

Hedge Fund Panic, Coming Silver Explosion & Precious Metals Alert

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By Charles H. Coppes



"It has finally blown into the open for all to see. The stock market has been broken for a while, for a long time, actually. The idea that the stock market is where price discovery takes place on a rational transparent basis, with ups and downs, and some amount of chaos, but free of rampant manipulations – that idea has now totally imploded."

- **Wolf Richter, Wolf Street Blog, February 4, 2021**

"If we can continue to apply pressure to the banksters through physical silver acquisition, a forced deleverage is coming. When that finally happens, you can be certain that the price discovered through a system that is more based in physical reality will not be \$27 per ounce."

- **Craig Hemke, Sprott Money News, February 17, 2021**

"Almost anything is better than paper money. Any fool can run a printing press."

- **Nelson Bunker Hunt, Famous Silver Speculator (1980)**

"We really need to make sure that our financial markets are functioning properly, efficiently and that investors are protected."

- **Grandma Yellen, ABC, February 5, 2021**

"The love of money is the root of all sorts of evil." (1 Tim. 6:10)

"When silver goes off, it will be like an atom bomb on a hydrogen bomb on a neutron bomb."

- **Ted Butler, Silver Expert**

Greetings to All,

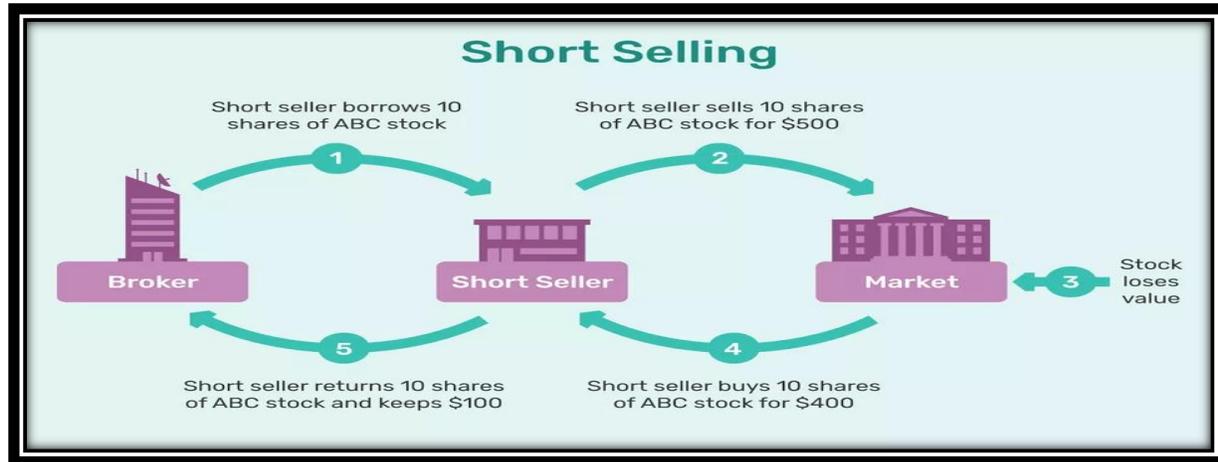
As you can see, **the general theme of this newsletter is on silver** - my favorite subject. As we saw earlier this month, some **hedge funds** on **Wall Street** had their (usual) short positions exposed for all to see, and this is closely related to how silver is shorted by the **evil banksters**. For regular, and new subscribers, I urge you to listen to this brief interview with **silver analyst Ed Steer** to fully appreciate how **silver** is about to explode at [THIS LINK](#). This is a comprehensive overview on this important topic, and I could not have done a better job. I will make mention of [this link](#) later in my concluding remarks on **gold and silver** and provide some perspective on where things are going. For many of us in the "silver space" it has been extremely frustrating to see **the-powers-that-should-not-be** rigging the markets for so long, but I think their days are finally numbered. So, let's get started.

US Rigged Markets & Coming Silver Explosion!



"The idea that the stock market is where price discovery takes place on a rational transparent basis, with ups and downs...free of manipulations - that idea has now totally imploded." - **Wolf Richter**

I love the clarity of the above comment. In a rational market based on supply and demand, risk and aversion, and other factors you could expect genuine price discovery; but those days are gone. As most of you know, social media outlets like **Reddit** and **WallStreetBets** attracted attention to a video game retailer known as **GameStop** with **5,500** stores in the **US** since **1984**. This "plandemic" and market forces have killed their business model, and **predatory hedge funds** saw an opportunity to exploit this weakness by "shorting" their stock value. So what is short selling? As **illustrated below in five easy steps**, a short seller (hedge fund) "borrows" a distressed stock, sells it into the market for less, and then returns the "borrowed" stock shares at the discounted price, and they pocket the change. Sweet huh?



