

## June 24, 2020 – The Final Chapter

All things, both good and evil, come to an end. So it will be with the great silver price manipulation, which I date as having existed, in its COMEX-orchestrated version from 1983. Before that, of course, silver prices were never truly free, mostly as a result of some type of government interference. The US Government both supported and then depressed the price of silver for a hundred years prior to 1983, first by amassing more than 5 billion ounces and then by disposing of same.

As the US Government ran out of silver at the turn of the century, the COMEX-induced price manipulation took over by means of concentrated short selling by a small number of revolving banks and financial firms. The vital role of lead short seller varied among a number of firms that saw the baton passed from Drexel Burnham Trading, to AIG Trading and to Bear Stearns (all of which failed financially), until finally it was passed to JPMorgan in 2008.

JPMorgan proved to be the most successful COMEX silver (and gold) lead short manipulator over the past 37 years, not only in terms of how much it made in COMEX trading for the past 12 years (\$billions), but in that it finally solved the previously impossible problem of exiting its dominant short position profitably. Had Bear Stearns solved this problem, it would still be around today.

JPMorgan's brilliant (but criminal) solution was to use its dominance and ability to suppress silver and gold prices through aggressive short selling on the COMEX, to amass legendary quantities of physical gold and silver at depressed prices. It doesn't matter how large a paper derivatives short position may be, if you own physical quantities in excess of your short position, you are net long.

It took JPMorgan 9 years (since 2011) to accumulate its massive physical metals stash, which I estimate at 25 million gold ounces and one billion silver ounces at prices averaging \$1200 and \$18 respectively. At current prices, JPMorgan is already ahead close to \$15 billion on its gold stash and close to even on silver, while the other big COMEX shorts which it double crossed are holding more than \$8 billion in realized and unrealized losses. Even if the game ended here, it would rank as one of the greatest double crosses of all-time. But it's much closer to the truth to say the game is just getting underway. The last chapter of the great silver (and gold) manipulation is about to unfold.

Up front, there's no way of knowing if the last chapter is going to drag out or conclude quickly, but that's just the nature of the beast – like things moving gradually and then suddenly. All the signs point to a fitting conclusion, no matter how it plays out precisely. After decades of nothing but profits or, at worst, break evens after amassing large concentrated short positions in COMEX gold and silver futures, the big shorts (ex-JPM) have been trapped for the past year in short positions that have gone against them in gold in dollar amounts much greater than all the cumulative profits they achieved over more than 35 years. The losses haven't amounted to much in silver to this point, but the short position still exists with no apparent means for an easy exit.

JPMorgan is in such a superior position that it, alone, will decide how this last chapter gets written. It has been said that he who holds the gold makes the rules, but as it turns out, that's even more applicable to silver. Simply put, JPM's billion ounce physical silver stash makes it the sole decider of price. Certainly, there can't be any question that the tremendous flow of physical silver into SLV and other silver ETFs over the past three months, coupled with the fact that prices have barely budged should prove conclusively that the metal has come from JPMorgan. The only question is the method

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and motivation behind JPMorgan's supplying of the physical silver to the ETFs.

Some have raised the possibility that the US Justice Department, in the course of its ongoing criminal investigation into precious metals manipulation and JPMorgan, may have ordered the bank to dispose of its vast physical silver holdings. I suppose this is possible (and would certainly confirm my allegations about how crooked an operator is JPMorgan), but raises many questions not easily answered — like why would the DOJ allow silver to be dumped at depressed prices and not do the same in gold (where JPM is ahead billions of dollars)? And how fair would it be for the Justice Department not to seek redress from JPMorgan for the damage it caused over the past 12 years by suppressing prices?

A subscriber raised a point I hadn't thought about in my search for an alternative explanation for my take that it was JPM leasing silver from its accumulated stash that accounted for the massive inflows into SLV and other silver ETFs without any corresponding upward effect on price. Joachim suggested something having to do with the buying of the shares of SLV and other silver ETFs that at first I found even more diabolical than anything I might come up with, but after consideration, didn't sound as extreme as I first thought.

