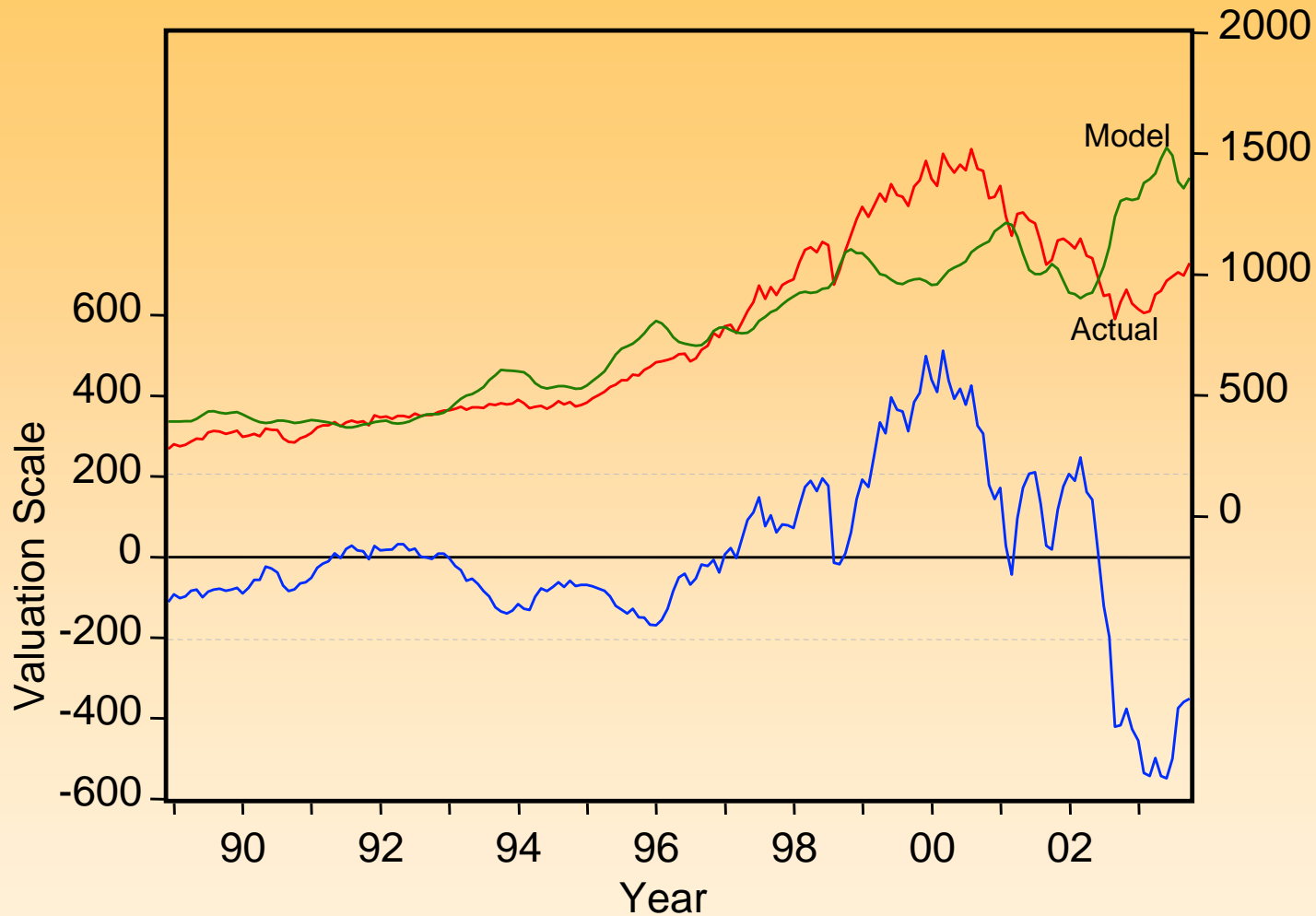
US 12 month rolling operating earnings have improved to \$US53.94 per share