Does the normal retail investor know how this game is played? Not at all. Here is a quick lesson.

- You get some money, and you buy shares of a company (like GameStop: GME)
- The brokerage firm holding your shares lends them out to predatory hedge funds.
- Hedge funds return back, and the brokerage firm lend the same shares out again.

This is a what we call wash, rinse and repeat on Wall Street. It is sickening. Is it legal? Yes, but in most cases this serves no practical service to the market or economy. **Hedge funds** do not add value to society. They do not create industry or jobs. They are merely "gaming the system" for fun and profit. The average hedge fund has **\$25-100 billion** to play with according to [THIS LIST](#). These are the **playboys** who buy all of the expensive art, sports cars, villas, islands and yachts in the world!

In other words, the banksters and hedge fund cronies represent the top 5% of society. Another 5% are doing quite fine, thank you. But for the other 90% of the plebes and working class proles in this food chain it is becoming very difficult. Last year, hedge funds raked in over \$20 billion. Their attempt to short **GameStop** (GME) become known to some day traders, and suddenly the stock went from \$20 to almost \$500 in a matter of days for a 2,500% increase! This caused a huge short squeeze for some hedge funds with losses in the billions. Analyst **George Gammon** explains what happened:

George Gammon: Explaining the GME Hyper Bubble

The Reddit/WallStreetBets flash mob was a demonstration of how vulnerable a short position can be, and this was done partly as revenge against the wealthy class. Shorting **GME** was such a "sure thing" that brokerage firms issued 140% of actual **GME** shares and the day traders knew it. In other words, extra shares were lent out and as **Matt Taibbi** notes these are known as "locates" or phantom shares:

*Short-sellers bet by borrowing shares from so-called prime brokers (Goldman, Sachs and JP Morgan Chase are among the biggest), selling them, and waiting for the price to drop, at which point they buy them back on the open market at the lower price and return them. **The commonly understood rub is that prime brokers don't always really procure those original borrowed shares, and often give out more "locates" than they should, putting more shares in circulation than actually exist (as in this case).** GameStop is exposing this systematic plundering of firms using phantom shares and locates, by groups of actors who now have the gall to complain that they're the victims of a "get rich quick" scheme.*

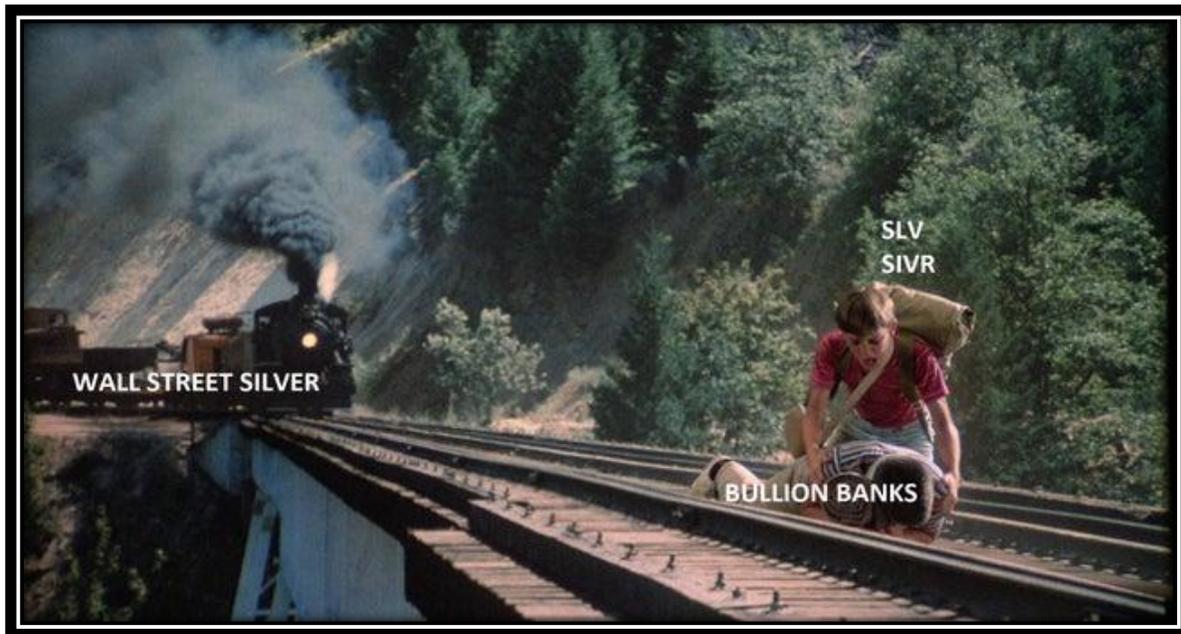
The brokerage firms and hedge funds got caught playing their game - and even went so far to say that they were "victims" of foul play by some retail investors! Hilarious! A *locate* is called a covered short, but a *phantom share* is simply a **naked short**, and naked shorting was made illegal after 2009, as covered by **Mish Shedlock** at [THIS LINK](#). Don't hold your breath for the captured regulators to go after the so-called prime brokers operating the **Wall Street** casino from their penthouse suites.

