

Jan. 26, 2010 – Simply Outrageous

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The manipulative take-down of silver this morning and for the past week is simply outrageous. Never, in my 35 years of market observation, have I witnessed a more blatant manipulation. Make no mistake this deliberate sell-off is the handiwork of JPMorgan. This sell-off would not be possible were it not for their large concentrated short position. More upsetting is the apparent complicity of the CFTC in allowing the illegal manipulation of the silver market. The CFTC's probable involvement undermines the very concept of market integrity. I've had it with these people.

Do I feel like a fool for trying to take the high road and thanking them for recently addressing the silver position limit issue and asking you to do the same? Absolutely. Will I ever make that mistake again? No. Never in history has a market regulator received more complaints and comments from the public than the thousands of comments cumulatively sent to the Commission about the silver manipulation over the past year or so. Never has a regulator been more unresponsive. In spite of an alleged active silver investigation by the Enforcement Division, plus hundreds of complaints to their Inspector General about an obvious public lie in a major silver report, the CFTC lives in a world oblivious to what's occurring right in front of them. They can't, or won't answer simple questions.

Previously, I had been torn between whether the CFTC was incompetent or complicit in the silver manipulation. In light of recent developments, I've reached the conclusion that no one could be this incompetent. I do plan to follow and participate in the process of trying to establish legitimate position limits in silver, but it's starting to look like that might be a stacked deck. I, for one, don't intend to be fooled again.

There are a couple of great ironies here. The CFTC is set to announce, perhaps as early as today, the details for how to publicly comment on the issue of position limits. This on a day of the most glaring lesson for what a large concentrated position can mean for a market. A giant short crook is running amuck in the silver market today and the Commission is willing to receive public comments over the next three months. Marvelous.

The other great irony is that yesterday the US Mint updated its sales of bullion coins for the month of January to date.

[http://www.usmint.gov/mint\\_programs/american\\_eagles/index.cfm?action=sales&year=2010](http://www.usmint.gov/mint_programs/american_eagles/index.cfm?action=sales&year=2010)

Silver Eagle sales totaled, so far, almost 3.6 million ounces, the most in 23 years. Putting this figure into perspective, it is more silver than the US mined for the month. More Silver Eagles were sold this month than the entire year 1996, and almost as much as what were sold for the entire years of 1997 and 1998, respectively. That silver was taken down so brutally today and this week in spite of obvious investment demand indicates that prices are being set on the COMEX. The COMEX takedown is all about JPMorgan and other large commercials tricking the tech funds into selling, with no regard to what's occurring in the real world of silver supply and demand. I'd like to see the Commission, or anyone, try to explain how the action on the COMEX was true price discovery and not price setting.

However, it's important to put this latest silver rig job into perspective. While this has all the earmarks of JPMorgan trying to close out as many of its short positions as possible (they don't seem to care how obvious it is), when they are done they are unlikely to short again, paving the way for a price explosion.

I can tell you that this crooked game is coming to a head. The pain of this sell-off will soon be a memory. What I suggest you do in the interim is accumulate as much silver as possible and please feel free to give the CFTC a piece of your mind for their dereliction of duty. When this thing is resolved, your comments to them will prevent them from revising their historical role in this silver crime.

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Jan. 26, 2010

**Date Created**

2010/01/26