

Silver Will Make A Fool of Everyone



Astrologer's Fund
New York, NY
19 November 2019

Apologies

1. Silver does not really make fools of everyone.

People make fools of themselves.

Silver just gives them a sterling opportunities to do so.

2. Some people meanwhile get it right. They:

Invest based on knowledge and not beliefs

Invest in an unbiased, dispassionate fashion, and

Have access to honest, accurate information, statistics, and analysis.

A Tale Of Two Billionaires

Billionaire No. 1

Self-made fortune, east coast real estate.

Liberal, Democrat, Immigrant/Refugee

Bought gold and silver in the 1990s.

Bought more in 2004.

Bought more in 2008.

Bought puts on his metal in 2011, paid for them with call spreads.

Sold the puts back in 2014, reducing his effective acquisition cost virtually to zero.

Billionaire No. 2

Quasi-self-made, west coast real estate.

Inherited wealth from father whose family had bought government subsidized land.

Conservative, Republican, Alcoholic.

Bought silver 2004 around \$10.

Did not buy puts or sell at \$50 in 2011; did not capitalize profits.

Owens silver around \$17 today.

“It will go to \$200.”

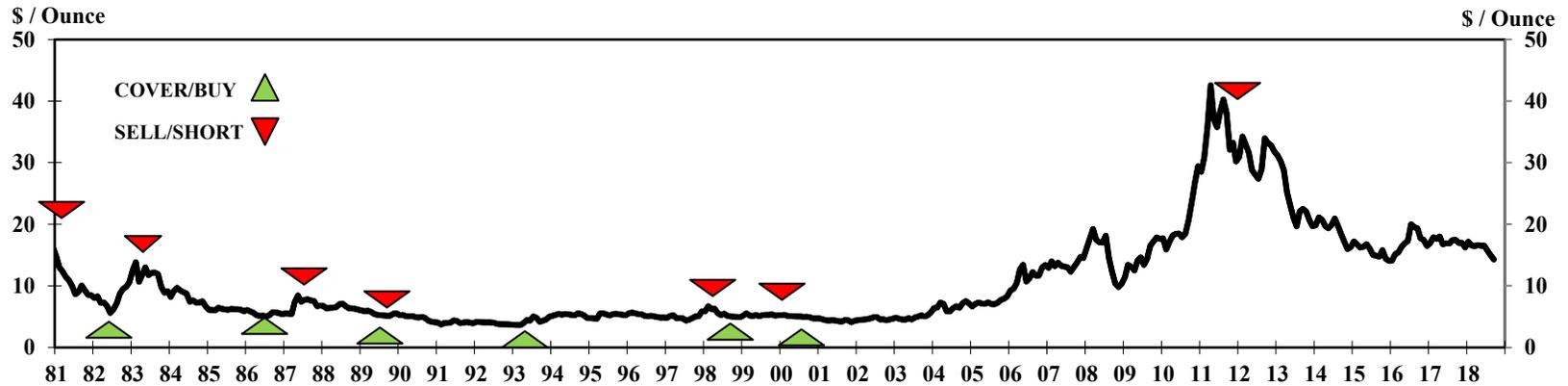
The Hunt's Silver Legacy

1980	The Hunt Brothers Nelson Bunker Hunt and Herbert Hunt ~ 65 million ounces of physical silver
1985	Investor No. 2 New York liberal billionaire ~ 38 million ounces
~1992	Investor No. 3 Tech billionaire
~1995	Phibro, Solomon Brothers
1997	Berkshire Hathaway
~2005	Investor No. 3

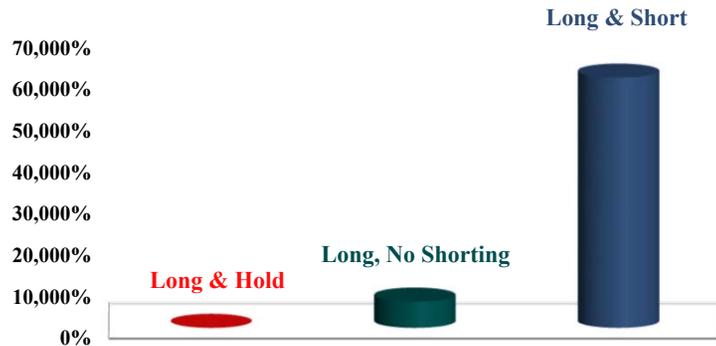
Source: CPM Group LLC.
31 October 2019

Performance of Silver Research Intermediate Recommendations

Research Recommendations for Silver



Silver Investment Portfolio Returns on Three Strategies
As of September 2018 from Initial Investment of \$1 Million in December 1980



	<u>Portfolio 1</u> Bought and Held Silver	<u>Portfolio 2</u> Bought and Sold Silver	<u>Portfolio 3</u> Bought, Sold, & Shorted Silver
Initiated Positions	\$1,000,000	\$1,000,000	\$1,000,000
Value as of Sept 2018	\$1,042,944	\$64,436,053	\$601,811,259
Return as of Sept 2018	4.3%	6,344%	60,081%
Annualized Rate of Return	-0.34%	11.59%	18.8%

