


TDV Update Summary

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TDV's Premium Defensive Investors Long Term Stock Portfolio*

Company	Symbol	2020 Open	Last Price	YTD Return	2019 Return
Gold/Silver Majors (40%)				**34.44%**	**32.69%**
Agnico Eagle Mines	AEM	62.08	77.71	25.18%	52.20%
IAMGOLD Corp	NYSE:IAG	3.78	4.01	6.08%	1.36%
Yamana Gold	AUY	4.01	5.88	46.63%	66.67%
Newmont	NEM	43.55	63.95	46.84%	27.23%
Cameco	CCJ	8.9	10.74	20.67%	2.06%
Pan American Silver	PAAS	23.96	33.46	39.65%	42.48%
B2Gold	BTG	4.05	6.32	56.05%	36.86%
Junior Producers (45%)				**33.96%**	**33.62%**
Alacer Gold	ALIAF	5.35	6.42	20.00%	190.71%
Argonaut Gold	ARNGF	1.45	1.94	33.79%	31.86%
Endeavour Mining	EDVMF	19.19	26.63	38.77%	17.19%
McEwen Mining	MUX	1.31	1.22	-6.87%	-30.60%
Fortuna Silver	FSM	4.12	6.68	62.14%	11.17%
Endeavour Silver	EXK	2.44	3.94	61.48%	-5.86%
Premier Gold Mines	TSE:PG	1.97	2.53	28.43%	20.86%
Explorers / Emerging Producers (15%)				**54.36%**	**11.01%**
Sabina Gold & Silver	TSE:SBB	1.94	2.83	45.88%	51.18%
Alexco Resource Corp	AXU	2.37	2.78	17.30%	34.88%
Cascadero Copper	CVE:CCD	0.02	0.04	100.00%	-33.33%
EMX Royalty	EMX	1.69	2.85	68.64%	43.48%
Mexican Gold	CVE:MEX	0.1	0.14	40.00%	-41.18%
Total Return				**37.21%**	**29.86%**

Note: This is the flagship portfolio. We have also released three mini-portfolios focused on specific sub-sectors in the resource space; the TDV Select Silver Shares, TDV Uranium Portfolio & TDV Oil Tankers. You will find them listed on the website at https://dollarvigilante.com/portfolios/#tdvportfolio.

Reminder

The updates below are real time updates released over the last half of August. They include today's bitcoin update. If you are a premium member you should be receiving notifications by email immediately as these updates are issued. If you haven't, please be patient. We are still moving the site over to a dedicated server, which is causing a few glitches in the notification system. It should be set within days though. These update summaries are compiled from those real time updates and sent out each week or two depending on how many were issued in these periods. Moving forward it will be weekly in most months, except around summer and christmas time when things slow down in markets sometimes. If you are a basic subscriber we still have to tweak the system to enable the real time updates for you as well. In the meantime, basic subscribers will still have access to my trade updates, the newsletters, and this summary of real time updates you may have missed.

The stock portfolio (above) represents a 30% allocation in our asset allocation model. I design this portfolio as a buy and hold deal as a value investor. However, the risk level is above average. It comprises three segments (large cap, small cap, and venture), which translates into three categories of risk (average, above average, and speculative). At the moment the weighting of the speculative component is just 15%. I will raise that once the stock bear market is out of the way. But for now the risk is slightly above average, but it is countercyclical in its composition, meaning it is designed to buck the expected bear market in most of the rest of the stock market.

We also recommend investing 30% in physical gold and silver, 20% in the TCV crypto portfolio, and 20% in cash awaiting unique buying opportunities in any of those segments or those that we discover as we progress.

That cash allocation can also be used as hedges or for trading opportunities that we reveal for traders who are acquainted with options and trading. If you are not, please don't ever do anything you don't understand.

