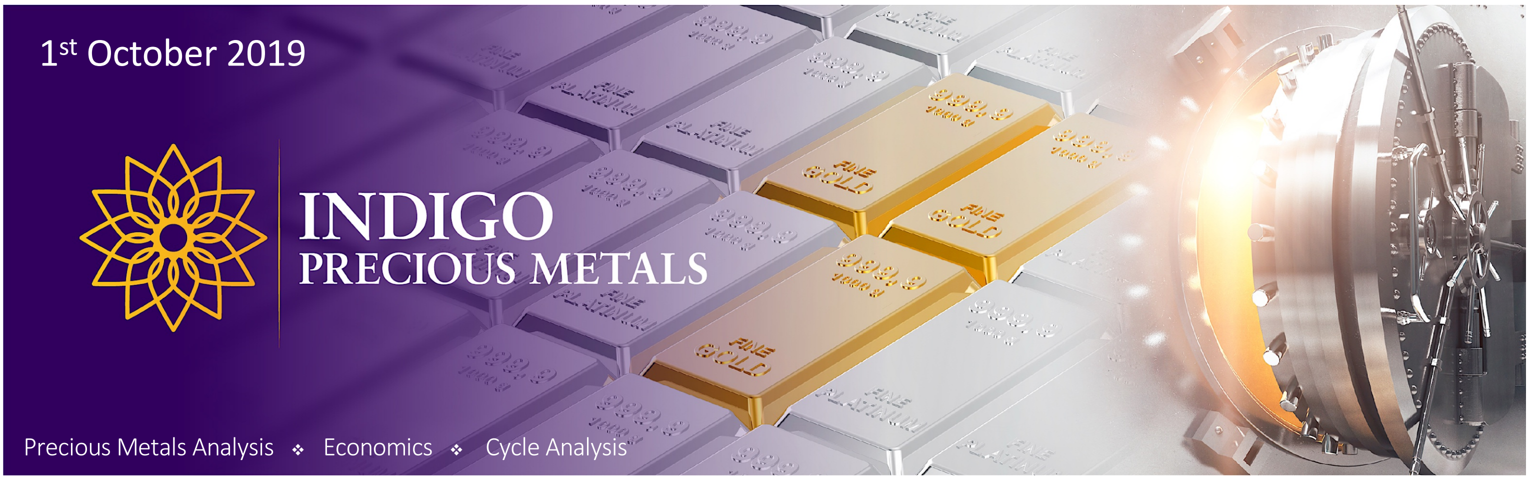


SILVER - The ‘ Last Chance Saloon ’ Opportunity?

JP Morgan charged with gold and silver price manipulation

By David Mitchell

An opportunity has presented itself, silver at this time is a very exciting long-term investment prospect and I believe we are being offered very good price levels as of now in the low 17’s to 18 US$ an ounce.

All markets continue to trade in their major cycles, while at the top of their respective cycles they are driven by over exuberant mass-participation by the investment community, and inversely we experience extreme pessimism and lack of interest or understanding involved in an asset class at the bottom of their major cycle turn (non-participation by the investment community).

Hence the old adage of Warren Buffet can be used here “the investor of today does not profit from yesterday's growth, look for future growth and do not be tricked by unsustainable past performances”

I have explained in my articles and posts the overwhelming strength of the under-currents in this paradigm shift of global cycles which are already beginning to turn. This major multi-year cycles turn are heightened by extreme global miss-allocation of capital, sovereign monetary authority mistakes, negative interest rates, debt expansion outbreak, massive unsustainable asset bubbles, heightened geo-political tensions, mass economic migration of peoples (for example in the EU), the list simply goes on and on.

A substantial and potentially long-term revaluation of precious metals prices is simply unavoidable at this stage of the cycle.

Over the last 3 to 4 years I have written about and confirmed the bullish case for our clients investment capital and directed clients funds into rhodium, palladium, gold & platinum. I however believe that silver is now clearly the very exciting trade at these levels, the proverbial “white stallion” still held behind the stable doors but its front legs pawing and digging at the ground, close to breaking free to join its brothers.

Why now you may ask? Have I have not heard all of this rhetoric before in silver?

Look carefully at the following story to understand why:

JP Morgan precious metals traders charged with market manipulation!