The Real Silver Market

Silver Prices

Silver Prices: 1 January 2010 to

7 November 2019

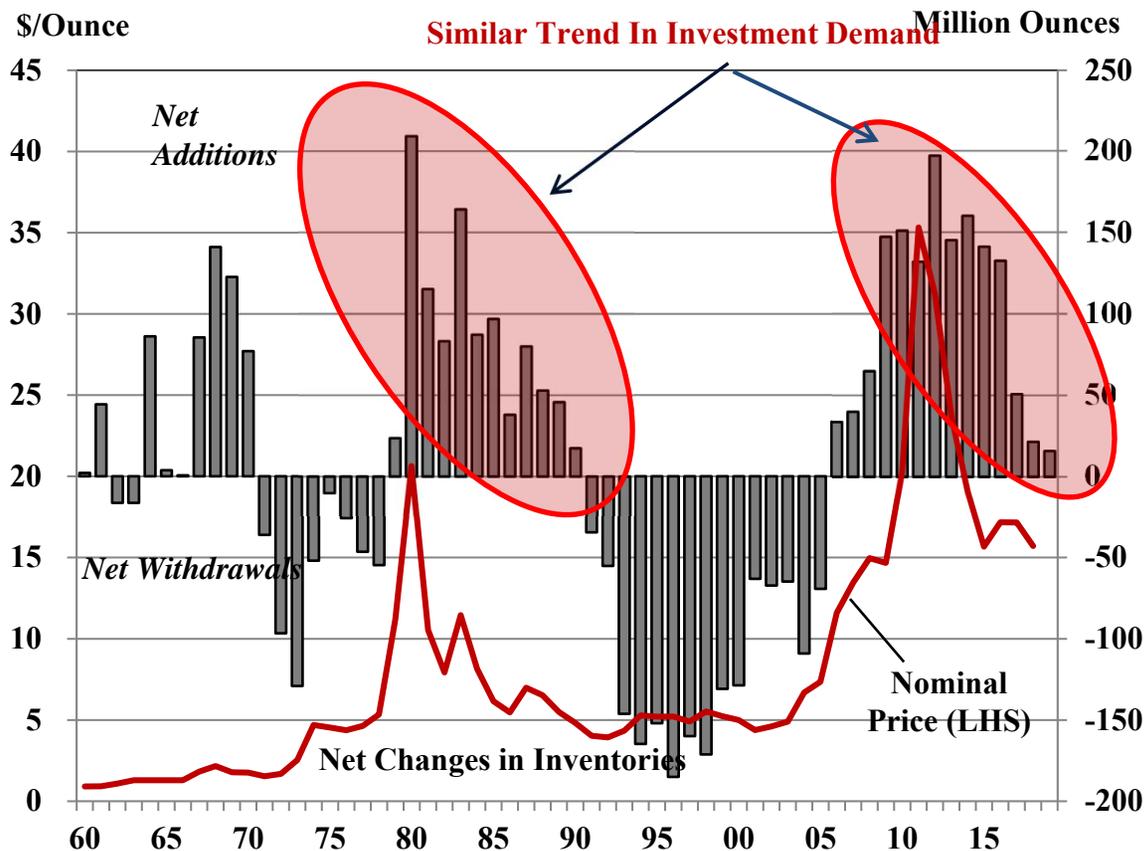
\$ / Oz



Silver Risks Repeating The 1990s

Silver Market Balance

Annual, Projected Through 2019. Prices through 2018.



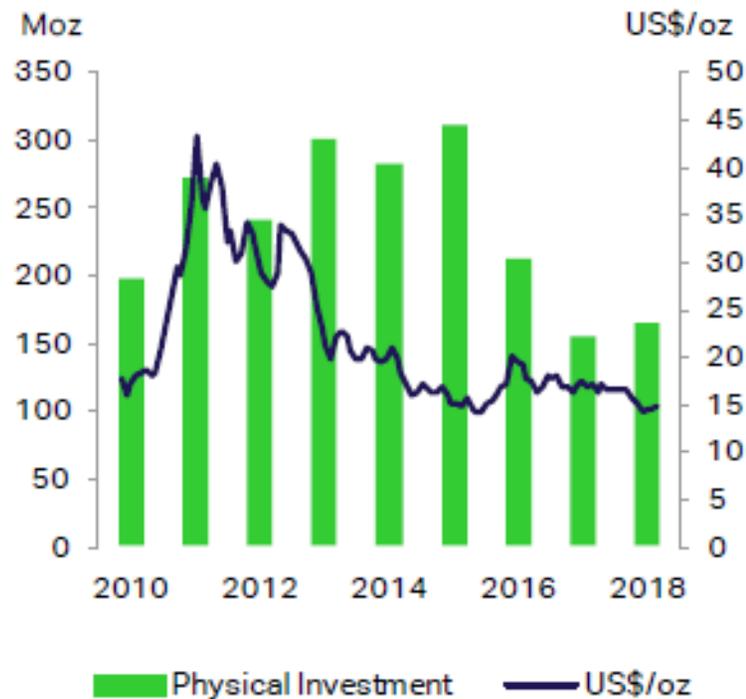
Physical Silver Investment Demand

	<u>Mil. Oz</u>
2012	198.2
2018	21.5
	-89.15%

The Fantasy Silver Market

The Imaginary Silver Market

Physical Investment



Silver Institute, MF

In a parallel universe populated by promotional and marketing groups posing as research companies:

Investors bought historically record volumes of silver in 2013, 2014, and 2015. In their minds investors bought 50% more silver than EVER BEFORE in those years, and yet silver prices were cut in half.

In the real world:

Silver prices fell more than 50%

Dealers around the world were reporting 25% and greater declines in investor buying those years.

Economic Environment

Economic Realities

The World Is Not Collapsing

Nor is the U.S. economy, the Chinese economy, Europe

There are signs of economic weakness and economic strength on a cyclical basis.

The yield curve is sending mixed messages.

Beware shifts from historical patterns due to new monetary policy.

Deficits and debt might NOT trigger a collapse of the global financial system.

“I’ve been wrong for 40 years. I am not about to change my opinion now.”