For your interest we have resources to help guide you in all of the above at this link,

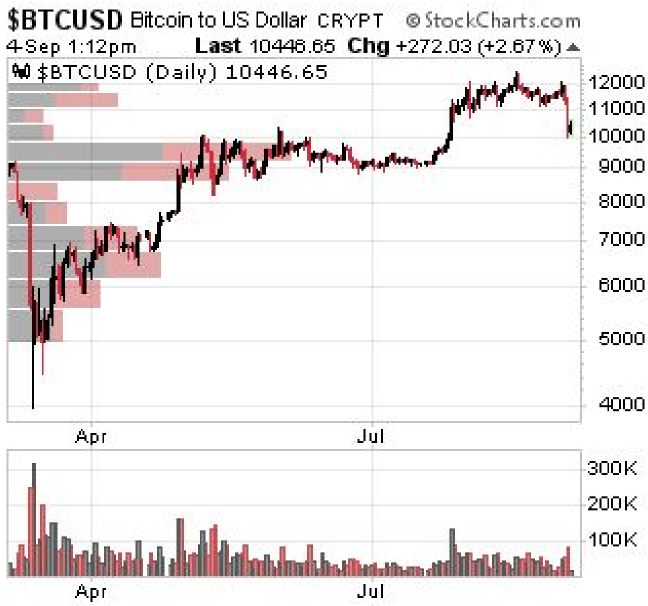
https://dollarvigilante.com/special-reports/

You may want to review the following to get the most out of our guidance,

1. The Dollar Vigilante's Investment Strategy
2. Getting Your Gold Out of Dodge
3. Beginners Guide to Defensive Investing
4. Trading vs Investing

Bitcoin - September 4th

BTC/USD	SHORT TERM 0-3 MO	INTERMEDIATE 3-18 MO	PRIMARY 18 MO +
TA TRENDS	NEUTRAL-BEARISH	BULLISH	NEUTRAL-BULLISH
MY OUTLOOK	NEUTRAL-BEARISH	BULLISH	BULLISH



I don't know which way the next $2000 points will be in bitcoin. We are down about that much just over the last couple days. Given our last analysis on bitcoin trends, this action isn't too surprising.

The USD is a little perkier this morning too, which probably unnerves the bulls a bit given how oversold it has been. Combined with gold and silver going nowhere in recent weeks, a warning shot from the Barron's newspaper causing the DJIA to shed nearly a thousand points, and news that Russia is making it illegal to receive crypto for anything other than from an inheritance (or from a legal proceeding), the bears finally got the upper hand. The article said that miners could get up to a 7 year jail sentence just for receiving a bitcoin reward from blockchain mining.

As far as the technicals go, I was expecting the market to hold the $10.8k level a bit better. But in the context of further stock market weakness and a US dollar bounce - and particularly if it turns into a liquidity event like we experienced in March - while I doubt we will see $3-4k again, $7-8k is possible if it happened now.

Otherwise, overall, the path of least resistance is likely to be up, with gold and silver, once the Russian news works itself out and the stock rout is behind us. The price break below $10.5k puts the previous upside break out from the 2.5 year triangle in July in question. If the bulls don't recover it today, it could be an additional negative sign for the short run. Bullish trend support for the intermediate uptrend (i.e., from March's low) is in the $8-9k range. And it could drop there, temporarily. Russia WAS a large player in crypto. I'm saying that off the cuff right now, but that's what my gut says. While crypto is certainly a threat to any currency, it is in particular a threat to the dollar's role as a reserve currency. So this news is intriguing to me. I don't want to say I believe it for sure, but combined with Russia's move on oil, it sure seems like they want to help the USA.

And no I'm not a believer in the Trump-Russia deal that the DNC keeps squawking about in the US, but I do believe that the deep states work together sometimes, especially the bankers and maybe also the oil interests.

Doubtful the Russian government loses from this bill as it likely doesn't get much tax revenue from miners.

My initial thought is that it would impact the US economy more if they did it in the US because of how much downstream business there is in crypto in the western economies. I would like to add that it is unlikely to see draconian measures taken in the west also; but that isn't necessarily our experience lately, so who knows.

Although we anticipated some softness in the market I have to downgrade my short term outlook a little based on the Russian news and concern about further weakness in gold and silver.

Cascadero Copper - September 3nd

** **correction** ** >> *In the analysis below I speculated that Harder and Borch have joined forces, but my speculation was incorrect. Harder et al put in the "advance notice policy" as a means of implementing their agenda, which is not entirely the same as Mr. Borch's recommendation in calling an extraordinary general meeting. However, this does not change my view on the company's value. And I still see it in both of their interests that whatever deals are made on its Argentine prospects that they won't be too dilutionary.*