US prosecutors allege 'massive, multiyear scheme' to defraud clients and markets.

Michael Nowak, head of precious metals trading, was charged on Monday along with two colleagues, Gregg Smith and Christopher Jordan, on federal racketeering charges normally used to take down organised crime syndicates. September 16, 2019

As you may or may not be aware, the USA Justice Department's landmark criminal indictments against further additional precious metals traders just a few weeks ago, which now involves the global big boy - JPMorgan.
One of the individuals is none other than the head of global metals trading for JPM.
The charges involve market manipulation that extends back for nearly a decade. More severely the Justice Department invoked the Racketeering and Corrupt Organization Act (RICO) referring to the pattern of wrongdoing at JPMorgan as that of a criminal enterprise.

At this point, the banks have been exposed engineering sell-off's by various means in the paper prices driving precious metal prices lower, they are now having to do it in full view of a government investigation into precious metals price manipulation. These institutions will of course attempt to extricate themselves out of their 'unviable short paper' positions.

Solution: Triggering a sell-off in paper prices while at the same time buying physical to cover their paper shorts.

If they don't continue to add to their shorts, while central banks around the world lower interest rates and re-start quantitative easing, a more significant rally in silver prices could well be very close at hand. But even if they continue their illegal games the fundamentals are about to overwhelm them.

THE FUNDAMENTALS

Do the fundamentals matter? Of course they do, but after a period of time investors start ignoring the facts due to price action, invariably market prices take time to build a head of steam before the trend reversal occurs.

Or as John Maynard Keynes was accredited stating "The market can remain irrational longer than you can remain solvent".

Historical market price analysis proves that fundamentals do matter, the cartel of investment banks will have a hard time smashing gold & silver much lower from today's levels, even though their book positions are in a world of stress, sitting on huge paper shorts that at recent price highs in late August 2019 was causing enormous mark-to-market paper losses on the banks books.
When we examine the fundamentals, we can predict enormous demand and revaluations for gold & silver moving forward, clear evidence of which is given by historically unprecedented buying of gold by official global sovereign balance sheets (follow what they do, not as they say).

Plus we see the following issues as major positives for Silver and of course gold prices moving forward:

- Global debt crisis, historical extraordinary circumstances (money printing and debt monetisation leading into currency value destruction)
- Global insolvency banking crisis (money printing / Stag-inflation?)
- High geo-political tensions globally (war, higher US dollar)
- Declining silver production output (supply shortage)
- An increase in industrial usage (silver), modern age does not end (higher demand)
- Tariffs, trade and currency wars (higher cost of production, energy cost, currency value destruction)

Where are we as of now, investment community portfolio diversification?

We have spent a great deal of time speaking to the financial investment community and they have confirmed they fully understand the importance of holding tangible assets with no 3rd party liability. As a result, they appreciate the fact that precious metals are an important diversification requirement at this complicated time in world markets, further to that they have not yet presently diversified (to date) into precious metals.

The following thought springs to mind, its all a game of "musical chairs". As long as the last chair is still vacant all is well and good. The trouble investors encounter is when everyone demands to sit down, but where is the available chair?

We are presently in the very early stage of the precious metals investment cycle and should expect a significant short-term upturn from the lows in precious metals.

Investment cycles simply do not end with very low to non-existent exposure (non-participation by investment community); this clearly supports are exhaustive analysis that we are very young in this cycle turn from the lows in precious metals.

Technically speaking, time to buy or sell Silver?

I have had many clients asking about the recent sell off in precious metals, which I expected and warned about here in this article dated mid-August.

The market was in a short-term overbought situation and I was looking for several months of sideways action before the next big move higher, looking for buying opportunities – which has clearly presented itself especially with the JP Morgan case.
Very good support comes in at US$ 16.80 and again at US$ 16.20.

Please remember silver simply cannot sustain lower prices considering present prime silver global production costs, falling mine production and rising demand, also factoring in the irreversible trajectory of debt monetisation leading to currency value destruction, higher energy prices and a wave of cost-push inflation developing.

The immediate title on this page is somewhat disingenuous, considering the outright potential for not only precious metals moving forward but more importantly silver at these price levels is nothing short of spectacular.