The GME shorting scandal exposed a lot of bad actors in our rigged capital markets. The brokerage firm handling most of the **GME** stock trading was **Robinhood**, which advertised "commission-free" trades. But, as the price was peaking they suddenly restricted trading thus locking out 13 million users! Why did they do this? They said it was capital requirements by DTCC, and so on. The likely reason was pressure from the hedge funds to allow the shares to drop and unwind their short positions. Talk about foul play! **Congress** jumped into the fray, and as **Wolf Richter** relates, **Congress** pretended to care about "infuriated traders" (voters), but *on the other side* they created "pressure on those hedge funds, and their wealthy clients, to unleash a tsunami of campaign contributions to get this situation under control." What a farce. As it turns out, we learn that **Robinhood** provided free commissions for their traders because they provided "payment-for-order-flow" to mega-hedge fund **Citadel**. In return, **Citadel** paid **Robinhood** about \$28 million per month, in order to front-run their trades and make huge returns with their high-frequency-trading supercomputers to make billions - read all about it [HERE](#).

I mean, is this a damn mess or what? Talk about the love of money! Did you know that "payment-for-order-flow" is exactly what landed scammer **Bernie Madoff** in jail? See the link above! **Citadel** is where **Ben Bernanke** works and **Grandma Yellen** has collected \$992,500 for *speaking fees* in 2019 and 2020 from this same "HFT" operation in Chicago! But she recently stated that "We really need to make sure that our financial markets are functioning properly, efficiently and that investors are protected." She meant to say that hedge funds and banksters are protected...!



Anyway, the GameStop-Reddit-WallStreetBets-Robinhood-Citadel-Congressional-Sham-Investigation is now behind us, but this has exposed how predatory hedge funds make their billions. The sheer greed and criminality on **Wall Street** has revealed how *moral hazard* has become rampant in our society today. In other words, it seems that everyone is gaming the system for fun and profit! It has gotten so bad that high-frequency-trading firms even "co-locate" their computers next to the **NYSE** in **NY** at great expense in order to gain an advantage over the public. But the real story is how the day traders saw an opportunity to drive up the big **silver ETF funds** like **SLV** and **SIVR** and cause a physical short squeeze of silver. This occurred in late January. In the age of the Internet, it has finally become known that silver is *extremely undervalued* because the "paper price" is determined in the paper futures market at **Comex** (Crimex). The **WallStreetBets** crowd caused a surge into **SLV** and **SIVR** and this has caused panic in the physical silver market (since these trusts are supposed to have silver)! **Crimex** saw the danger and raised margin requirements on **February 2nd** and brought **silver** under **\$30/oz.**



Is the danger over? **Not at all.** The sudden increase in these **ETFs** have seen their vaults in **London** (at the **LBMA**) acquire nearly **85%** of all the silver that was available at **LBMA**! According to **Ronan Manly** at **BullionStar**, this means that the bullion banks are running out of inventory! There are a total of **14 ETFs** drawing on **physical silver** and this has finally exposed the fraud of **paper silver shares**. The day traders have turned their attention to the **tiny silver market** and the pressure remains. The **GME** shares collapsed to **\$99** and most have moved on. Not so with **SLV**. With a market cap of **\$17 billion** they have only seen a **5%** withdrawal. What does this mean? It means that **a train full of angry silver investors** are about to take down these funds. **Ronan Manly** has discovered that both **SLV** and **SIVR** have changed their Prospectus to reflect that they do not have the **silver**, and that they are *being harmed* because investors want "to intentionally increase prices" in silver. Ha! Imagine that. Investors have the gall to want some profits! This is from the **SIVR** (Aberdeen) Prospectus:

"As of the date of this prospectus, an online campaign intended to harm hedge funds and large banks is encouraging retail investors to purchase silver and shares of Silver ETPs to intentionally increase prices. This activity may result in temporarily high prices of silver...the Fund and other Silver ETPs are experiencing a sudden increase in demand of shares following an online campaign to harm hedge funds and large banks with substantial short exposures to silver."