Cascadero Copper (CCD.V, MCap $6.8M) announced the resignation of its latest CEO, Christopher Ecclestone. The company has experienced a leadership vacuum ever since the power struggle began between the late Judith Harder and Bill McWilliam two years ago. Following their deaths more recently, Judith's brother, Mr. Lorne Harder stepped into the breach to reconstitute the Board and management teams, and to get the company back on track towards realizing the value in its Argentine assets that so many shareholders believe in. With beneficial ownership and control of 16.57% of the company's shares, he was successful in ousting the acting CEO Brian Causey and appointed himself and Mr. Ecclestone to the Board (followed by George Gale and Greg Andrews). Ecclestone took over as CEO in June. However, in August he tendered his resignation. The rumor mill had it that the group Mr. Andrews brought to the table was going to steal Cascadero in an exploitive acquisition and dilute its shareholders as it has with other deals. Both Messrs Harding and Borch (Regberg), as well as other shareholders, would stand in the way of such a deal, or any ill attempt to roll the stock back.

In reaction to the events, Nelson Borch requisitioned an extraordinary general meeting in order to replace Andrews and Gale with new directors so that the board will look like this: Christopher Ecclestone (currently a Director), Lorne Harder (currently a Director), Bill Radvak, Simon Grant Rennick and Simon Hobson.

Mr. Borch writes that,

> "*Messrs Radvak, Hobson and Grant Rennick are all mining engineers*", and that "*These changes are urgent and necessary as Mr. Ecclestone resigned very recently as Chief Executive Officer due to the current Board of Directors refusing to break with historic poor corporate governance and self-serving actions by some of the existing Directors. Cascadero has long been run as a quasi-private family fiefdom which continues despite the board changes made in late June this year. The goal of the proposed team is to bring purely professional non-conflicted Board members to the Company that*

will focus on maximising value for Cascadero shareholders, consider all reasonable offers for major transactions and realistically advance those assets that are in the best position to be developed."

Hear hear!

The Annual General and Special Meeting has been scheduled for Nov. 18th. But in a sign that the new management group is eager to get things going it instituted an "advance notice policy" effective immediately.

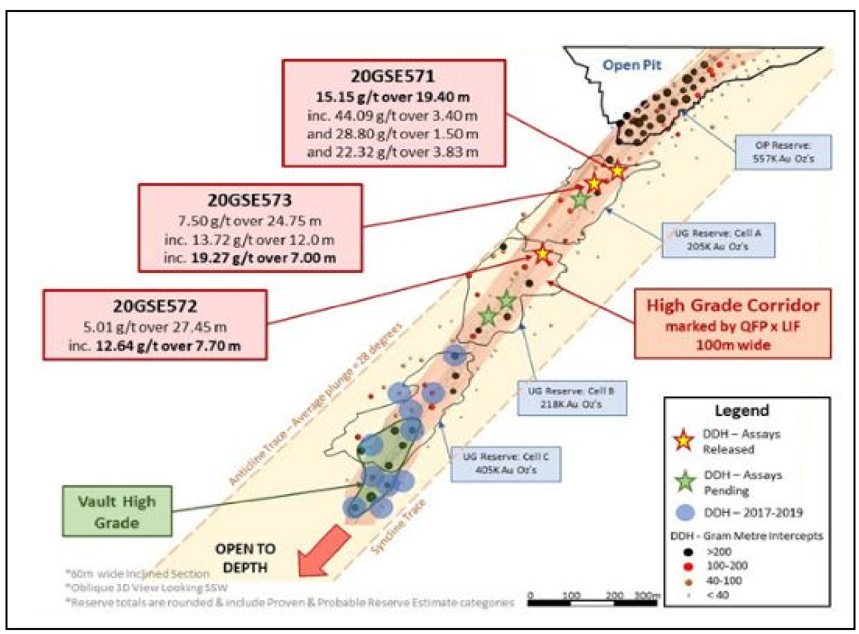
This means that board nominations have to be submitted at least 30 days before an annual meeting or before being elected and no later than 15 days after a special meeting for the purpose of electing directors has been announced. In this case, the notice "*of any proposed nominations must be provided to the Company after September 13, 2020 and no later than October 18, 2020*." Cascadero is behind on its financials by a couple months with its second quarter report due May 31 expected to be released mid September.

They are citing COVID exemptions to allow the grace period. But it said that outside of everything they've published in news releases there have been no "*other material business developments since the date of Cascadero's filing of its interim financial statements for its first quarter ended Feb. 29, 2020*."

