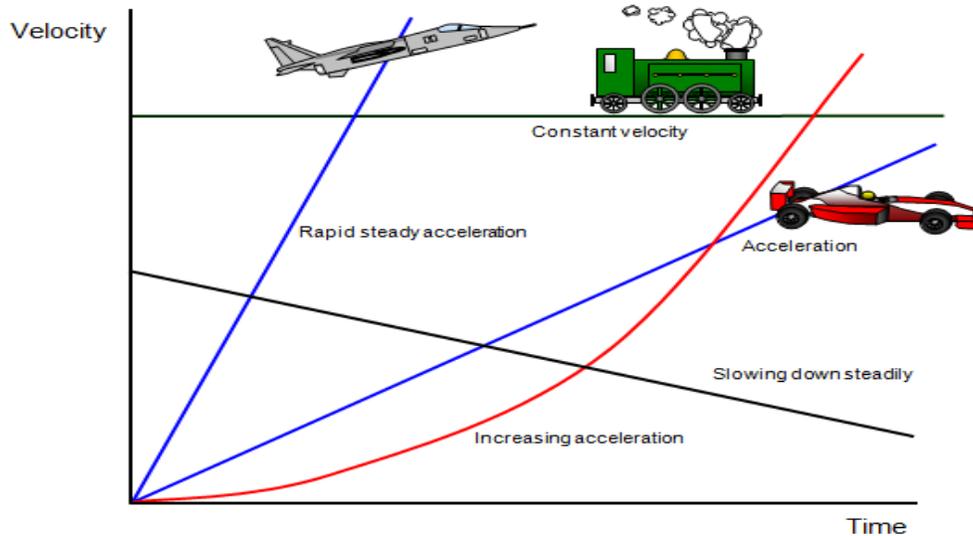


VELOCITY

WHAT CAN HAPPEN

By AGWire™
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ve·loc·i·ty
noun. the speed of something in a given direction over time.

If you were old enough to dabble or play in the silver market in 1979/1980, you knew very well that the price volatility and velocity of silver was so erratic that no seller in their right mind would ever post a per-ounce price for sale in fear of missing the market and selling too cheap. Most everything was priced “at current market” which was determined and price-locked AT THE MOMENT of the sale transaction. Things were moving *THAT* quickly. And there was no internet back then, no KITCO, no eBay, and for most early bullion aficionados, our only chance to obtain the current silver spot price was the next morning’s newspaper, unless you had a real-time market ticker panel, which many coin and jewelry stores had back then. Recognizing the November 1979 to January 1980 silver market spike is important for all of us going forward, as history does repeatedly repeat itself over and over again and again, redundantly, sometimes it just takes awhile to come around again.

On November 17, 1979, silver was trading at a quiet \$16.79 per ounce, ironically about the same as today’s spot price, not considering inflation. It was already up over \$5.00 from the previous month in mild seesaw trading. That was the day one of our core members bought his first Engelhard silver bar, a 10oz 7th series ‘waffleback’, from a local businessman who advertised it in the local newspaper ‘want ads’, and the price was \$175 (\$.71 over spot). Over the next 60 days, silver spot experienced an **E Ticket** roller coaster ride with **daily price swings of \$5-6 per ounce**, until that fateful day on January 17, 1980 when spot hit \$49.65. In those two short and typically slow holiday trading months, the silver spot price increased by \$33/oz, at a time when the DJIA was trending around **800**, and a gallon of regular gas was about **eighty cents**. And this was at a time when silver had very little industrial purpose or demand. We won’t get into the Hunt Brothers futures calamity and what caused this surge, but we can comfortably say that the 1979/1980 price surge will sound like a mild spider bark compared to the looming rocket launch to the Moon *and beyond* that will happen... [soon](#).

Today we again sit quietly around \$17/oz., and seller-posted fixed bullion pricing is still the norm as we continue to witness only paltry **monthly** swings in the \$1 - \$1.50 range, all depending on how far the collusive market shorters can hoodwink the seemingly ignorant technical longs. And it's all paper contracts, mind you, because there's not even close to enough real silver to play their crooked game. Remember the musical chairs scenario in one of our previous newsletters where someone forgot to bring the chairs? That game will inevitably play out. But until then, here we sit some 38 years later, at the SAME stinkin' spot price as in 1979, while the DJIA is nearing 24000 (a 30 fold increase) and a gallon of regular gas is \$3.25 (California), or 4x the 1979 price (which ironically was high back then due to the oil embargo). Today, Industrial Silver demand is huge, as worldwide consumption is quickly outpacing production. Yet spot is sitting quietly like a dormant volcano, with no indication of a coming eruption. If you think the current silver market and pricing doesn't make one iota of sense, you're absolutely right. Our collective thanks go out to Ted Butler for uncovering the collusive ongoing manipulation scam by the COMEX (aka CRIMEX), JP Morgan, ScotiaBank, the CFTC, the Feds and the US Government. With their power, anything is possible, and they have diabolically managed to keep a firm lid on silver prices in spite of MAJOR inflation over the past four decades. But crime doesn't last forever, and good things do come to those good folks who wait. And patience truly **IS** our greatest virtue. As for those old crooked cronies at the bar who think their party will never end, there will ultimately be a last call and when it **sounds** there won't be enough happy juice to go around this time, and the velocity of the frenzy and the scurry to obtain physical silver will escalate louder and larger and longer than we have ever seen in Silver's long history.

Sir Ted Butler summed it up in this way, ***"While I can't tell you when, I can tell you that there will be a great investment mania in silver one day. All you need for a mania is a great story line and a period of collective money inflow. Considering just how great the real silver story is and how little the amount of money is that it would take to launch it to the heavens, it is surely only a matter of time before the two meet."***

Amen, brother Ted. The dormant silver volcano is only sleeping. We don't know *when* it will erupt, but we do know that it most certainly *will* erupt, and it will blindsides even those of us who intimately watch every movement of the markets. The only way to be ready for this moment is to stack now while the music is still playing. Silver is available, prices are cheap, and there are no excuses not to buy. We see no better investment opportunity or value play on Planet Earth than Silver at its current price. Again, this will change, and it will change quickly. But for now, take advantage of the almost embarrassingly opportunistic sale and the plentiful availability, because when the tide changes, there will be nothing available and pricing will literally be off the charts. We honestly feel the rumblings of an eruption coming soon, and if 1979/1980 history repeats itself, a \$50 spot price would make all of us smile. But unlike 1979/1980, there is far less physical silver inventory available now than there was then, and a significantly larger and more informed buyer audience, as well as more astute investors with deeper pockets. And you already know the law of supply and demand. So if those \$.25-30 daily spikes get you excited today, just imagine seeing \$5-6 daily spikes again, or perhaps much higher than that. One thing is for certain, if you buy now, you won't have to kick yourself later.

Acquisitionally,

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