

May 5, 2010 – The Bums' Rush

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The price of silver has collapsed almost \$2 in little more than 24 hours. I won't say I expected it (because I didn't), but that doesn't mean there is no easy explanation. Not only is the explanation obvious, it is the same explanation for every sharp sell-off over the past 25 years. The big commercials ripped the rug out from under speculative traders on the COMEX, including technical funds and other margined longs and especially margined gold/silver spread traders.

This time, like many times in the past, there was a convenient cover story of general commodity price weakness and dollar strength. But please don't be fooled by that, as this was the bum's rush on the part of the crooked commercials on the COMEX to induce paper long liquidation. In my opinion, this was a very urgent forced liquidation because things may be afoot that may expose the silver manipulation.

Just this morning, reading the newspapers and sort of watching CNBC in the background, I just about spit out my coffee when I heard Joe Kernan and Jim Rickards discussing a topic I write about often – JPMorgan, the silver manipulation and the regulators. That discussion starts at the 3:30 mark.

http://kingworldnews.com/kingworldnews/KWN_DailyWeb/Entries/2010/5/5_CNBC_Questions_R

Even though Kernan was his condescending self, it did not rattle Rickards, who matter-of-factly explained why the email exchange with my subscriber and the Justice Department was no minor thing. The issue came up because Kernan had, obviously, listened to the King World Interviews of this past weekend.

Having first identified JPMorgan as the big silver short, back in 2008, I have to say I was thunderstruck that this issue was being discussed on national TV. My conclusion is that this recent silver smack down is related to the growing awareness of what is a very big problem. The big commercial crooks are clearing the COMEX decks. I assure you that any objective analysis of the facts would lead any reasonable person to conclude that silver has been manipulated by the concentrated short position in COMEX silver and that once that manipulation is terminated, the price will soar. I remember writing at the outset of this year that the silver manipulation would end in 2010. I am still of that mind.

The volume in COMEX silver futures on this intentional takedown has been phenomenally high. This is what assures a speculative long clean out and improvement in the COT structure. My advice to subscribers is the same as always. Don't be tricked into selling any silver. Buy on this price weakness if you can. The COMEX commercial crooks won't be in control for much longer. I can't tell you the ultimate and precise price low, but it feels so close I can taste it.

Ted Butler

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