I am optimistic that Messrs Borch and Harder will get the support they need for their nominations and I am confident that they have shareholders' best interests at hand. Yes, this stock is absolutely still a buy below 5 cents. There are still risks. The situation in Argentina is uncertain. And the company needs funding. On the other hand, its assets are very worthy of developing. I still see significant upside in these shares. Perhaps not the $2 per share that I originally expected. However, I see its shares realizing more than 25 cents in 2021.

Sabina Gold & Silver - August 25th

Sabina Gold (SBB.TO, MCap C$763 million) announced the first batch of results from its 2020 drill program, which it restarted last month after a brief corona related hiatus. The company reported assays from the first 3 infill drill holes above the high grade vault zone discovered in 2017 at the Umwelt deposit (Goose Lake) on its Back River project in Nunavut, Canada. The (capped) results include **15.15 grams per tonne Au over 19.40 metres in drill hole 20GSE571, 12.64 g/t Au over 7.70 m in drill hole 20GSE572 and 19.27 g/t Au over 7.00 m in drill hole 20GSE573**. Assays are pending from 3 other drill holes.



Management says the results, "strongly support the hypothesis of a second Vault type zone just below the bottom of the proposed open pit", which you can see illustrated in the diagram included here.

The holes targeted mineralization just below the boundary of the proposed open pit. Sabina wants to prove the continuity of mineralization and expand the resource, which was last measured in 2015 at a $1150 gold price. Thus the current drill program could add a lot of plunge length, which could significantly expand the 1.4 million proven and probable ounces at Umwelt. The drilling is part of a larger exploration program to extend and optimize all of its deposits and recent discoveries.

The company publishes tons of info on its plans here, https://www.sabinagoldsilver.com/projects/nunavut/back-river-gold

The total (global) resource inventory as of 2014 was estimated at 7.2 million ounces with about 2.5 million ounces in the proven and probable category as of the 2015 feasibility study. The company is working towards an updated resource estimate in January. Initiatives are underway to build out infrastructure up there now, i.e., extending the airstrip, developing an underground ramp for underground exploration, detailed engineering, and so on. Most of this work is likely funded with the company's cash position at $75 million ($0.26 per share) at the end of the last quarter. We still very much love this stock. Buy the dips. The $2 level should be a solid floor going forward so barring another surprise like we saw in March don't wait too long.

Bitcoin - August 25th

PAIR	SHORT TERM 0-3 MO	INTERMEDIATE 3-18 MO	PRIMARY 18 MO +
TA TRENDS	BULLISH	BULLISH	BULLISH
MY OUTLOOK	NEUTRAL-BEARISH	BULLISH	BULLISH

The main change here is the short term outlook. I just see some loss in momentum on gold and silver, which are my leading indicators on the dollar and macro trade that is behind bitcoin right now, and in bitcoin itself now too, increasingly after it hit my $12.5k intermediate target. The fundamentals are very bullish as they are in the precious metals but there is room for corrections. The Fed is going to be giving its annual sermon from Jackson Hole this week, where most investors expect more of the same dovish talk. Some talk of increasing its inflation targets would only bolster our case. The push for CBDC's is bullish. However, the US dollar is due to bounce. I think it will just be a dead cat bounce. But the time for it is nigh. Especially going into September.

The break below $11.6k pushed me over the edge and I just wanted to warn of some downside here. I don't think it will be a lot. Maybe down to $10k. Maybe only down to $11.1k. There is a case to be made that we can just trade between $11.1k and $11.7k for the next few days until the Fed conference so I don't want you to panic, and I'm not recommending a short. But a dip appears like it's going to happen. Consider it a test. And keep an eye on gold and silver for a clue, as well as the US dollar index, and comments from Fed officials for new *tells*.

USD Meltdown and Bitcoin - Current Market Situation - August 20th (TDV Dispatch)

BTCUSD	SHORT TERM 0-3 MO	INTERMEDIATE 3-18 MO	PRIMARY 18 MO +
TA TRENDS	BULLISH	BULLISH	BULLISH
MY OUTLOOK	NEUTRAL	BULLISH	BULLISH

My neutral outlook does not mean I don't expect a smackdown. The gold, silver and crypto markets have been on fire and the Fed's printing press hasn't been inflating as much as people think over the summer. So there is likely another bump ahead. I don't think it'll be as bad as the March and April shocks from covid and oil; and like I said at $7k, $8k, $9k and $10k, the path of least resistance for bitcoin has been up and may still be up. That just means if it doesn't happen for another few weeks it could start from much higher in bitcoin.

