
February 28, 2024 – JPMorgan – From Accumulator to Silver Dumper

An objective analysis of the public data points to JPMorgan, the most important bank in the US, first having accumulated the largest stockpile of physical silver in modern times (an amount I have estimated to exceed one billion oz) from 2011 to 2020, has now turned into a dumper of that accumulated physical silver over the past few years. It is this illegal dumping (along with continued price manipulation in COMEX futures) that accounts for silver's continued price suppression despite compelling evidence of a deepening physical shortage.

While I have filed recent complaints with the US Department of Justice about what I allege are JPMorgan's illegal dumping of silver (as well as its sending of false price signals through the double-counting of recorded silver inventories), there can be no assurance that the DOJ will pursue the matter, or even if it does, would be able to acknowledge the existence of any investigation.

Since the origins of my allegations of wrongdoing by JPMorgan go back nearly 15 years, from shortly after it acquired Bear Stearns in 2008, to the present, let me try to condense what has been nothing short of what is the most epic segment in the history of a metal that dates back at least 5000 years. And please know that I have sent to JPMorgan, along with key officials at the CFTC, the federal commodities regulator, every one of the more than 1500 articles I have written about JPMorgan and silver over the past near-15 years – with never a rebuttal or acknowledgement of any kind, but with no undelivered notices. Let me try and condense this as concisely as possible.

When JPMorgan took over Bear Stearns in March 2008 (through circumstances that may have not been completely innocent), it automatically inherited the massive short position in COMEX silver futures (along with gold futures) held by Bear Stearns that amounted to more than 40,000 contracts (200 million oz). The \$5 run up in silver prices from Dec 31, 2007 to the mid-March 2008, cost Bear Stearns one billion dollars (plus a similar amount in gold) and still, to this day, looks to me as the most direct cause of Bear Stearns's sudden demise. Having inherited Bear Stearns's massive short position at the top of silver and gold prices in March 2008, JPMorgan quickly arranged for prices to then plunge dramatically into year-end. Moreover, JPM went on to add silver and gold short COMEX futures contracts whenever prices rose, before then rigging prices lower and buying back those added short positions profitably for the next few years.

But then, into early 2011, a temporary physical silver shortage developed (mostly due to buying in SLV and other silver ETFs) and prices rose to nearly \$50 by May 1, catching JPMorgan completely flat-footed and looking at a couple of billion dollars' worth of losses on its COMEX silver short position. It was at the point, that I believe that JPM first realized the true physical supply/demand situation in silver and set out to acquire as much physical silver (and gold) as it could – while remaining short COMEX futures. I still believe JPMorgan first conceived of its physical metal accumulation as a protection from getting caught short as it did in early 2011, but after accumulating enough physical silver to protect its shorts by 2013, it went on to increase its then-300 million oz physical silver holdings to more than a billion oz by the year 2020. Please know that JPM's physical accumulation of silver, while being the largest short seller in COMEX futures was, perhaps, the single most illegal act ever witnessed in commodities trading history. I'm sure there are hundreds of articles that I've written detailing JPMorgan's continued illegal accumulation of physical silver over the years and if it were not for my disclosures, I am quite certain that no one would suspect that JPM had accumulated a

billion oz of physical silver.

Whether it had anything to do with the complaint I made to the FBI in early 2018 about JPMorgan's continued manipulation of silver prices and illegal accumulation of physical metal or not, the Justice Dept brought charges against JPMorgan in late-2018 for spoofing, that eventually led to the historic three-year deferred criminal prosecution in September 2022 (and \$920 million fine) against JPM and which has subsequently expired. I was and still am disappointed that the DOJ confined the charges against JPMorgan to spoofing and the sending of false price signals, while overlooking the much more serious acts of price suppression and illegal accumulation of physical metal, but at least I have been able to allege now that JPM is continuing to send false price signals with its silver inventory double-counting.

OK, that brings us to my current allegations that JPMorgan is now dumping much of the physical silver it had accumulated thru 2020. At first, it appeared that JPMorgan gave up a big chunk of its silver with the OTC derivatives transaction with the dummies at Bank of America starting in 2020, but I would like to put this on fast-forward and outline the means by which JPMorgan is now using to illegally dump physical silver on the market to frustrate the law of supply and demand. Since we are now in a documented physical silver shortage, manipulative paper positioning on the COMEX is no longer sufficient, on its own, to continue to suppress the price of silver. It is now also required that enough physical silver be dumped on the market (uneconomically) to prevent the deepening physical shortage from impacting prices. The only question is the means by which the physical silver is being dumped.