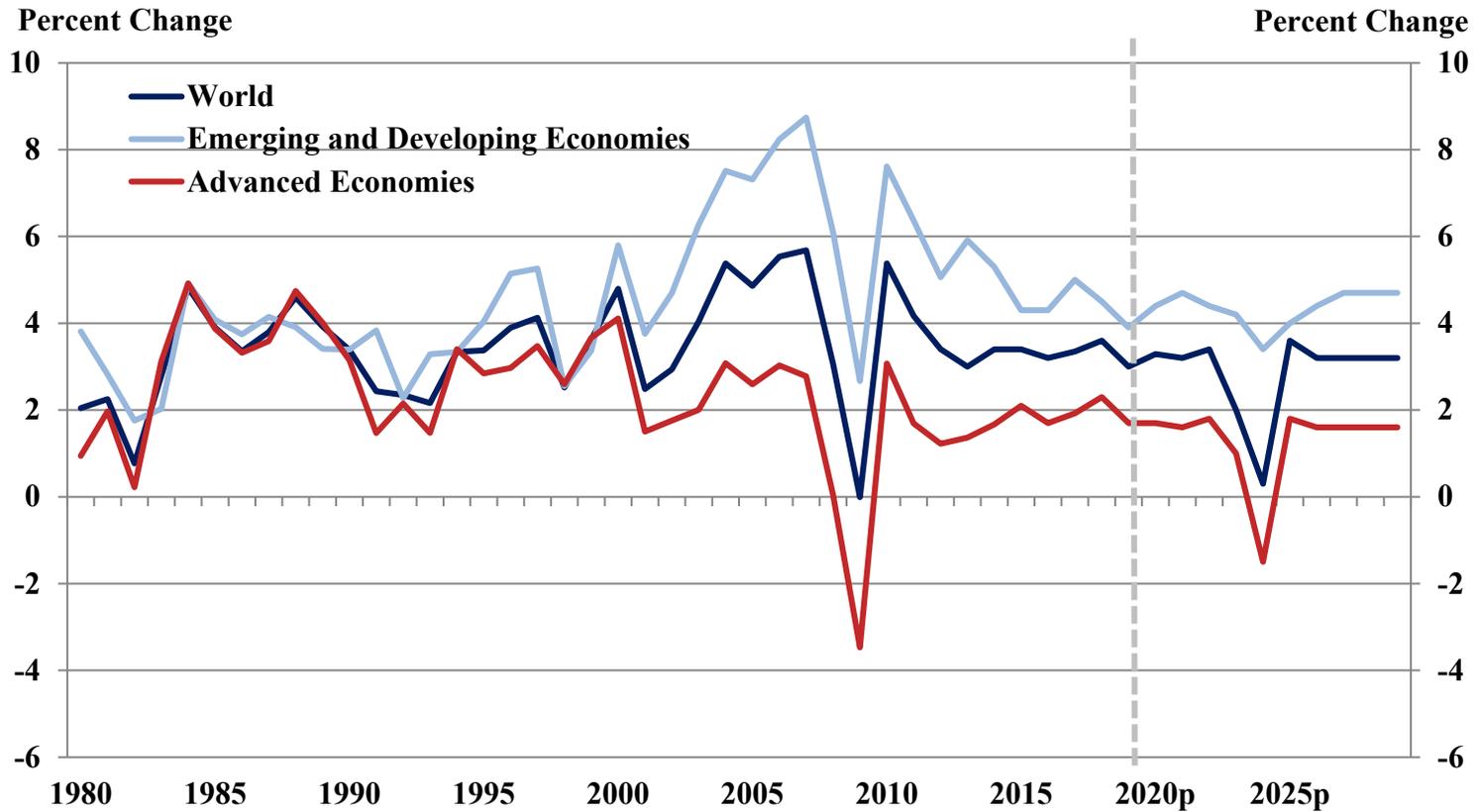
The dollar will not collapse

The continued unwinding of the Fed balance sheet and reserves held at commercial banks is applying upward pressure on the dollar.

For the dollar to collapse, the euro, pound, and yen would need to soar.

Global Economic Outlook

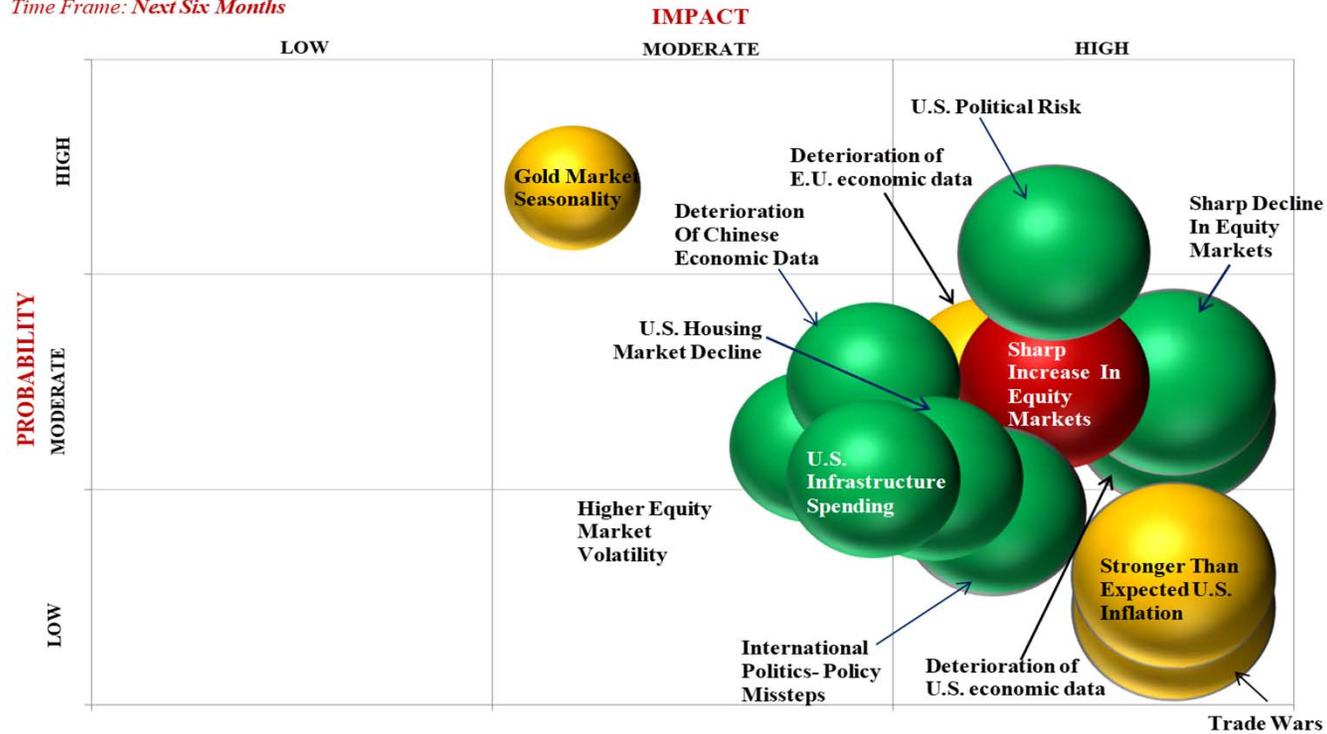
Real Gross Domestic Product
Annual, Projected Through 2029