My more neutral bias above for the short term outlook just hints that it has achieved my $12.5k target, which was where I expected it to pop to on the breakout through $10.5k before a correction would start. Now that it has achieved that on firm bullish sentiment there is risk of a correction. I'm just not that sure I want to downgrade my short term outlook to bearish, at least not yet, and not just based on the liquidity crunch possibility. It could still drive up to the 2019 high before a short term or intermediate type correction starts.

The general liquidity crunch is not bitcoin specific. It is macro related. And if it impacted gold, silver and bitcoin, it would just be another buying opportunity anyway. It would not last at this point.

Recently, with the trade weighted US dollar index hobbling along at the 92.5 level, just above the 2016 low of 91.92, a technically important level for trend watchers, NEWSBTC wondered what the US "dollar's do or die moment" says about bitcoin's future given that "*ebbs and flows in the dollar have directly correlated to strength and weakness in Bitcoin*." In the linked article, the author pointed to an analysis stretching back to 2017 noting, "*the last time DXY traded at these levels, the cryptocurrency was trading at nearly $20,000*."

What he was trying to point out is that when bitcoin shot up to $20k in 2017 it was correlating with a break down in the dollar from a trading range. And like then, this time the dollar would likely bounce as well, which would then be bearish for bitcoin values. I showed you the same trading range a few days ago and phrased the dollar's 'do or die' moment similarly as the dollar being "on the ropes." To be sure, 2017 was a major reversal year for the dollar, at least based on classical technical analysis, because it fell through the 2016 low that year.

That’s what made it a classic wyckoff reversal. Only, the bulls managed to turn a weak retracement rally (i.e., 2018-19) into a potential double top when the currency spiked in March in reaction to the oil price shock.

In the chart below, from the article above, bitcoin is on the top, the USD index on the bottom.

The author tried to impute a significance to a trading range model, but I prefer my analysis.

The US dollar benefited from the 2018 weakness in all three assets. In fact, that’s how it happens. The US dollar is the dependent variable. It doesn’t bounce, causing the other things to weaken. Gold, silver and bitcoin weaken, causing a bounce in dollar demand often reflected in its foreign exchange values. You can see that in today’s circumstances, it hasn’t bounced at all, but gold and silver have seen a short term correction.

That correction may give the dollar some traction, so if you see the dollar bounce and gold and silver and bitcoin fall, don’t believe that they are falling because of strength in the dollar, but rather that there is strength in the dollar because those things happen to be falling at any given moment in time.

Note that gold, silver and bitcoin’s rallies in 2019 and first half 2020 preceded the current meltdown in the dollar as well. It even began to wobble in 2019. Precious metals and crypto bulls sensed it that far back.

Regardless, I wanted to bring the article to your attention for a few other reasons.

The first is that in a recent analysis somewhere I mentioned that the US dollar was “on the ropes”, by which I meant that a break below the bottom line above (i.e., equivalent to the last highest low in the prior uptrend) is going to be lethal to bullish sentiment or psychology on the currency because it would signify a trend change.

In our case, it would confirm our thesis, for example.

And we are right there, which has implications for all of our markets.

Thus, I bring up the above analysis by the NEWSBTC author, as he sees two possibilities.

He asks, "*Will the dollar rebound, or will it instead fall and let cryptocurrency bulls head off to the races*?"

This tells me a couple things I wanted to share. First, it is a data point that confirms that bitcoin traders are trading the macro trends. I knew this. But I wanted to share it with you in case you doubted it.

Second, while he is asking a good question, it is too binary. The dollar will likely bounce. That can't be a surprise if it does. But there are many degrees in between his two extremes.

To be sure, the surprise so far has been that it hasn't bounced more than a point or two in months.

If he is asking whether the dollar will rebound and make new highs, I don't believe it will be much more than a dead cat bounce, at best up to around the 95 level before it craps out again. The scenario I see is that it will be a very weak bounce, and as soon as precious metal and crypto bulls realize it, they'll be off to the races again together anticipating the failure of that dead cat bounce. However, the volatility could get scary.

I'm bullish on crypto in the big picture, as I am in gold and silver. I am happy to see the correction in gold and silver. That's healthy. Probably not much more downside in those metals in the scheme of things.

