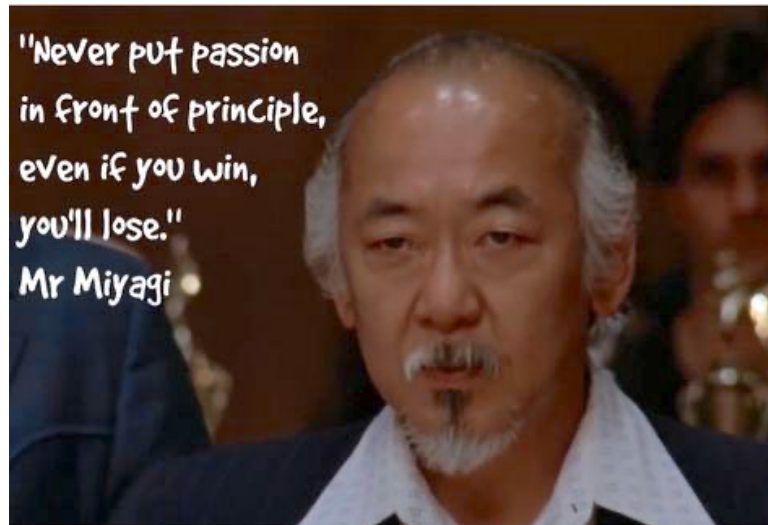


# PATIENCE *GRASSHOPPER!*



By AGWireTM  
August 8, 2020

At risk of dating ourselves, if you ever watched the 1970's TV series Kung Fu, you likely recall hearing the phrase "Patience Grasshopper." Grasshoppers (the insects), as we know, are constantly jumping from one point to the next, without much thought, very impulsive and irrational. The name Grasshopper in the series denotes the young martial arts student who is easily distracted and unable to intently focus. The Grand Master often used the phrase "Patience Grasshopper" to encourage him to relax and focus on their mission's fundamental purpose. For those younger than us, the above caption is of Mr. Miyagi, coach in 1984's The Karate Kid, which we also thought fitting, especially with Daniel-san being the extreme underdog (much like Silver) and coming out victorious to everyone's surprise and delight. We knew it would happen all along! Here's the link [Karate Kid!](#)

We receive several emails every day to the website with questions like, "Should I sell my rare stuff now and convert to generic while prices are still relatively low?", or "Should I sell my generic now and convert to rare stuff while margins are still low?", or "Should I sell my stash and convert to cash and sit on the sidelines until the next correction?", or "Should I convert my silver to gold?", or gold to silver? etc. All good questions for sure, but no one has the answers to these questions, and if they say they do they're lying to you. Our standard answer to any question is that most often it is best to **do nothing**. To sit still. In other words, Patience Grasshopper, or as Don Henley so poignantly stated, "[Learn to be Still](#)." If you're already sitting on a nice stash of silver and you're looking to possibly strengthen your hand, but with the risk of devaluation if you make the wrong move, why not just sit tight and avoid the possible downside risk? When you act emotionally as opposed to rationally, the odds are always stacked against you.

Many of you may remember Silver's peak in April of 2011, and its downward slide from there. In what seemed like trying to catch a double-edged hot butter knife, we tried to buy the dips in the market, first below \$40, then below \$35, and then \$30. And then self-proclaimed Silver "Guru" David Morgan called the bottom at \$28 and we were ALL IN, feeling smarter than ever! Imagine silver at only \$28/oz! But wait, the market continued moving downward, so in the spirit of cost averaging we continued to buy at each new step lower, each time thinking we were at the new bottom, first at \$25/oz, then at \$20/oz, and by then we were out of powder. But then it dipped below \$15/oz, and it actually sat there for quite a few weeks. Hindsight, we should have sat patiently on the sidelines until the dust settled, until we saw a firm \$15/16 base, and then reviewed the fundamentals of the

market and made a non-emotional, practical decision. But who does that, really?! We do. Now. Silver (more specifically, JP Morgan the master manipulator of silver pricing) has been very cruel to silver investors over the years, and those investors who were rational and practical in their purchases are certainly in for some good times ahead. This time around it seems that most folks have been far more practical in their buying because the prices have been so low for so long. Maybe hindsight in 2020 is in fact 20/20? Hmm... With silver spot now on an upward trend and juggling a solid \$25+ base, most investors are likely in the black with their stack. And it appears we have a good understanding of the buy angle. But what about the SELL angle? At what price do we sell, and how much do we take off the table at that time?

Pundits are calling for \$50/oz, \$100/oz, even \$500/oz silver, and to hang on and hold out like prices will get there and we'll never look back. Yeah, Yeah, Yeah, we heard that back in 2010 also. When silver was \$14/oz we would tell our peers that our sell price was \$30/oz and they would call us crazy, touting that \$100/oz was just around the corner. It COULD have happened, but it DIDN'T. Are things different now? We think so! So, what if we need to cash out to get some funds in the process? We have set disciplined sale thresholds to realize some profit along the way, knowing well that we may adjust the size and frequency of sale from time to time, and we'll likely be selling short of where the direction is heading, but also knowing too well from experience that prices can quickly retract. The reluctance to sell say 25% of your stash at a monumental threshold of say \$35/oz should easily be trumped by the logic of bagging a very real profit on a metal that has been pretty stagnant for decades. There is nothing wrong with taking a decent profit. Pigs get fat, hogs get slaughtered. Some folks never intend to sell, and that's fine too, as discipline and commitment to a plan is necessary to avoid emotional and/or impulsive decisions. Again, *patience grasshopper*.

Principley,

AE