As I've written recently, there have been a series of highly-counterintuitive one-day large metal deposits into SLV, the big silver ETF, starting last September and continuing to as recently as last night, when more than 5 million oz were deposited. All told, some 55 million oz have been deposited into SLV in these mostly one-day affairs since mid-September, a rate of around 10 million oz per month. After the large sudden deposits were made, the metal was then drained off and left the trust to the various points needed most. So let me first state the obvious, namely, that 10 million oz per month is a reasonable guesstimate of the actual physical shortfall between current silver demand and supply and that without the 10 million oz being suddenly deposited into SLV monthly, the whole ongoing fraud and scam of the 40-year COMEX silver price suppression would blow up.

I can't help but allege that it is JPMorgan behind the ongoing illegal dumping of physical silver by the means of the big one-day deposits for the simple reason that it is the official custodian of SLV and in the catbird's seat for doing such a thing and is the only entity that could possibly have enough physical silver to fill such a role, given its decade-old illegal accumulation of physical silver.

I was asked (as I also ask myself continuously) what is the motivation behind JPMorgan's suppressing the price of silver by illegally dumping physical metal to this point? The answer is that I simply do not know. I'm a basic, nuts and bolts commodity supply/demand guy, interested in analyzing the facts and data that can be documented in order to come up with the proper narrative and most reasonable explanation for what's going on. My mind is not driven to wild and unproven conspiracy theories. That said, considering my own personal experience in past Department of Justice dealings with JPMorgan and silver and the ongoing COMEX silver manipulation, I can't rule out some type of inappropriate involvement although I can assure you that I pray that is not the case.

The important question is not the motivation of JPMorgan in dumping physical silver via the SLV, but whether the existing evidence supports my allegations. If I didn't think the evidence fully

supported what I'm alleging, I would not write any of this. Even more compelling is trying to take the same facts and data to come up with a plausible alternative explanation. I don't think that's possible.

If there was the allegation of illegal dumping by anyone in any item, be it steel or any another commodity or manufactured good, the producers of the item who were being harmed by the dumping would scream their heads off and demand official intervention, as proscribed by law. Unfortunately, I don't sense the silver producers are up to requesting such an official intervention, so aside from complaining myself, both to the authorities and making those complaints public, I'm not sure what else I can do. Hopefully, the authorities I have complained to will react in a responsible manner. Lord knows, it all sure seems quite obvious to me.

Turning to other developments, the new short report on securities released last night indicated an increase in the short position of SLV, of around 2.5 million shares to just over 15.1 million shares (13.8 million oz) as of the close of trading Feb 15. While I always cringe whenever the short position on SLV increases, the fact remains this is still the second lowest short position over the past six months and represents 3.2% of total shares outstanding. It's not my intent to minimize the short position on SLV in any way, but considering the new short position is still 75% lower than the peak of 60 million shares in Aug 2022, the time of my last of several complaints to the S.E.C., neither can I complain it is still too high. Now, if I can only get the DOJ to address JPMorgan's illegal dumping of silver and continuing to send false price signals through inventory double-counting, I'll be a happy man.

<https://www.wsj.com/market-data/quotes/etf/SLV>

That said, there's not much to be happy about with the recent price action in silver, where the collusive COMEX commercial crooks continue to rig prices lower. Yes, it is still a wonder how the managed money traders can continue to allow themselves to be so-totally raped and pillaged (financially) by the commercials, but that's a very old story. No doubt, we should see an improvement (managed money selling and commercial buying) in Friday's new COT report in silver, since prices made new lows in each of the reporting week's trading days (although the switch to May from March confused things a bit). Gold, on the other hand, performed much better over the reporting week, hardly a surprise based upon recent considerations, but making expectations for an improvement in market structure difficult.

Yes, I am quite mindful of my recent pronouncements of being locked and loaded for an upside price explosion in silver and the near opposite continuing lack of same. Maybe I'm just being stubborn in persisting to believe we are close to an important upside price event in silver, but the documented facts point to JPMorgan as illegally dumping physical silver in the manner described above and I'm still waiting for an answer from the CFTC to the question of inventory double-counting's inventories, I might add, that are under the direct control of you-know-who. If all this wasn't spelled out in the continuing flow of documented data, there's no way I could invent or make any of this up.

(On a housekeeping note, I'm switching from March to May for closing silver prices, given tomorrow's first notice of delivery day and which adds around 22 cents to the price)

Ted Butler

February 28, 2024

Silver – \$22.60 (200-day ma – \$23.46, 50-day ma – \$23.22, 100-day ma – \$23.22)

Gold – \$2041 (200-day ma – \$1980, 50-day ma – \$2041, 100-day ma – \$2014)

Date Created
2024/02/28