Earnings Per Share (S&P500) and Australian (ASX200) 1992 to 2003



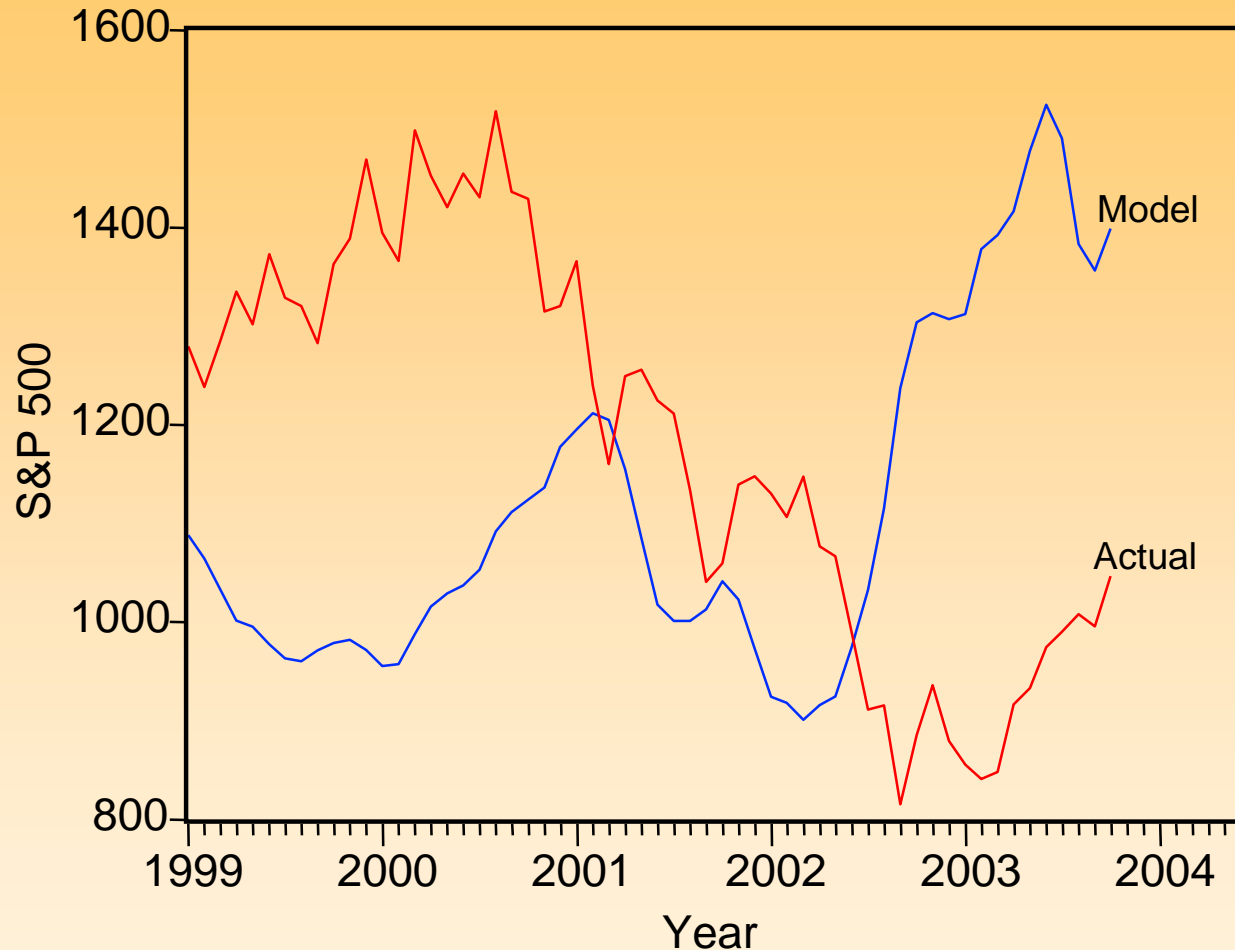
Both US and Australian earnings have improved significantly from their lows earlier in the cycle.