But, since that's where the bullish momentum has gone, and because I'm still very bearish on stock markets, the possibility of further liquidity crunches can't be ruled out. One may be around the corner because the Fed hasn't really been inflating the last two months as everyone thinks, and stock prices are still way overvalued, especially if one considers the "regime uncertainty" that has to be overhanging all investment now. I told you weeks ago we will see more market crashes, but that until they come, these assets will continue to go higher, which they have, and that after they crash, they will recover and continue to go higher. So really the best thing one can do is buy small in strength and buy big in a crash or any meaningful correction, because they will likely recover quickly at this point and go higher faster and faster than before. Bitcoin has been trading great. It looks like an asset that the bears can't keep down - not for lack of trying - and that someone is accumulating. The news flow there has been excellent and the sentiment is cautious enough I'm still bullish.

The liquidity crunches, moreover, will only be temporary, and increasingly scarce as prices keep soaring, assuming we are correct to interpret a new bull market having begun. The confirmation we need really has occurred in gold and silver, and the long term bitcoin chart. But we are still looking for confirmation from the US dollar. That would come in the form of a lower low than the one made in early 2018 that didn't hold.

That is only its foreign exchange value and will only mark the beginning of a cyclical downtrend. The long term downtrend started decades ago against the Euro, Swiss Franc, and Yen. Its role as a reserve currency peaked a bit over a decade ago. The coming US dollar bear market is going to last nearly a decade and it will generate some meaningful crises in the international balance of payments that will operate like shocks to the price system. This is because its role as a reserve or standard is in sharp decline now. This will likely become evident when the central bank can't inflate its capital markets. Believe it or not that happens every few years.

Update on the tanker as storage trade - August 14th

According to data from Clarksons, the shipping intelligence network, during the peak oil glut in May, about 500 crude oil tankers were employed in the floating storage trade, storing ~400 million barrels of crude oil.

As of the latest estimate (mid-July) there are just 250 tankers remaining in the "storage" trade, storing about 240 million barrels of crude oil due to the return of some more regular oil demand.

The extra 250 tankers were reallocated to the transportation end of the market where demand was drying up, causing a price crash. In other words, the volatility in the contango (difference between spot price and futures prices) due to the supply glut in oil resulting from the collapse in OPEC negotiations and global economic demand pushed too many vessels into the storage trade, and they were reallocated to transportation as that demand was drying up because of the recession.

But thanks to the market's quick substitution into the storage trade, the sector as a whole received a significant boost in the first half of the year. Even though it was a temporary phenomenon, the resulting earnings and the de-levering of company balance sheets significantly changes the valuation picture for these companies, which the market has yet failed to appreciate. **Teekay Tankers (TNK, MCap $501.5M)** reported Q2 results yesterday. The company reported net income of $98.2 million ($2.89 GAAP EPS, $2.39 in adjusted EPS), down 8% over a record Q1, but a marked improvement over the $14.3 million net loss (5 cents) in Q2 2019.

Revenue came in at $246.5 million, down 28% q-o-q, but up 22% y-o-y. The stock tanked 6.3% on the news, primarily because the numbers missed the consensus estimate of $2.9 in adjusted EPS.

Teekay operates in the mid-size tanker segment. Unlike its peers, it does not engage in share buybacks or pay dividends. Management took a conscious call to de-lever the balance sheet in 2020, and the results have started to show. The company decreased its total liabilities by $251.5 million in Q2 (Q1: $111.9 million), and took its net debt down from $929.1 million at the end of 2019 to $549.3 million. The company is now comfortably positioned with no debt maturities until 2023. As a result of this focus on de-levering, its NAV per share has gone up from $18.41 per share in Q2 2019 to $28.16 per share. What an amazing real change.

Seasonal fluctuations aside, the overall trend is one of rising rates, driven by supply destruction as older vessels leave the trading fleet. In the mid-size segment, 140 new vessels are on order at the shipyards, but 370 vessels aged between 15 and 20 years are potentially headed for the scrapyard. The overall fleet is expected to shrink, resulting in increased pricing power for the remaining vessels.

At the current market price of $14.9, shares trade at a 47% discount to NAV. Shares are cheap even on an earnings basis. In a worst case scenario, the company should generate GAAP EPS of $9.22 in 2020. And that's if H2 2020 is roughly half as good as H1. At the current market price of $14.9, shares trade at 1.5x PE.

As far as that goes, there are very few companies and sectors trading at these valuations with any earnings power at all. Teekay Tankers has to be a buy at these levels. No value investor worth his salt could disagree.

Good trading!

Ed & Kashyap