You can't make this up. **Manly** adds this concluding remark. "Let the above sink in. You may need to read it a couple of times. For apart from showing panic about the effectiveness of the [day traders] we would wager that never in the history of Wall Street has the author of a Prospectus shown it's true colors more than the above." **Commenting** on SLV and SIVR, **Dave Kranzler** says, "That disclosure above – under no uncertain terms – reveals for all to see that the market price of silver is too low – that demand exceeds supply by a considerable amount." Indeed, and we are beginning to see widespread shortages of silver, rising premiums and long delays for silver now. **The war has finally begun.**



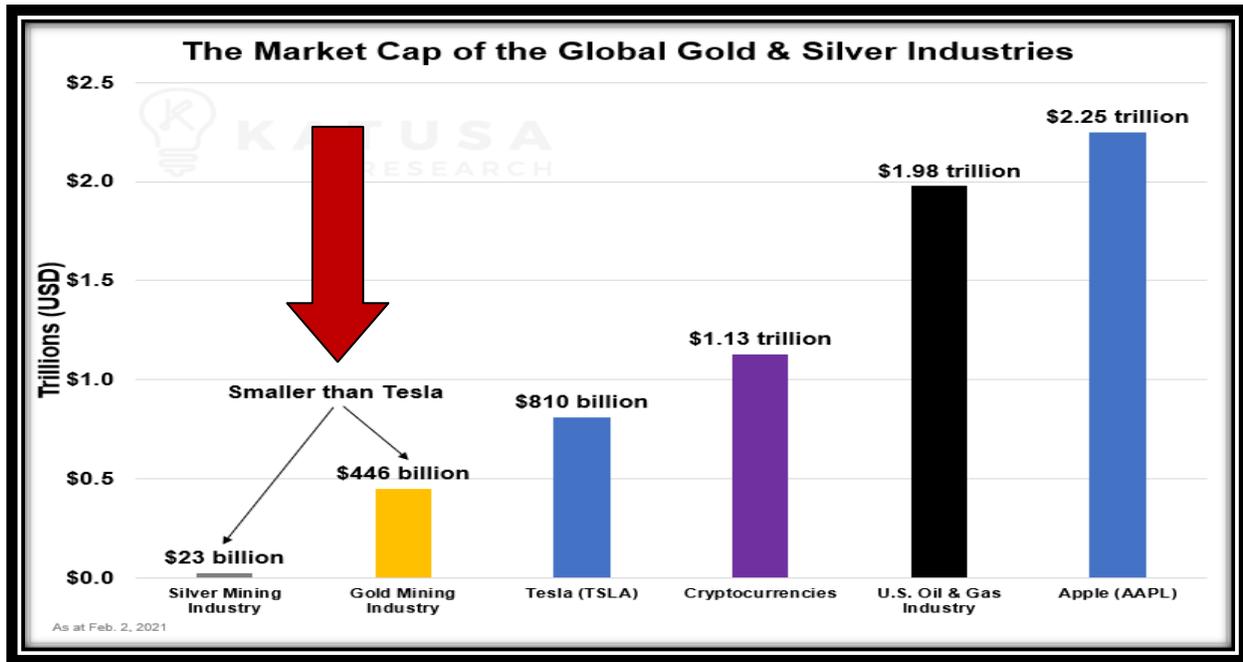
As most of you know, the main battlefield is at Crimex in NY. As I noted in my last newsletter, the banksters set up **Comex** in 1974 for the express purpose of suppressing the fake "price" of gold and silver. The commercial banks (like JP Morgan) *always short silver*, and the hedge funds have long futures contracts. Since 2011, **JP Morgan** has acquired a billion ounces of physical silver! **SIVR** uses their vault in London and they are also the custodian for the iShares **SLV** fund managed by **Blackrock**. **Blackrock** is the largest management firm in the world (\$9 trillion) and clears all the lending facilities for the **Fed**. According to the *Morgan Report*, **Blackrock** just sold a third of its **GLD** (ETF gold) and put most of it in **SLV** - what does that tell you? It tells you that silver is about to explode and the evil banksters are in trouble at **Crimex** with naked shorting. In this clip **Gammon** explains at 5:30 mark.

