

Gold expert positive on Cambodia

One of the leading experts on the price of gold, David Bensimon, has been studying Cambodia as a potential investment opportunity over the last few months and *The Phnom Penh Post* caught up with him for a few questions about gold and other commodities, as well as Cambodia as a potential investment.

Canadian Bensimon has gained a reputation for accuracy in his forecasts of global markets with his Australia-based consulting firm, Polar Pacific. His monthly series, Polar View, works to predict the key turning points across markets.



Cambodia is a good place for investment related to the nation's three key industries – mining, agriculture, and tourism

During the last 23 years he has worked with banks, on the exchange-floor, and proprietary trading and investing across commodity, equity index, foreign exchange and interest rate markets. He spent more than ten years in Europe with investment banks including Citibank, Credit Agricole, HSBC and Deutsche Bank serving as chief dealer, head of trading, and chief of staff, and he also

spent a year at the Singapore futures exchange.

How did you learn how to predict the price of gold?

In my decade in Europe trading currencies for the big banks, everything was essentially fundamentally-driven – real economic news, customer deals, interbank flows, etc. – and from that privileged vantage point one could see exactly why the market moves as it happens. But later when I relocated to Asia and was trading for myself I didn't have this advantage and needed to find some other edge ... and what I found was technical analysis.

"Knowing the fundamentals is still necessary, as they define whether the market is travelling on the northbound or southbound highway. But the technicals can and do tell us exactly where to expect the intersections, traffic lights, detours, etc.

"In my work over the past decade I have discovered that financial markets are replete with symmetry and proportionality in the movements of price and time, and that these rhythms, while probabilistic, are clearly not random.

"My approach uses a combination of 5 key elements – price, time, geometry, structure, momentum – to identify high-probability/low-risk turning points.

For gold, this system has enabled me to correctly predict in public media all of the important reversals over the past decade, including the exact price and time of the major low in 2001, the intermediate high and low in 2006, and again the important high and low in 2008, as



David Bensimon.

well as the recent record high in 2011.

What's your long term forecast for gold?

Since 2001 I have consistently maintained that gold is in a secular uptrend. In the 2006 Special Edition

of *Polar Perspectives*, I published my work on the deep price history of this valuable metal, and in particular the details about 2001 having marked a powerful juncture of the key elements, with the conclusion that gold was enroute in a 10-fold climb from 260 to 2600 over the 13-year period

to 2014. **What does that mean for other commodities, oil, food prices?**

My view is that since the major lows for various commodities in 1998-2001, the world is in a multi-decade secular advance. For the period until 2014-2016, the growth across the whole spectrum of precious and base metals, energy, and agricultural products reflects a prosperity-driven increase in real demand and tightness of supply (lack of resources for some and production bottlenecks for others), overlaid with a monetary inflation from a substantially weakening dollar.

For example, over the next 5 years I expect the US dollar to lose another 50 per cent in value against major currencies, and this effectively translates to a doubling in value for global commodities priced in dollars. The extra increase in prices beyond the portion attributable to a weaker dollar is a function of the demand and supply issues specific to each market.

Do you think Cambodia is a good investment? Why?

Yes – Cambodia is a good place for investment related to the nation's three key industries – mining, agriculture, and tourism. The first two are especially well-placed to benefit from the global upswing in prices and real-demand for minerals and food; and the latter is poised for its next round of development to gain from rising prosperity in Asia and desire from North America and Europe for exotic travel experiences. I am presently developing projects in Cambodia in all three of these sectors. ■

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