

Bulls set to repeat 1970s gold frenzy

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By VICTORIA BATES

GOLD is poised to almost double in price over the coming year in a bull run akin to that of the 1970s, a leading mining analyst has predicted.

Edison's Charlie Gibson believes that a repeat of the economic conditions of the 1970s – trade deficits, burgeoning budget deficits and bank failures – will cause a frenzy of demand

that could see gold prices rise to as much as \$1,567/oz in 12 months' time.

During the 1970s, the price of gold rose from \$35/oz to \$850/oz in 1980.

"While these are extraordinary times for the world economy, they are not without precedent," Gibson wrote in a report released this morning.

"While we do not expect such dramatic appreciation in the current era, a repeat of the cycle would see gold rise to \$1,567/oz in the near term."