Joachim wondered if it could be JPMorgan itself buying the shares of SLV and other silver ETFs. My immediate reaction was no way, as that would be even too much of a stretch for the bank I consider the most corrupt in the world (OK, OK, maybe there are more corrupt banks somewhere). My knee-jerk rejection to the idea had to do with JPM having to lie to the SEC about ownership reporting requirements. I have this mindset, ever since Al Capone went to jail for tax evasion and not murder and other serious crimes, that criminals behave criminally, but stick to certain boundaries. It struck me as extreme that JPMorgan would lie on stock ownership reporting requirements. But in thinking it over, Joachim's suggestion wasn't so farfetched at all.

Everyone has friends and family, even criminals like JPMorgan. Therefore, it dawned on me that if 5 or 10 chosen friends of JPM were quietly encouraged to buy up to 4% or so of SLV and other silver ETFs to stay below the 5% threshold of the SEC for share ownership reporting, quite a bit of silver could be bought with no one the wiser. If someone wanted to buy 20 million shares/ounces in SLV, for instance, there would be no ownership requirements, since total shares outstanding for SLV are 500 million shares/ounces. Five separate friends could buy 100 million shares/ounces with no SEC reporting required. Double that if you wanted to include all silver ETFs, currently holding close to a billion oz (including SLV).

Why would JPMorgan encourage a favored few close to it to acquire big chunks of silver via the ETFs? If anyone knows that silver is bound to explode in price, it has to be JPMorgan, otherwise it would have never accumulated a billion ounces for itself. Those who were clued in by JPM to pick up silver would, undoubtedly, be indebted to it should silver perform as expected, giving the bank not only big profits on its own massive silver holdings, but in line to receive future favors from those clued in — making silver the gift that kept on giving. But wait, there's more.

There's still the matter of where all the silver is coming from to satisfy the documented buying and physical silver being deposited into SLV and the other silver ETFs. As you know, I claim it is coming from JPMorgan which is leasing out the silver being borrowed by other banks and then sold to the ETFs. So, if JPMorgan is quietly cluing in a few of its friends and family to partake in the investment opportunity of buying silver and then turning around and enabling those friends to buy silver at

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depressed prices because JPM is lending some of its own metal to unrelated and very much unfriendly banks to benefit JPM's friends, then you are talking about one whale of a sophisticated double cross.

There are not many outfits capable of even thinking up such a sophisticated undertaking. But then again, such a thing has been pulled off by the criminal geniuses at JPMorgan previously. Who else could have conceived and then executed the most criminally genius move ever, namely, being the largest COMEX silver (and gold) short seller for years and all the while using the depressed prices caused by that excessive short selling to pick up mountains of physical metal at the very same time? Nothing, it would seem could top that feat, but this new one comes close.

Not only is JPMorgan not giving up real ownership to the silver it is lending to other banks and, therefore, keeping all the upside, it has forced the other banks into a deeper short selling hole, as previously outlined. Now I'm adding another benefit to JPM - it is also bestowing a tremendous financial favor to those friends and family it may be encouraging to buy silver. Come to think of it, JPMorgan is the only one capable of such underhanded financial alchemy. Talk about a win, win - JPM wins, as does its friends, and its borrowing and short selling competitors lose - what could be better?

Turning to today's sudden blast to the downside, a number of things come to mind. Please remember, I am commenting on this Wednesday morning and have no idea what the price landscape will look like when I send this out later. First off, after what has had to have been hundreds of similar sudden and sharp selloffs over the years and decades, no one should be confused about this being strictly a COMEX-orchestrated affair. There's no other possible explanation that the price takedown was anything other than a COMEX paper-generated operation - just one of a vast series of mini-price manipulations, within the master manipulation that has existed for decades.

