

Widespread Silver Bar Shortages

[Coin Update News](#)

Coin Collecting News and Articles

- [Home](#)
- [Updates](#)
- [News](#)
- [Coins](#)
- [2010 Coins](#)
- [Gold Coins](#)
- [Silver Coins](#)
- [About](#)

Search this site...

Coin Update News:

Widespread Silver Bar Shortages

By [Patrick A. Heller](#) on November 18th, 2010

Categories: [Featured Articles](#), [Gold and Silver Commentary](#), [Precious Metals](#)

As of today, there are no longer any regular wholesale supplies of the 1 ounce through 100 ounce silver rounds and bars available for immediate delivery. It may be possible to locate incidental quantities of some product, but most wholesalers are now promising two to four weeks delivery to allow time for the silver to be fabricated.



As a result of the shortages, premiums have started to rise. So far, the increases have been modest, on the order of 0.5-2%. However, if the shortage grows, expect to see further and larger premium increases in the coming weeks. We could see a repeat of the late 2008 gold and silver buying frenzy, where product availability got as slow as 1-4 months after payment.

At the COMEX close yesterday, registered (dealer) silver inventories fell below 50 million ounces. Even if you include the eligible (investor) silver inventories in the COMEX bonded warehouses, which are not available to fulfill COMEX deliveries unless the investor specifically chooses to do so, there were barely 107 million ounces to fulfill around 725 million ounces of contractual obligations. COMEX silver inventories are now down more than 10% from mid-June even while

the amount of silver owed has soared!

As the price of silver almost continuously rose from \$17.98 on August 23 to \$29.36 mid-day on November 9 (a 63% increase), the COMEX had not changed its minimum requirements for leveraged accounts. It would be a normal process to periodically bump up the minimum amounts for margin accounts as prices rise, but this was not done until November 9, when the margin requirement was increased from \$5,000 per contract to \$6,500.

On September 16, the COMEX further raised the silver contract margin requirement to \$7,250—even though the price of silver had been dropping since November 9! What is suspicious is that a lot of “insiders” were liquidating their silver positions starting the afternoon of November 15. Is it possible that they may have received advance notice of the coming change in the minimum margin account requirement and sold in anticipation of lower prices the next day?

The next round of gold and silver options expiration occurs on Tuesday, November 23. The attempt to suppress gold and silver prices upon the release of the US jobs and unemployment report on November 5 was almost a complete failure. Unless something is done to knock down gold and silver prices before November 23, a lot of call options will be exercised, which would further increase the demand for physical precious metals.

I suspect, as do many others, that the two rounds of increasing gold and silver margin requirements were timed for no other reason other than to try to help hold down prices through November 23.

Don't be surprised if supplies of other low premium physical silver products, especially US 90% Silver Coin, dry up, with those premiums also starting to rise. If you are looking to acquire some physical silver, I suggest you act sooner rather than later.



*Patrick A. Heller owns **Liberty Coin Service** in Lansing, Michigan and writes “Liberty’s Outlook,” a monthly newsletter covering rare coins and precious metals. Past issues can be found online at <http://www.libertycoinservice.com/> Pat Heller is also the gold market commentator for Numismatic News. Past columns online at <http://numismaster.com/> under “News & Articles”. His radio show “Things You ‘Know’ That Just Aren’t So, And Important News You Need To Know” can be heard at 8:45 AM Wednesday mornings on 1320-AM WILS in Lansing (which streams live and becomes part of the audio and text archives posted at <http://www.1320wils.com>.*

Related posts:

- [CFTC Commissioner Alleges Silver Market Manipulation; Silver Price Soars](#)
- [COMEX Silver Inventories, Gold and Silver Prices](#)
- [COMEX Silver Inventories Continue To Decline](#)
- [Massive Drain Of COMEX Silver Inventories Continues](#)
- [Possible Run on COMEX Silver Inventories May Already Be Underway](#)

Rate This Post:

★★★★★ (5 votes, average: 5.00 out of 5)

10 Responses to “Widespread Silver Bar Shortages”



Truthheap

November 18, 2010 at 6:55 pm | [Permalink](#)

Get some silver while you can!



TK

November 19, 2010 at 8:16 am | [Permalink](#)

I buy and sell alot of silver. I have no problem getting any in Chicago.



Mike stevens

November 19, 2010 at 2:28 pm | [Permalink](#)

The number 1 seller of gold and silver in the USA (based on \$) apmex.com has tons of silver bars spot + \$1.00 an oz. This article is total hype and bs from a fear monger, scumbag author.



Coin Update Staff

November 19, 2010 at 3:03 pm | [Permalink](#)

If you actually read the Apmex product pages, you would see that these products are all on delayed delivery, as the article is stating.

1 oz bars

“These items are on a slight delay. We expect to be able to ship these items by November 30th or sooner”

100 oz bars

“These items are on a slight delay. We expect to be able to ship these items by January 6th or sooner.”

JM 100 oz bars

“These items are on a slight delay. We expect to be able to ship these items by December 8th or sooner.”

It varies by product, but you get the idea.



5.

Joe

November 19, 2010 at 3:22 pm | [Permalink](#)

Great way to convert your paper while its still relatively worth something.



6.

Falesteeni

November 19, 2010 at 7:28 pm | [Permalink](#)

“CRASH JP MORGAN BUY SILVER”



7.

Najam

November 19, 2010 at 8:08 pm | [Permalink](#)

@ Falesteeni, note some important points. View the situation, this campaign is running successfully in the english-speaking areas, the non-english countries are thus placed at a disadvantage because stocks of the sought material are running out. Consider also,- the history of paper money,- who started it,- who are the early buyers silver/metals these days,- and the implications of these actions. Those who have sense and communicate, then take the necessary steps, exchange trash for valuable metals, stay in the lead and keep advantage and control. Those ill-informed will follow later, enter the market to buy when the price is high, and the commodity is scarce. The americans are quite smart, they do not mind if \$'s value goes down, that means the value of it\$ debts go down, they will still be holding precious metals/value. So those holding dollars outside of the U\$ should beware of the coming slide, it might be speedy, the world should be ready for a rude shock. The \$ may even be de-monetized, remember Nixon's-(1971) refusal to honor promise to pay gold for dollars. History repeating – -.



8.

brian

November 19, 2010 at 8:14 pm | [Permalink](#)

Mike Stevens.. you are wrong and owe an apology.. look at apmex again. THEY ARE

DELAYED... DUHHHHH.



9.

[Najam](#)

November 19, 2010 at 9:32 pm | [Permalink](#)

The attractive Dollar for tempting Francs “Oo la la”, Marks on a chit to lure a Pound is frankly a “Lira” –for the Bank.

Seduction, blackmail, threat, used for debt-traPs, but em’Ploy’ment remains the surest bet for grabs –at the Bank.



10.

[jamal qashou](#)

November 20, 2010 at 4:56 am | [Permalink](#)

i think the ratio between gold and silver is unfair ratio its around 1 to 50 i mean by every 50kg of silver you can buy 1kg of gold this ratio in its way to get changed day by day we will see the ratio between gold and selver will become 1 to 40 within the next comming three months then we will watch and see next march 2011 according of the globale demand,so the investment in the silver will be much prfitable than gold but always rember go for physical trade.there is no time to wait the bank note will not servive for avery long time the comming years is silver and gold years.

Leave a Reply

Name *

Email *

Website

Comment

« [US Mint Offers Abraham Lincoln Presidential Dollar 25-Coin Rolls 2010 Proof Silver Eagle on](#)