That Was Then: 3 July 2019

Risks, Probabilities, and Impact Of Factors Affecting U.S. Dollar Gold Price

Time Frame: Next Six Months

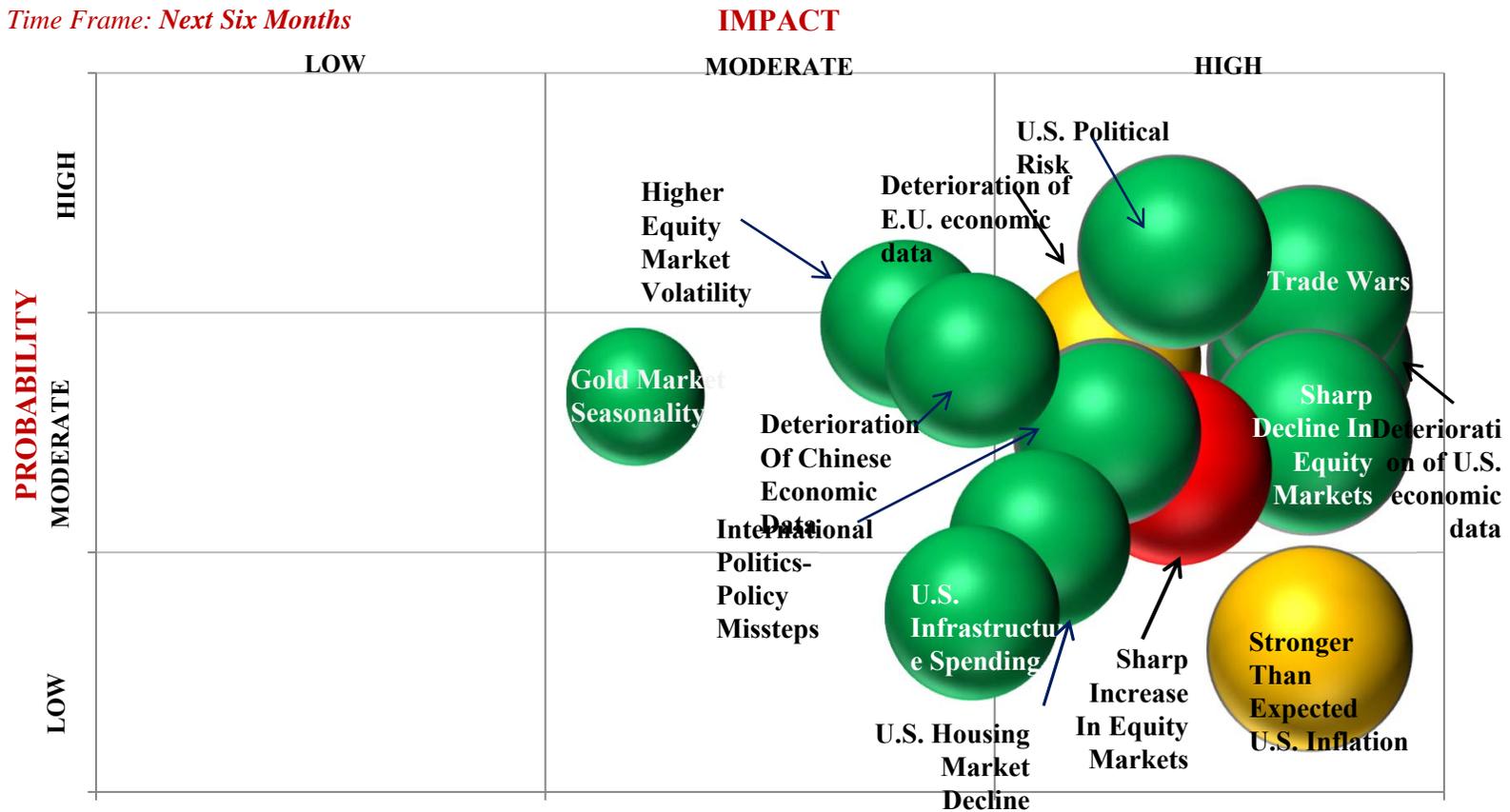


Note: Green bubbles depict factors that have a positive impact on gold prices. Red bubbles depict factors that have a negative impact on prices. Yellow bubbles depict factors that can have a negative followed by a positive, or vice versa, impact on prices. The size of impact is based on the typical response of gold prices to the specific risk but also to the degree that the risk has already been factored into prices. CPM Group expects inflation (core PCE) to rise marginally over 2019 averaging 2.0% during the year. This compares with an average of 1.9% in 2018. The yellow inflation bubble above is for inflation levels significantly higher than these expectations.

