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Is JP Morgan's Silver Manipulation Over?

The big news in the financial mainstream media during the past week has been JP Morgan's announcement that they will be closing their proprietary trading desks. JP Morgan is in the process of winding down their proprietary trading operations and will be laying off their 20 proprietary commodities traders, who NIA believes could be responsible for the current concentrated short position in silver. NIA has been receiving countless emails from members asking us if this means the silver manipulation is coming to an end and what this means for the price of silver.

One thing is for sure, this news from JP Morgan can't be a bad thing. NIA has long held the belief that JP Morgan's manipulation of the silver market is the sole reason for the artificially high gold/silver ratio of recent years, which currently stands at 63. Silver possesses all of the same monetary qualities as gold. There is no rational reason for gold to be 63 times more expensive than silver when only 10 times more silver has been produced in world history than gold.

The main thing Americans will need to barter for during hyperinflation is food, but gold is too expensive to be good for bartering for food. Silver is the perfect bartering currency for food. Assuming the gold/silver ratio returns to 16 during hyperinflation and food prices increase at the same rate as gold, it will be possible to feed a family of four with only 2 to 3 ounces of silver per week. However, just 1 ounce of gold will buy 6 to 7 weeks worth of food for a family of four, and most perishable food items go bad in just a week or two.

The only advantage of owning gold over silver during hyperinflation will be having the ability to pick up and leave with your entire net worth in hand. The average American currently has their entire net worth tied up in their house. There is already a 12.5 month supply of Real Estate on the market. During U.S. hyperinflation, the U.S. mortgage market will come to a complete halt and it will become nearly impossible to sell your house unless you are willing to lower the price to a level where buyers can afford it without a mortgage. With the U.S. unemployment rate likely to rise above Great Depression levels, the last thing you will want during the upcoming currency crisis and societal collapse is to have your wealth stuck in Real Estate. Americans will desire the freedom and flexibility that comes with owning precious metals.

The U.S. median home price is currently \$179,000. NIA expects Real Estate prices to fall by another 55-60% priced in gold and 90% priced in silver. For the average American who sells their \$179,000 home now and uses the money to buy gold, they will have the ability to pick up their entire net worth in the form of gold bullion that weighs less than 10 pounds and move with their gold to wherever they desire. On the other hand, \$179,000 worth of silver currently weighs 600 pounds and even with a gold/silver ratio of 16 would still weigh 156 pounds.

NIA considers silver's bartering advantage to be a lot more valuable than gold's value density advantage. Therefore, we don't see any possible way to justify a gold/silver ratio that is higher than the historical average of 16. NIA believes we are guaranteed to see the gold/silver ratio decline dramatically and if JP Morgan is going to be covering their shorts as part of their winding down of their proprietary trading division, the biggest move downward in the gold/silver ratio could come in the months ahead.

Is it possible that JP Morgan's plan to shut down their proprietary trading operations is just a smokescreen to make it appear as though they are complying with the new "Volcker Rule"? On July 1st, JP Morgan acquired the Metals, Oil and European Energy business lines of RBS Semptra Commodities. Also, on August 31st, JP Morgan filled their newly created role of global head of commodities strategy. These mixed signals from JP Morgan lead us to believe it is possible that JP Morgan will continue to engage in the same manipulative trading activities, but under the name of a new outside firm that they control. NIA is hopeful but skeptical that the manipulation is coming to an end. We remain cautiously optimistic at this time.

Bear Stearns previously held the silver short position that is now controlled by JP Morgan. The very day that Bear Stearns failed in March of 2008 was the day that silver reached its multi-decade high of \$21 per ounce. Although nobody in the mainstream media has ever reported this, the real reason the Federal Reserve was so eager to orchestrate a bailout of Bear Stearns is because Bear Stearns was losing control over the price of silver. If they were forced to cover their shorts, silver could have quickly risen to \$50 per ounce. A breakout of this size in the price of silver would signal a loss of confidence in the U.S. dollar and trigger a currency crisis.

In just the same way that it wasn't a coincidence that silver reached its high of \$21 per ounce the same day Bear Stearns failed, it might not be a coincidence that silver is now at its highest level since March of 2008 with JP Morgan claiming to be exiting proprietary trading of commodities. JP Morgan has been slowly starting to cover its silver shorts in recent months, but still holds the majority of its silver short position. In recent weeks, silver's rise has come with very low volume. JP Morgan isn't rushing to cover their shorts, but at least they aren't increasing their shorts like they normally would at this time. Now is the time that JP Morgan would normally act to slam the price of silver down. If we don't see JP Morgan make a noticeable attempt to manipulate down the price of silver within the next couple of weeks, it could be a sign that their manipulation is over.

The largest banks like JP Morgan control what is said in the financial mainstream media. It is sickening to us that all of the so-called financial experts who were pushing the public to buy dot-com stocks in 2000 and Real Estate in 2005, are now calling for massive deflation. This is being done solely to trick the little guy so that Wall Street as a whole can switch from being on the short side of gold and silver, to the long side. Within a year, after Wall Street has switched their positions, you will see the mainstream media begin focusing on the risk of massive inflation in our future.

NIA is currently producing an over one-hour long documentary about the societal collapse that is coming America. This promises to be NIA's best documentary of all time because it is based off of the thousands of warning signs that were submitted to us by NIA members. NIA intends to release this movie near the end of October. We will be providing you with further details about it in the weeks to come. If you would like your friends and family members to be the first to see NIA's new upcoming documentary, please tell them to become a member of NIA for free.

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