George Gammon: GME and How Silver is Being Shorted

I will comment more about this below in my concluding remarks. The criminal forces at **Crimex** are likely facing *delivery defaults* rather soon (March, May and July). It has been noted that the stock trading for **GME** was almost **\$90 billion**, and this is *THREE TIMES* the amount of **silver** mined each year! It will not take much to see the genuine price of silver reach historic highs. How high? As we shall see in a moment it could be **\$200**, **\$500** and even **\$1,000/oz.** This would necessarily be true when gold hits **\$10,000** or **\$20,000/oz.** (which many expect). **Ronan Manly** has suggested that adjusted for **CPI** and inflation silver should be **\$1,000/oz.** right now. **Craig Hemke** at Sprott recently said this:

The fight against the criminal forces that control the precious metal pricing scheme continues, and it is still far from over. However, if we can continue to apply pressure to the banks through physical metal acquisition, a forced deleverage is coming. When that finally happens, you can be certain that the price discovered through a system that is more based in physical reality will not be \$27 per ounce.

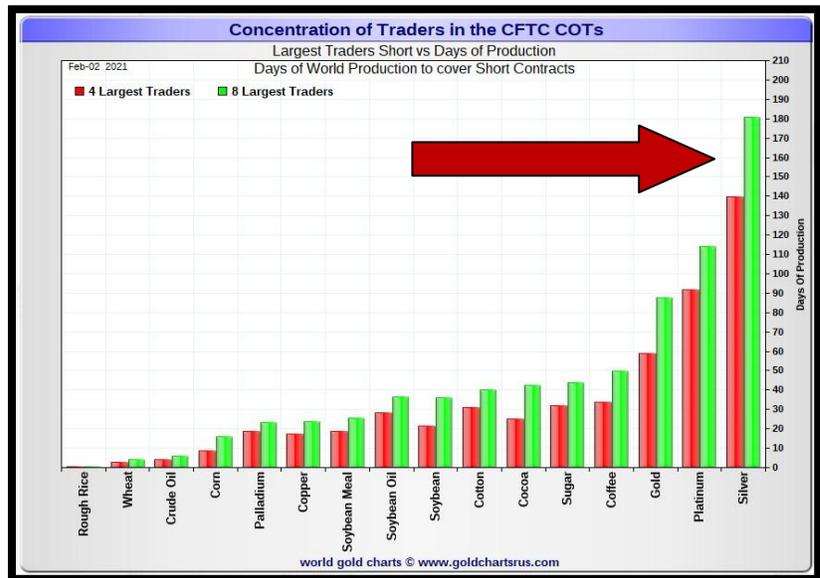
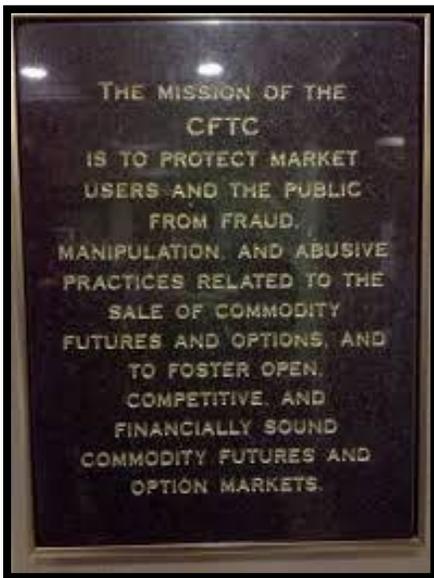
Silver: *Most Undervalued Asset in the World!*



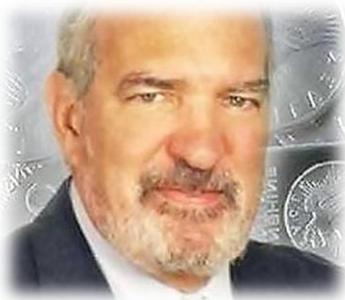
I mentioned how \$90 billion was just spent trading GME stock. This chart compares the market cap for the silver and gold mining industry with the market cap for other sectors. Pretty small huh? The total for cryptocurrency is **45-times** the tiny silver market not to mention **Apple** and the tech giants. In fact, according to the [Securities Industry and Financial Markets Association](#) the market cap for global stocks is now **\$95 trillion** and more than **\$100 trillion** for bonds. It is estimated that just **\$6 trillion** would buy *all* the available gold in the world and *less than* **\$30 billion** for silver. What if just **10% of \$200 trillion** diversifies into gold and silver? What if that trend is beginning now? It sure seems like it, and currently gold is finding support around **\$1765**, and it could move up quickly.