Earnings and Bond Yield Model of the S&P500



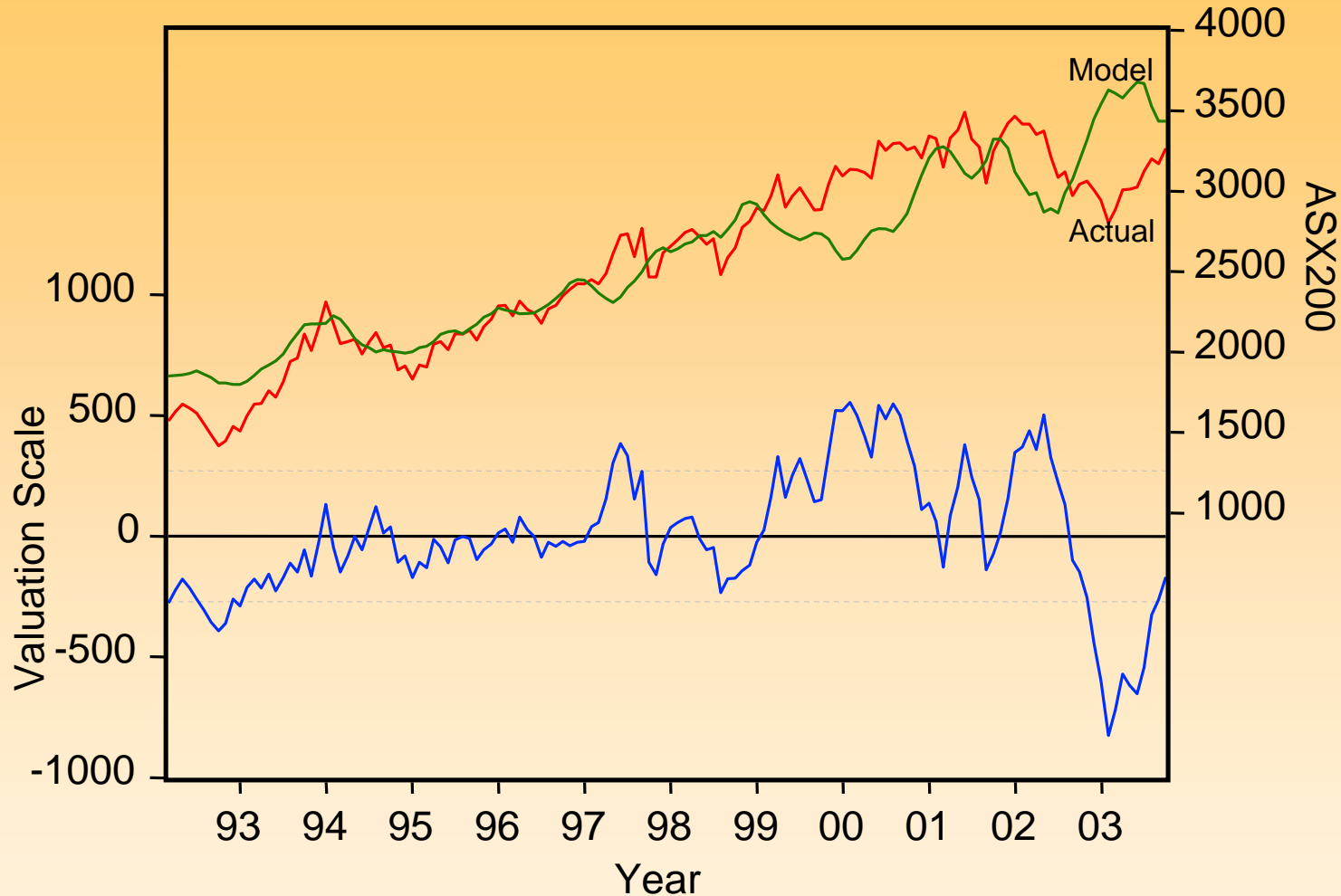
At 1046.70 points on 28 October, the S&P500 is 352 points below appropriate value of 1398 points.