But today's downward price blast, particularly in silver, is in keeping with my final chapter premise. Lately, I've been impressed with the great number of recent bullish commentaries on silver, concerning all manner of reasons to be bullish, ranging from sharp falloffs in mine production to surging retail and wholesale investment demand. While virtually all the articles make a convincing case for why silver should climb in price in the future and take note of its incredibly cheap price, at the same time, most seem to lack a critical feature, namely, a cogent explanation for why the price of silver is so cheap to start with,

It seems to me that if anyone is going to make the case that silver is cheap and a good investment buy based upon blatantly bullish supply/demand considerations, then there is an implicit responsibility to explain why the price is so cheap to begin with. In fact, I would go so far as to say such an explanation is required - otherwise, is the reader supposed to assume that the author of the particular article is the only one who sees the bullish claims made about silver? Of course, since there aren't any legitimate reasons for silver to be as cheap as it is, any reason explaining its cheapness must then veer into the illegitimate realm, namely, price manipulation. Since there are still quite a few not prepared to even admit that the price of silver might be manipulated and artificially depressed, the reader is left hanging. That stinks.

I'm left with the impression that today's sudden blast to the downside in silver and gold is akin to the 8 big shorts' growing desperation at their predicament. On Saturday, I mentioned next Tuesday's looming end to the second quarter and first half as putting pressure on the big shorts to

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get gold and silver prices sharply lower to minimize any marked-to-market losses required before then. Therefore, time would appear to be running out.

Today's selloff brought another analogy to mind. The big shorts, appearing to have their backs up against the wall and with the game and season at stake, have arranged and stiffened for a goal-line stand in an attempt to salvage things. Let's face it, if the big shorts throw in the towel, then the game is over for sure and prices explode, further crushing the shorts. Of course, the big shorts have fared so poorly over the past year in gold that even if they dig in and hold back prices here, whether that will matter much in the end is debatable. Along with the final chapter being at hand, there can be little question that the typical wash, rinse and repeat COMEX price game has changed over the past year for the first time ever.

As far as what to expect in Friday's new Commitments of Traders (COT) report, sharply higher prices over the reporting week as well as sharp increases in total open interest, particularly in gold, would seem to suggest heavy managed money and other speculative buying and commercial selling. On the surface, it would appear that not only have the big commercial shorts dug in at the goal line, but have doubled down in doing so. Of great interest, of course, will be the role of the master manipulator, JPMorgan.

Gold prices rose by more than \$50 over the reporting week and total open interest increased by 42,500 contracts, while silver prices rose by as much as 50 cents, with total open interest increasing by just over 9000 contracts. It's hard to imagine net selling by the commercials as having increased by as much as the raw increases in total open interest at this point, but unless there was some unusual spread open interest increase, that's the odds on expectation. If we do see the commercial concentrated short selling increases suggested by the open interest data, then shame on the CFTC for allowing more fuel to be thrown on the developing manipulative bonfire.

As far as the financial standing of the 8 big shorts, while today's sudden selloff brought significant relief from the new price highs going into this morning, it did not extend from Friday's close. Despite the commercials' success in keeping prices pinned down throughout the day, gold prices still finished higher than Friday's close, with silver only marginally lower from Friday's close. At publication time, the total combined realized and still open losses to the 8 big shorts in gold and silver rose by \$300 million to \$8.6 billion. At times those losses were well above \$9 billion.

Here's an interview I did over the weekend with Bill Holter and Jim Sinclair and friends.

[https://www.youtube.com/watch?v=UnGHIFANw-E&feature=emb\\_logo](https://www.youtube.com/watch?v=UnGHIFANw-E&feature=emb_logo)

Ted Butler

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Silver – \$17.60 (200 day ma – \$17.00, 50 day ma – \$16.70)

Gold – \$1775 (200 day ma – \$1587, 50 day ma – \$1727)

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