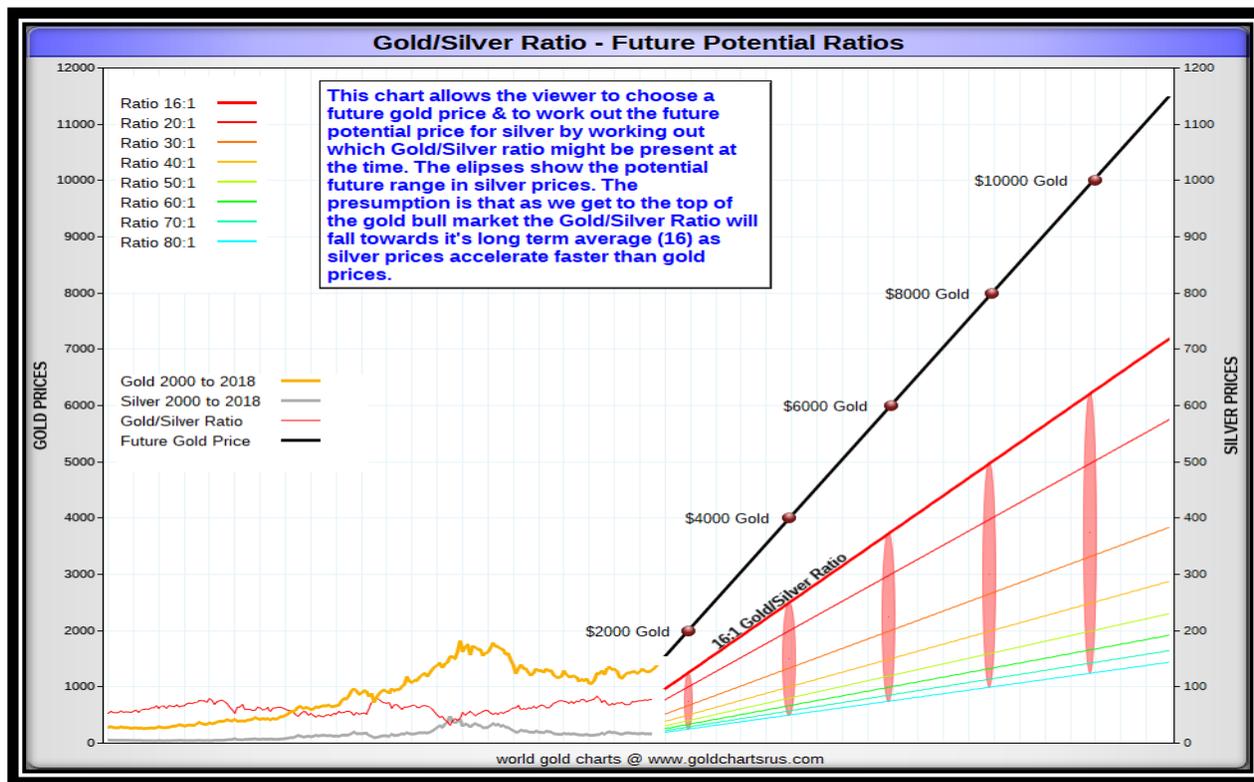
With so many asset classes rising it is very revealing that precious metals remain flat. In other words, with all of the central bank interventions, loose fiscal spending, asset bubbles, inflation and other **macro forces** you would think that **gold and silver** should be hitting record highs, right? The mere fact that **gold and silver** fail to catch a bid in these very uncertain times has exposed *for all to see* that the evil banksters operating at **Crimex** are getting desperate to suppress the fake "paper price" of metals. Just as the day traders exposed the **GME** shorts and hedge fund panic, we are seeing the same pressure being applied to the short positions at **Crimex**, and especially as it relates to **silver**! Below is **a chart of commodities** and *the small concentration* of traders (short) in the red and green lines. You will notice that silver is the MOST shorted asset in the world! Why is this? The global banksters have lots of **gold**, but very little **silver** and they have to cap the "price" by shorting in the futures market. This is really not a "market" since producers and investors are not represented - just a **shell game** being allowed to operate while the Commodity & Futures Trading Commission (CFTC) looks the other way.



As you can see, the phony mission statement above that allows for *manipulation and abusive practices* like the concentrated short on **silver**. It is not surprising that the **CFTC** is a captured regulator since it was created in the same year as **Crimex** in order to allow the above *fraud*. As **Ted Butler** has been reporting, **JP Morgan** has the largest short position, while they have accumulated a *billion ounces* of silver on the cheap (p. 5). How's that for gaming the system? In late January as the **SLV** shares were going up **Butler** said "they are borrowing or leasing the silver to deposit in **SLV** which is in effect *another short* since that silver must be paid back." In other words, this is an act of desperation. As I noted earlier, the bad actors at **Crimex** raised the margin requirements for all silver contracts in early **February**, and this is what caused the price of **silver** to drop. This seems to be their favorite trick.