S&P500 Versus Appropriate Model Value – January 1999 to August 2003



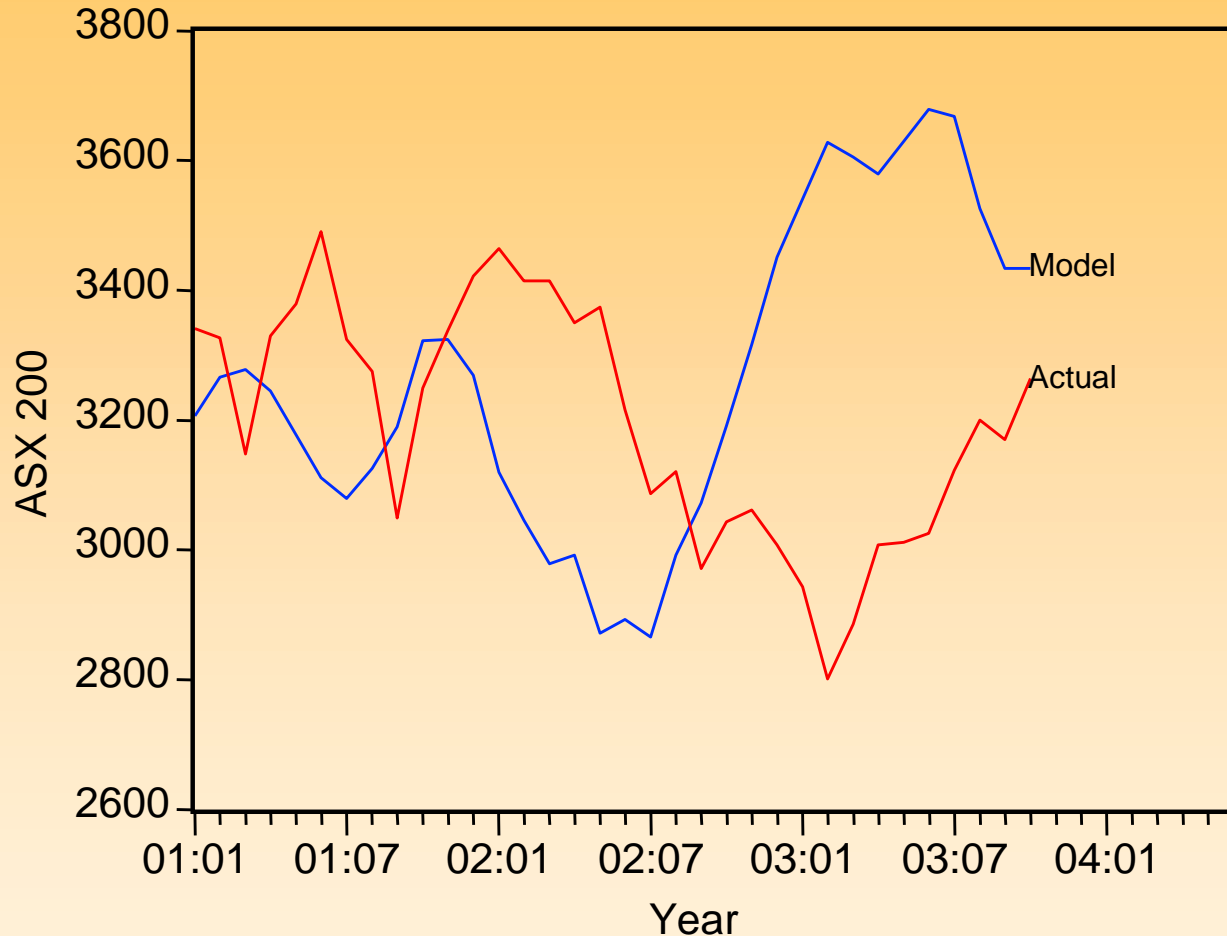
Our model bottomed in March 2002 and has produced BUY signals since September 2002