This Is Now: 7 November 2019

Risks, Probabilities, and Impact Of Factors Affecting U.S. Dollar Gold Price

Time Frame: Next Six Months



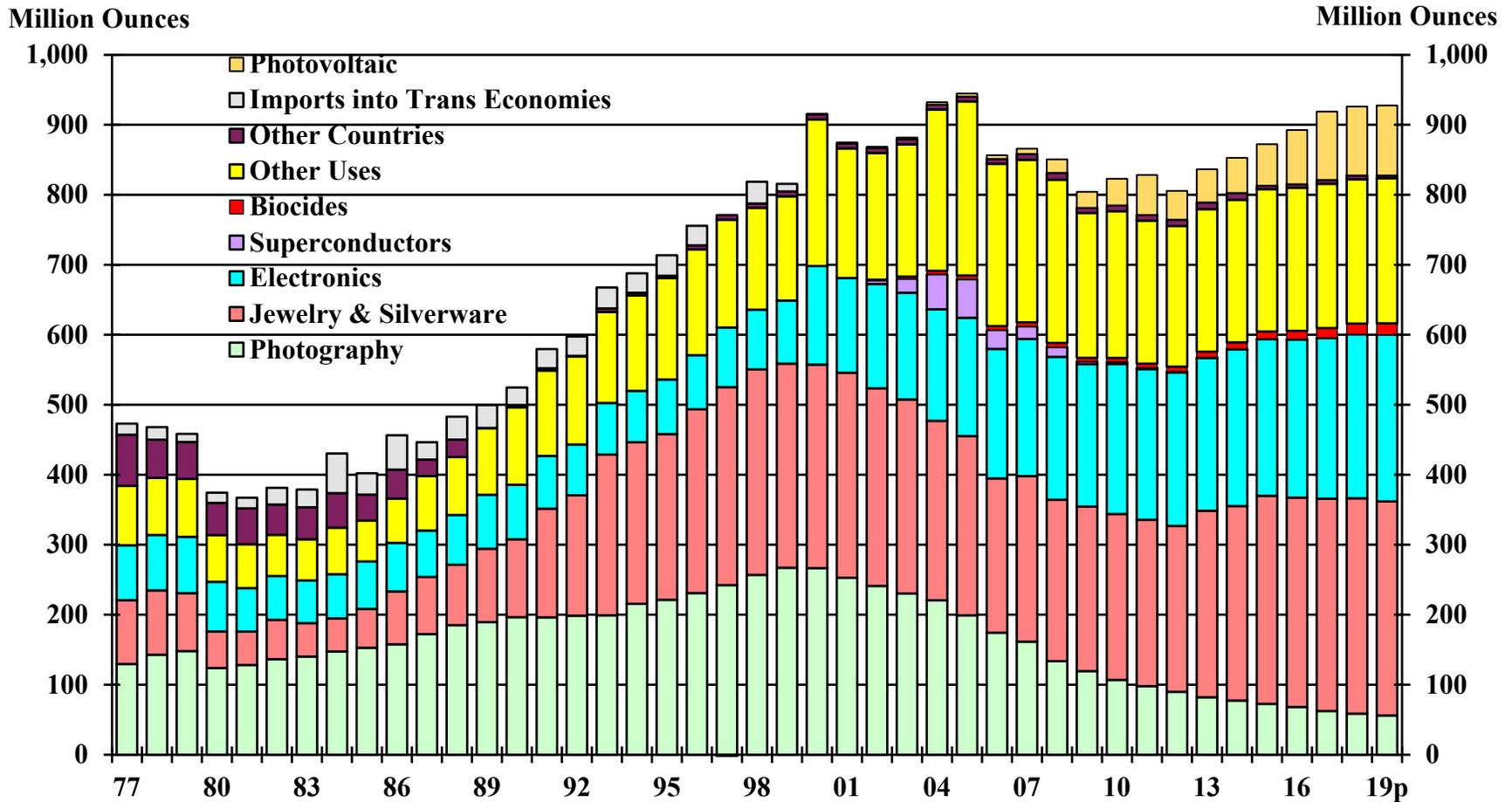
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Back to the Real Silver Market

Fabrication Demand Slowly, Steadily Rising

Annual Fabrication Demand

Projected Through 2019



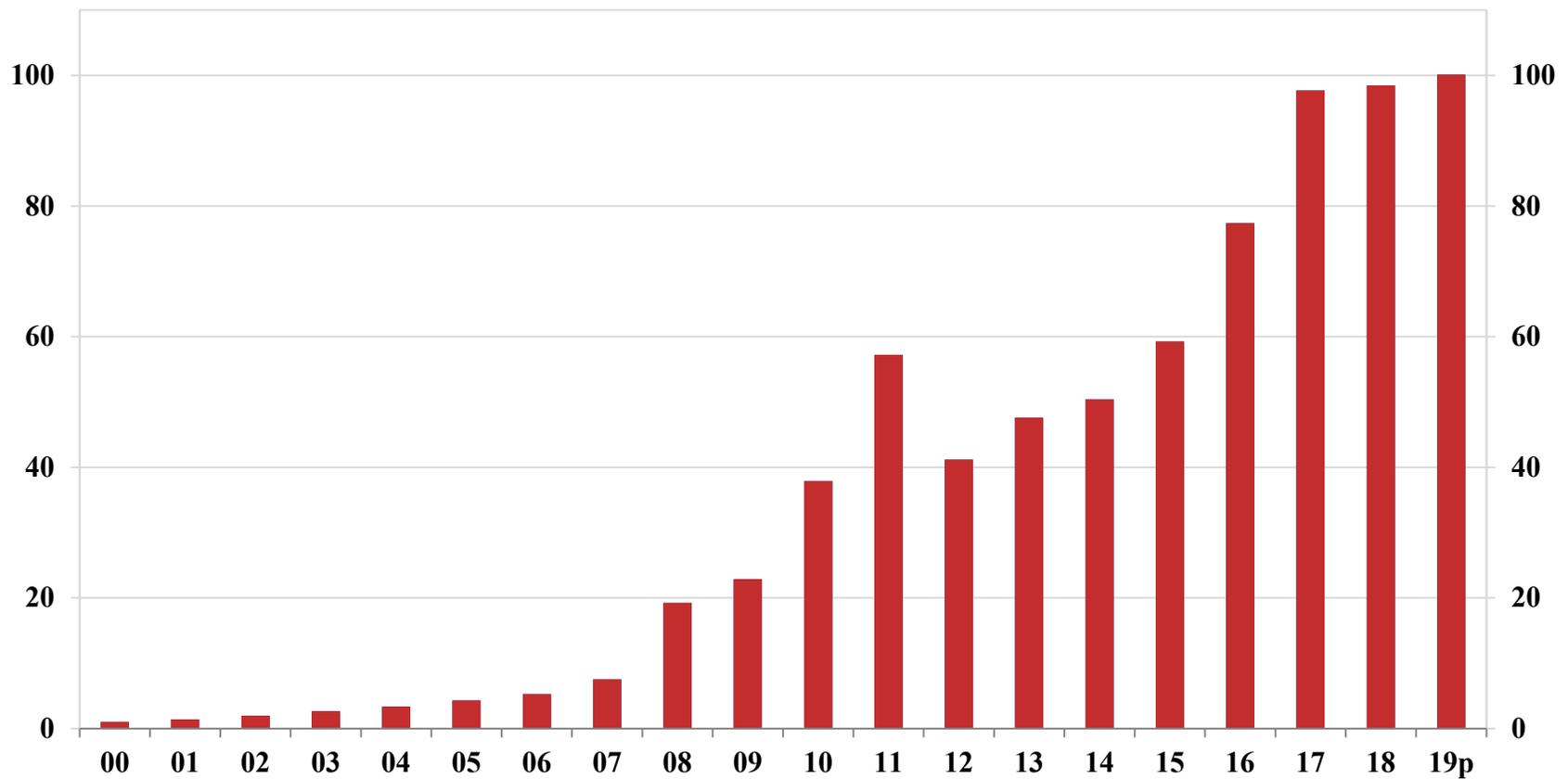
Solar Panels Use Slowly Reaches New Records