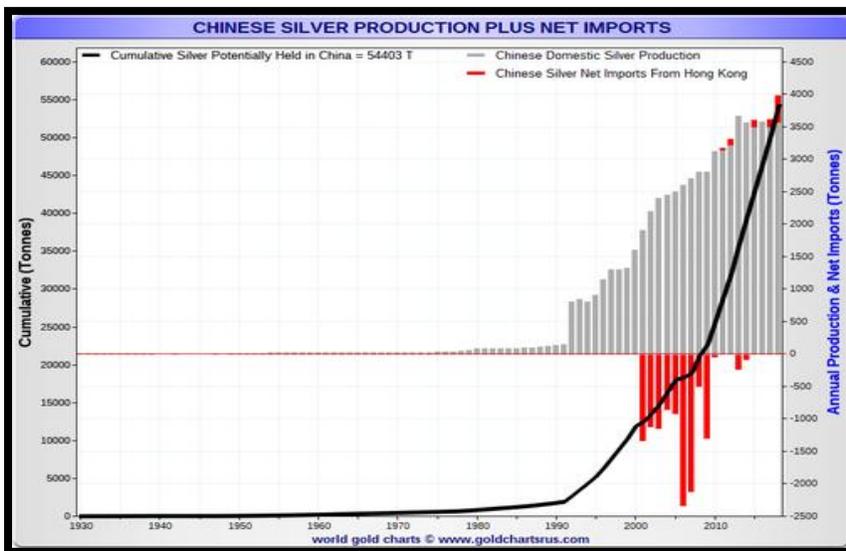
[In a more recent article, Butler asks this important question](#). "What's the motivation of the **4 big COMEX shorts**? They are in a fight for their financial lives. They added with reckless abandon to their manipulative short positions this week in a desperate attempt to stem the tide of surging silver prices. They are much like an individual maxing out his credit cards in a desperate attempt to stay solvent. The big shorts deserve *no sympathy* because they have been engaged in illegal and manipulative practices for decades and they have hurt all too many unsuspecting investors." Read more [HERE](#). I know it's been *frustrating as hell* to watch all of the collusion, rigging, fraud and fakery by these criminal actors for so long, but forces are coming against them. As **Butler** has stated many times, the only reason **JP Morgan** has a ton of **silver** is *to profit* when "genuine price discovery" for silver will be based on actual physical reality. And what might that reality look like? Just look at this chart.



[I found this chart in my research at THIS LINK](#). The current **silver/gold ratio** is **65:1**, and **16:1** is a more historical ratio. Both **gold and silver** are *undervalued* when you adjust for inflation and normal factors. As I mentioned in my [LAST](#) newsletter, in early **2019**, the **BIS** in Switzerland adopted the **Basel III Accord** that mandated that central banks acquire **gold** to stabilize the monetary system. That deadline was **March**, but has been extended to **June 2021** - listen to more [HERE](#). Regardless, they want a low "price" for **gold** before it floats, or is *repriced* to **\$10,000** or **\$20,000/oz.** during a monetary reset (to restructure global debt). And how scarce is gold? According to the **World Gold Council**, all of the **gold** today would fit into **75-foot** square cube (190,000 tonnes). **This chart** assumes that **gold** will be **\$10,000/oz.**, and that would *reprice* **silver** to anywhere from **\$200** to **\$700/oz.** My target price is around **\$300/oz.** I have often referred to the book, *The Big Reset* by **Wm. Middlekoop**. In this great interview (at 12 min) he explains how **gold** will be a component in a new monetary system (using the **IMF Special Drawing Right**). **Jim Rickards**, and many others, see a much higher **gold price** coming, which I also cover in my book. I see this reset/reckoning coming sooner than **2022**.

[Willem Middlekoop: The Big Reset, SDR & Gold Component](#)

Another message we are getting from the banksters is that they don't like cryptocurrencies. This certainly comes as no surprise. According to [THIS LINK](#), the head of the **BIS** this month has joined **Janet Yellen** in promoting a Central Bank Digital Currency (CBDC) and warning about the dangers of **Bitcoin** and other cryptos. Why are they doing this? In the link above, it is to scare people away from any alternative to the world of **central banking**, just as they have been doing to discourage any interest in **gold and silver** since the creation of **Crimex** in **1974**, right? **CBDC** is still a fiat currency scheme and heavily centralized (unlike **BTC**). Ever since **Nixon** decoupled gold from the **US dollar** in **1971** we have had massive devaluation. In **1980**, when the **Hunt brothers** cornered the silver market up to **\$50/oz.** they said "almost anything is better than paper money. Any fool can run a printing press." For a good illustration, look at this stunning photo from **Caracas** - *that is paper money in the gutters!*