Earnings and Bond Yield Model of the ASX200



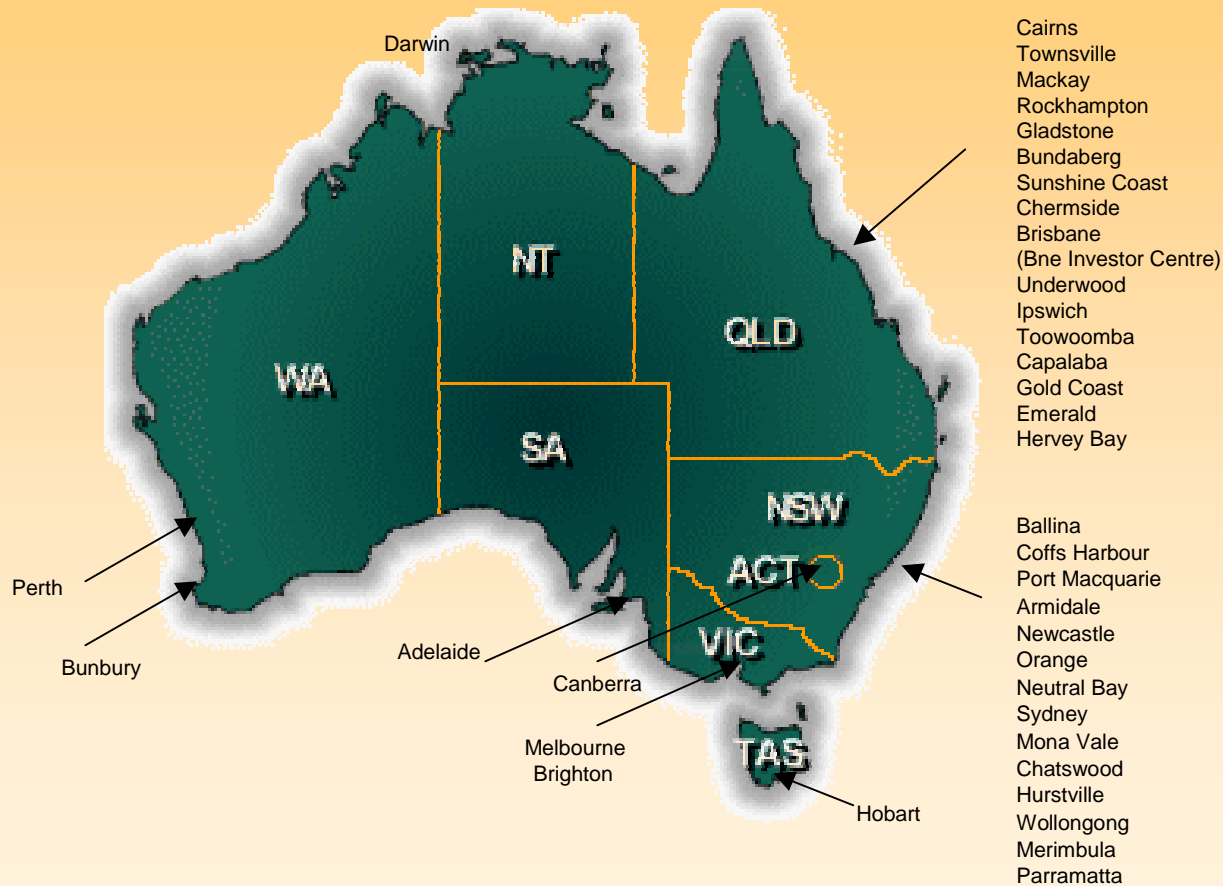
At 3263 points on 29 October, the ASX200 is 187 points below appropriate value of 3450 points

ASX200 Versus Appropriate Model Value – Jan 2001 to May 2003



Our model found its low in July 2002 and has moved sharply up since. On average, the market tends to follow after around 7 months

ABN AMRO Morgans Limited Australian Stockbroking Network



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