The Commodity Cycle - Pi Cycle

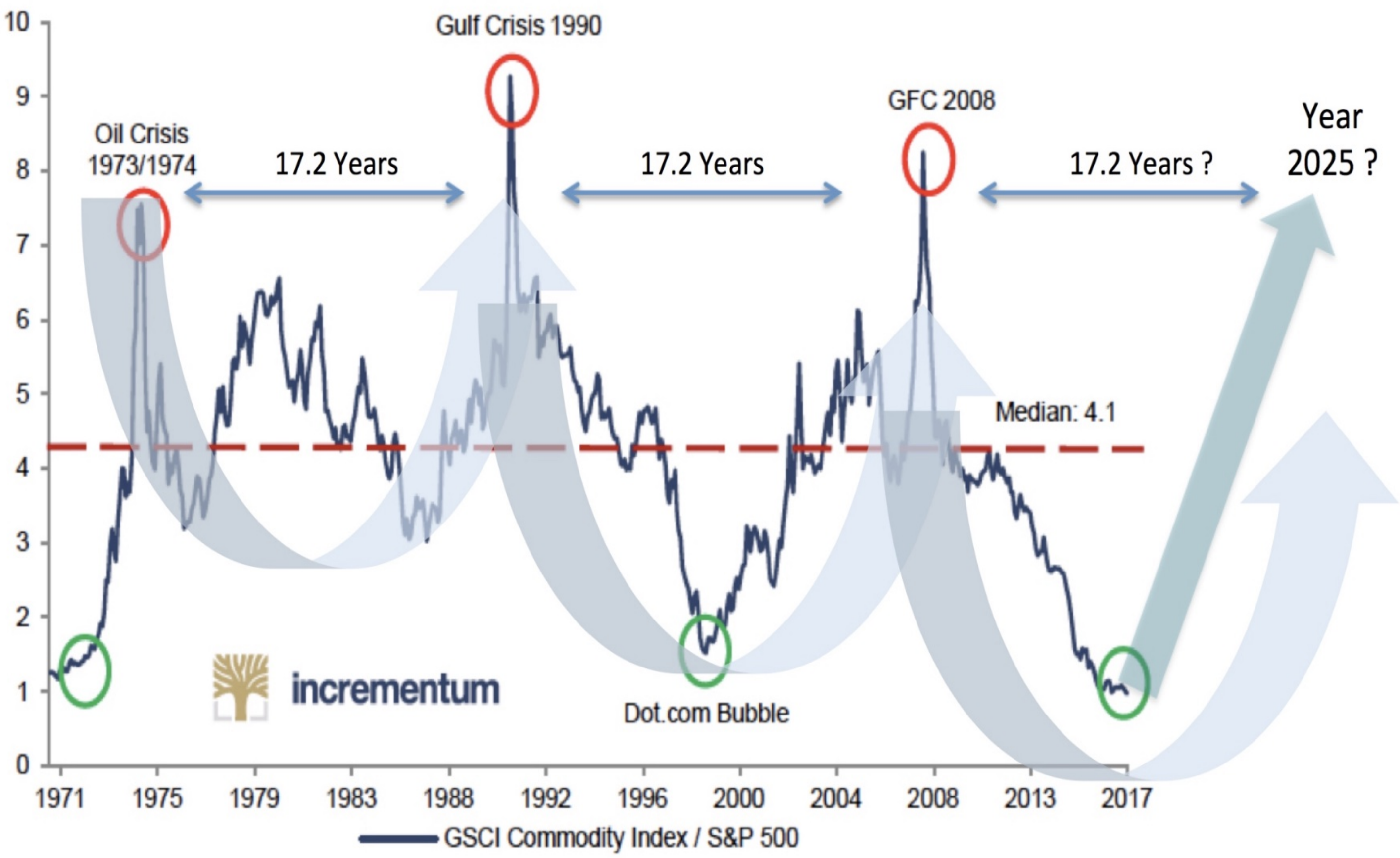
Due to the calendar impact of leap year the number of days in a year is 365.25.

Hence: (Pi number) **3146.76923062 / 365.25 = 8.615384615 years**

8.6 years x 2 = 17.2 years

See Chart on next page….

GSCI / S&P500 Ratio : equities expensive, commodities cheap ?



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