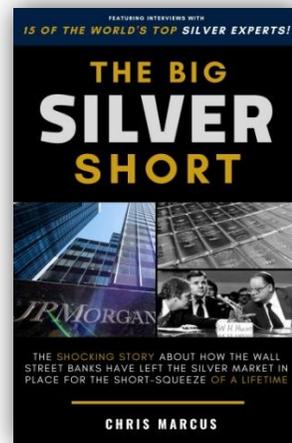
China is bullish on silver. In 2019, the **Shanghai Gold Exchange (SGE)** launched a benchmark for trading **silver**. Since **1980**, **China** has become the number one producer and importer of gold, and now they are piling into **silver**. **Gold and silver** is shifting to the East (including **India**). Supplies at **LBMA** and **Crimex** are being drained while demand is up. Today (2/26) saw **gold** clubbed like a baby seal. **Why?** It was a contract delivery date for **gold**. Next contract delivery date for gold will be late **April**. In the meantime, the silver contract delivery date for **silver** is **March 26th**. This is important because the **March** contract is the biggest in history at over **60,000**, and the **May** contract for silver futures is now **96,432** contracts! For some perspective, the previous record was a mere **17,294** in **July of 2020**. Could this lead to a *delivery default* at **Crimex**? Yes, but they can raise margin requirements to spook people. As **Butler** says, they know that they are cornered. They are not releasing **1,000 oz. bars** at all, and my vender of **40 years** says this has never happened before. Of course, the villain in all of this is **JP Morgan**. And I invite you to watch this **hilarious 4-min clip** from the Reddit website:

JP Morgan/Hitler Clip: Downfall of the Silver Cabal!

I hope you watched this for some levity in these chaotic times. Remember, this is from the **day traders** favorite site - *they really get it!* And finally, a veteran who really gets it is **Ed Steer**, as I indicated. This is a fine overview of all I have shared in this newsletter. At the **11-min mark** he clearly states that **the banksters suppress metals** because they are trying to protect "the fiat paper currency system" and this has become all too apparent since **Nixon** floated the **US dollar** in **1971**. This is a must listen:

Ed Steer: The Silver Price About to Blow Sky High!

Summary & Conclusion. In the above **29-minute clip** by **Ed Steer**, he puts things into proper perspective, and how **the monetary system** is only based on **confidence**. **Silver** is the *most shorted asset* in the world with tremendous upside potential. I don't often promote other books, but this one by **Chris Marcus** is excellent, and I invite you to [CLICK HERE](#) to get the **book** or audio version. As we have seen this month, the **GME** stock trade has *exposed* the hedge funds. The **silver ETFs** have *exposed* the bullion banksters. They smashed **silver 25 days ago**, but that train load of angry silver investors are still coming! Folks, I have waited **30 years** to see this day coming, and I hope you can appreciate the moment that we are living in. Forget the daily price of **silver!** **It is meaningless!** What really matters is having physical possession of silver **NOW**. This is not a sales pitch. I am trying to protect you. Silver is in what they call **backwardation** right now. This has only occurred **three (3)** times in the past decade! At [THIS LINK](#) it means "that physical supply is constrained in the short run" and that entities are willing to pay more to get physical **NOW**. Get it? The big silver short is failing. At some point **silver** will become the mysterious property called "**unobtainium**" in the [Avatar movie](#). In other words, the most scarce, shorted and undervalued asset on planet earth will soon become unobtainable.



Concluding. This is the shortest newsletter I have written in **ten years**. I usually cover a few topics in the news cycle, but the **coming silver explosion** is necessarily our focus. If you are a frustrated **silver** investor I urge you to stay the course. As legendary silver guru **Ted Butler** has stated recently, "When **silver** goes off, *it will be like an atom bomb on a hydrogen bomb on a neutron bomb.*" Supporting that view is the one-and-only **London** metals trader **Andrew Maguire** who now predicts that **silver** could even reach **\$2,500/oz.** based on his research - check it out [HERE](#). The war has begun. The banksters are fighting for their lives. If you think that **BTC** is a flash in the pan going from \$50 to \$50,000, you have not seen anything yet for **silver**. In the end, this is all about **moral hazard** and the love of money as I mentioned earlier (p. 4). Our capital markets are corrupt because we are corrupt as a nation. **Jesus** said, "Guard against every form of **greed**, for not even when one has an abundance does his life consist of his possessions" (Lk. 12:15). In other words, we need a **biblical worldview** to be a better people, and I would invite you to learn more at [THIS LINK](#). **Jesus** was betrayed for "**30 pieces of silver**" and **He** died for our sins (Jn. 3:16). If we have faith in **Him**, we can walk on **streets of gold** someday (Rev. 21:18). In the end, that is our best retirement plan, and I pray that you take that to heart.

Until Next Time, Your Messenger from Pinetop 🙏

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