Annual Silver Demand for Photovoltaic Solar Panels

Projected Through 2019

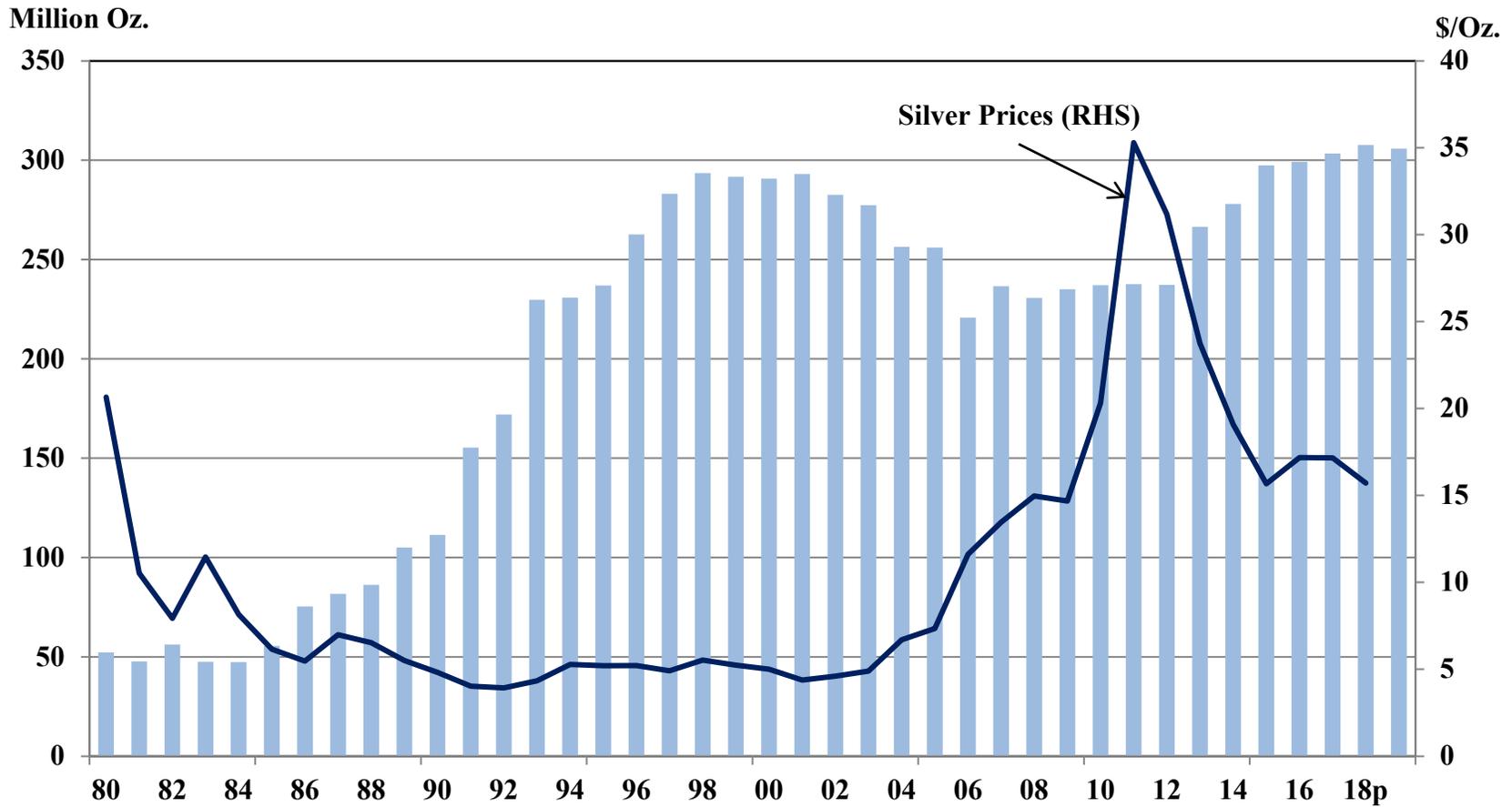
Mln Oz

Mln Oz



Jewelry & Silverware Demand Remains Strong

Global Jewelry and Silverware Demand

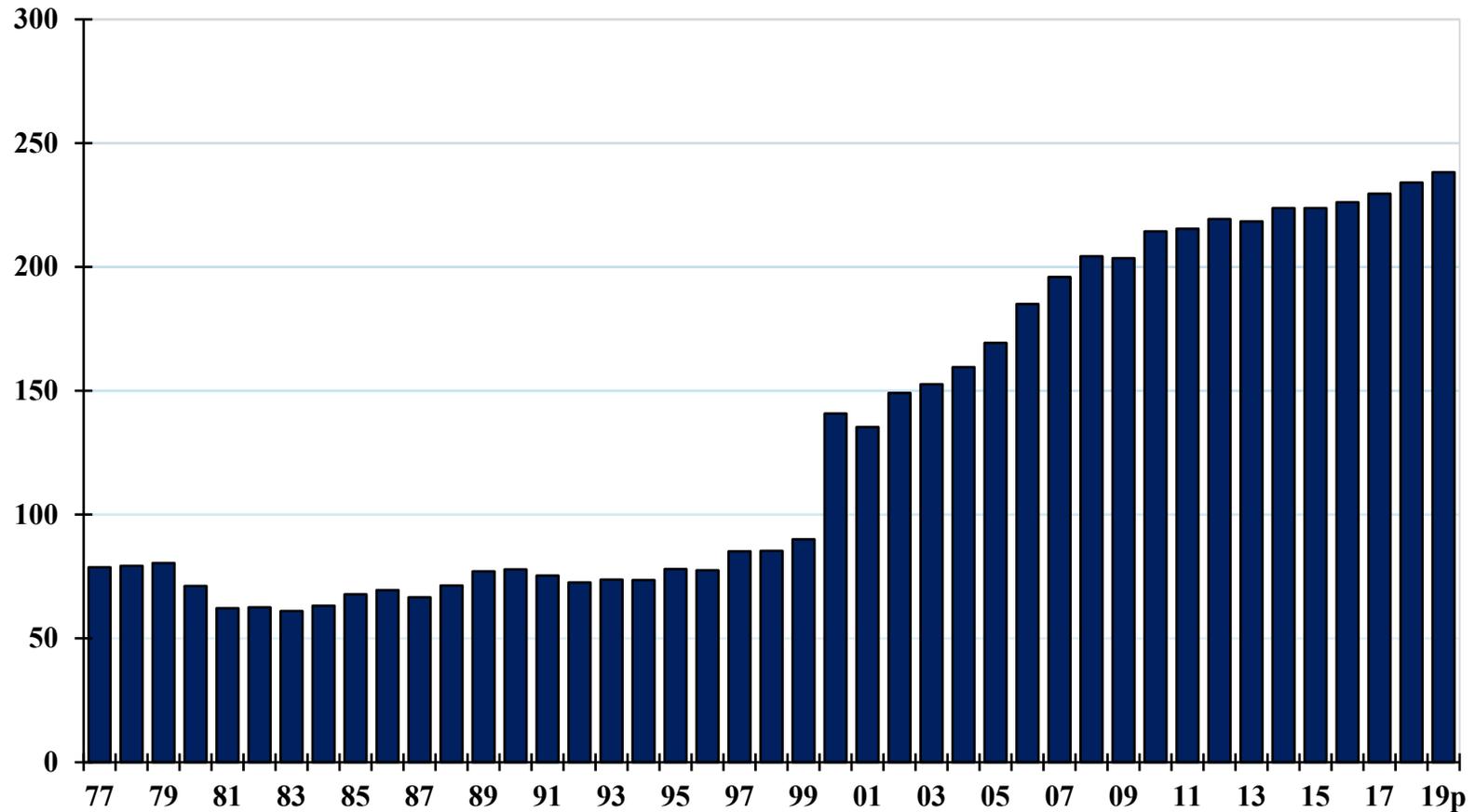


Electronics Demand Continues To March Higher

Annual Total Electronics Demand

Projected Through 2019

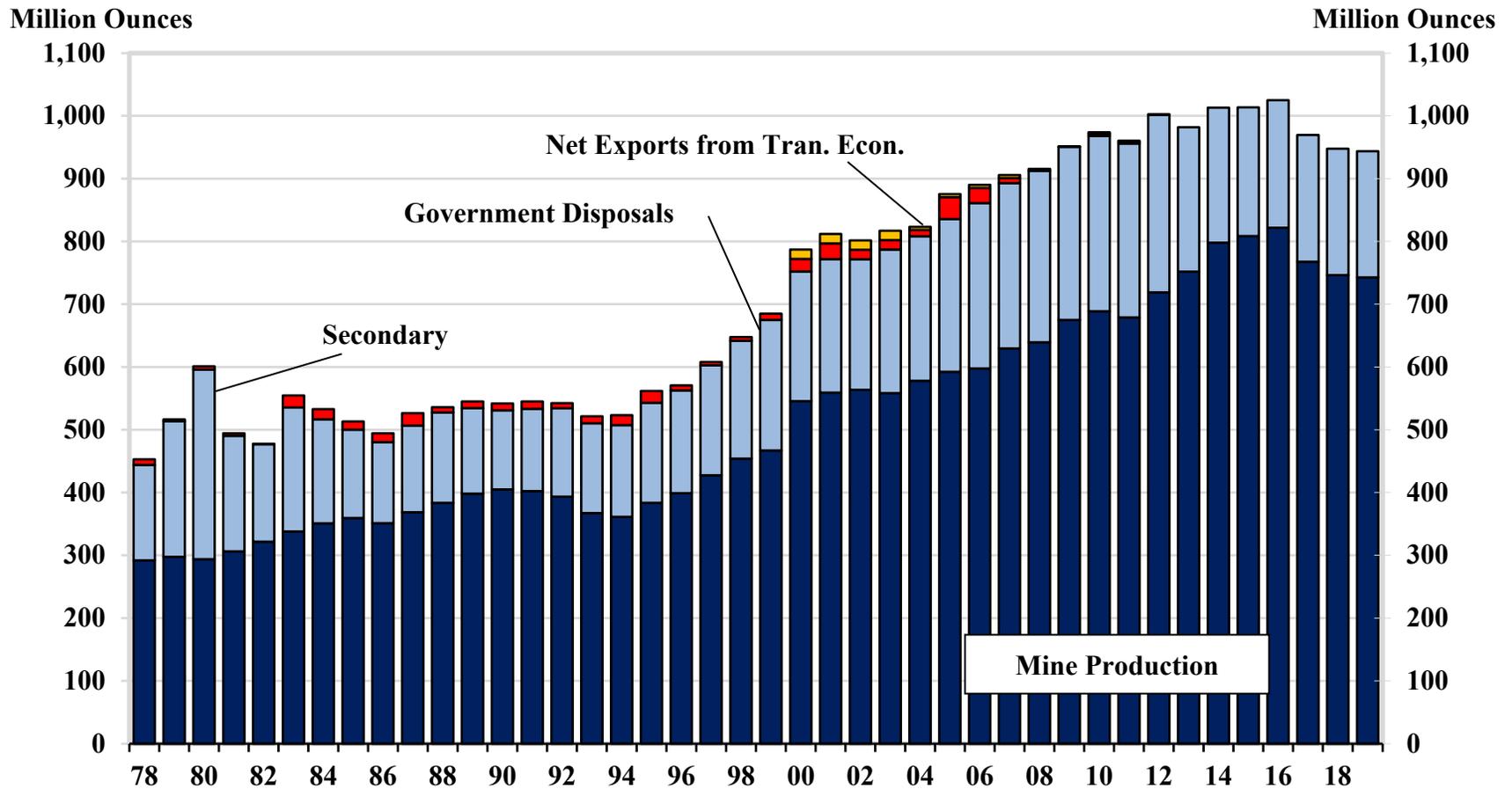
Million Ounces



Total Silver Supply Continues To Decline

Total Annual Silver Supply

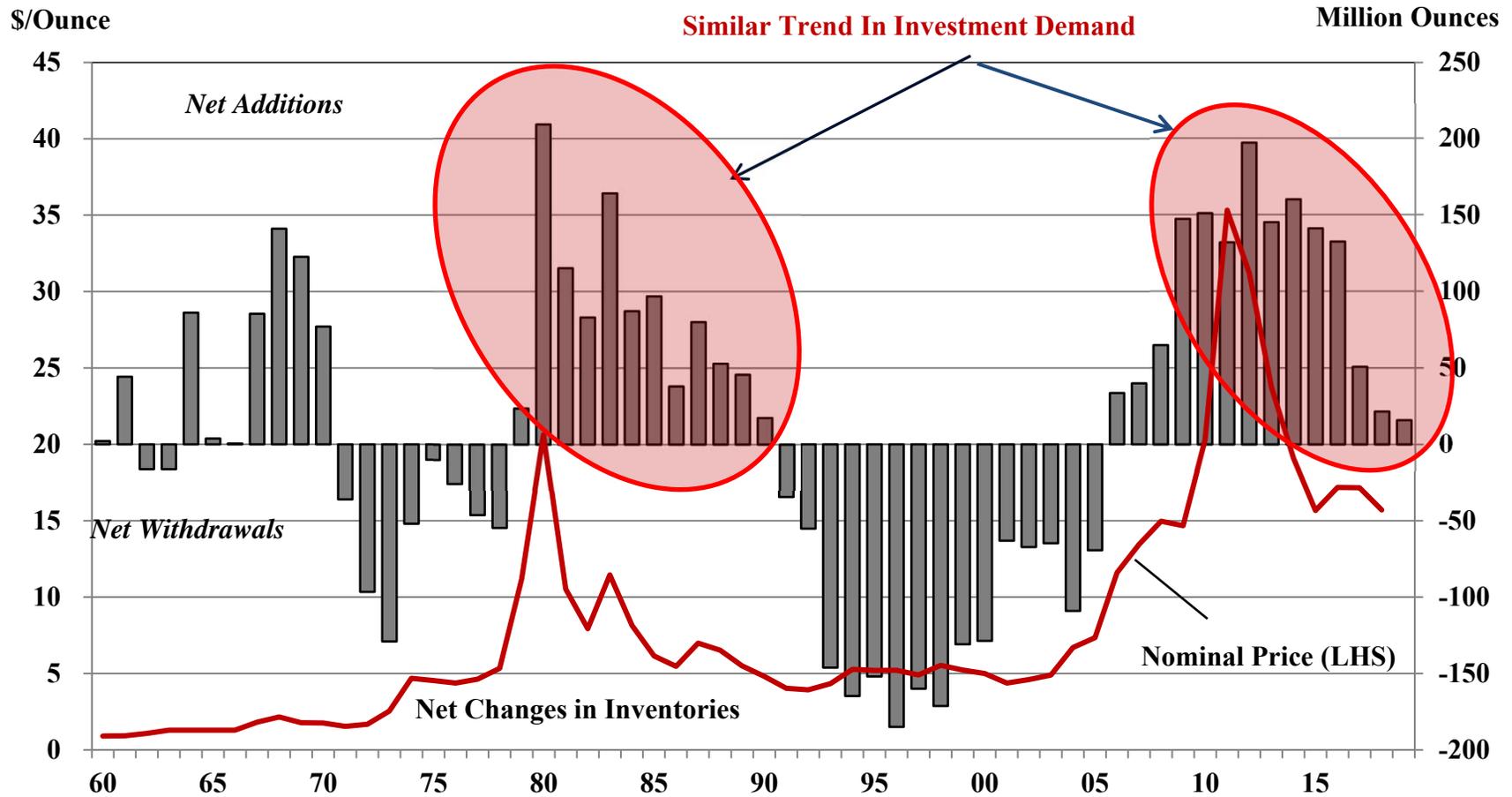
Projected Through 2019



1990s All Over Again? Probably Not.

Silver Market Balance

Annual, Projected Through 2019. Prices through 2018.



Research-Driven Research and Consulting

Thank You.

Precious Metals Advisory
Vol. XXVIII, No. 9 | 3 September 2015

Perspective Flies Out The Window

This month's report has two articles up front. The first concerns the volatility that has roiled all financial markets, and some governments, over the past month. Much of the volatility originated in changes the Chinese government and People's Bank of China (PBOC) initiated, beginning in July but becoming more apparent in August. Many of these changes will bear long-term positive fruit. The shift to a new world paradigm for financial and monetary markets caught a lot of investors by surprise, however. Furthermore, the changes and the market reactions spawned an obscure amount of totally preposterous and overvalued fears in global commodities, equities, fixed income, and currency markets.

The first article deals with precious metals markets over the past month, and where they are likely to head.

The second article focuses on the immediate and longer-term implications for gold markets and prices of a major shift in the PBOC's posture toward gold.

After falling sharply in July and early August, precious metals prices recovered by the end of the month. Gold prices had the strongest recovery, finishing the month at \$1,132, up from \$1,085.30 on 5 August, the lowest settlement price since February 2010, and up from \$1,094.00 on 31 July 2015. Other precious metals prices were also up from the lows that they reached during the first few days of August, but silver and palladium remained below their settlement prices at the end of July while platinum rose 2.6% over the course of August to \$1,010.50 from the end of July.

The rebound in gold prices, primarily, reflected investors covering previously established short positions. There was some increase in fresh long demand, but most of the buying seemed to be from investors buying back their short positions. Total open interest on the COMEX gold futures market dropped -7.4% from the low of gold prices on 24 July to 1 September.

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Platinum & Metals Tables, p-41-47

Market Data (Data as of 3 September; Change from 4 August)

System: Comex Nearby: Silver Futures	% Ch.	\$/oz.
Gold	+1.7%	92.0
Silver	+1.2%	5.10
Platinum	+1.7%	54.10
Palladium	+1.2%	49.00
Industrials	+0.6%	49.00

System: Comex Inventories

System: Comex Inventories	% Ch.	oz.
Gold	-	497,700
Silver	-	65,000
Platinum	-	1,000
Palladium	-	1,000
Total	-	1,000

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Total	-	1,000

- Research
- Consulting
- Asset Management
- Commodities Management
- Investment Banking Advice

CPM SILVER YEARBOOK 2019

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Shanghai Huatong Silver Exchange

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