

# FOLD??

OR DOUBLE DOWN ?!

By AGWire™  
April 6, 2019



Do you ever feel as though silver spot price could actually stay at \$15/ounce **FOREVER**? Silver spot has been tightly range bound for many years now, with very little movement or excitement. At the same time, the DOW and NASDAQ have more than tripled from their lows of 2009 just 10 years ago, and government budgets are limitless as accountability no longer exists, while "trillion" is now a household word. By most measures, our economy seems relatively strong in comparison to where it was just a few years ago, employment is at an all time high, and people are generally happy if they allow themselves to be. Technology and the demand for its ever-expanding creations continue to flourish worldwide, and industrial silver demand for manufactured electronics and solar panels multiplies each year. Adding to this demand, more and more folks are growing questionable of the world fiat currency system, and an increasing number of individuals are harboring gold and silver as wealth insurance. Currently, 11 out of 50 states now recognize gold and silver as money<sup>1</sup>, and do not subject either to taxation. In any other market, increased demand for **ANYTHING** should translate to higher prices. But not with Silver. Fact is, the silver spot price is locked in the iron grip of JP Morgan and company, perhaps under mandate from the US Government and Central Banking system, in effort to keep the Fed's in the black and the greenback strong. Hopefully, like a Dateline episode, the mystery will be revealed and the reality of our current financial matrix will enlighten all.

However, with no clear answer or direction on future prices despite this extraordinary demand, we can't help but ask ourselves questions like, "Is Silver a dying investment?" "Is it no longer needed in this new world?" We can tell you one thing, at \$15/ounce, it's rapidly becoming less financially feasible to extract ore out of the earth and refine silver. Ever increasing labor costs, necessity for deeper mines to uncover ore, and the tremendous capital costs to develop

<sup>1</sup> [HTTPS://GSIEXCHANGE.COM/STATES-GOLD-SILVER-BECOME-LEGAL-TENDER/](https://gsiexchange.com/states-gold-silver-become-legal-tender/)

mines, along with increasing safety regulations, taxation, etc. It's to the point where it only really makes sense to mine if silver prices are **exponentially** higher.

This current market reminds us of the vintage Ferrari market of the late 1970's and early 1980's. Back then, a nice driving 1965 Ferrari 275GTB would have a hard time selling for \$20,000 because mechanical issues could easily cost \$20,000-\$30,000+ at that time. Mechanically, the car was so expensive to repair, that it had little collectible value. Everything changed, however, when the iconic patriarch Enzo Ferrari passed away in 1988 at the age of 90, and the market has never looked back. Now, that same 1965 Ferrari 275GTB trades at \$2.5M+. Sure, mechanical repairs have no doubt increased since 1980, but an engine rebuild would maybe cost \$50k today as opposed to \$20k in 1980. \$50k is only 2% of the current \$2.5M value, whereas \$20k was 100% of the 1980 value. The Ferrari has increased 125 TIMES in value since 1980. Funny that silver hit \$50 in 1980, so **400** ounces of silver could have bought that Ferrari! Today it would take **166,667** ounces of silver to buy that same car. **Read that again!** And just for fun, if we used the Ferrari's 125 TIMES multiplier of silver's 2019 spot price of \$15/ounce that would translate to \$1,875/ounce! At that price, it would be well worth constructing deeper mines with high technology machinery, elevators and robotics. To be sure, silver mining is clearly a non-starter at \$15/ounce.

Silver is currently stuck in the same situation as the Ferrari 275GTB. It's too cheap to be practical. It costs as much per ounce to refine it as it fetches in the retail market. In other words, there's little or no profit in mining and refining silver, just like there was no financial benefit to owning the Ferrari 275GTB in 1980. The difference is that Ferrari's market was not manipulated, and therefore was free to soar when the right circumstances aligned, whereas for decades silver has been manipulated and unfairly suppressed to the point where it is now extraordinarily undervalued in comparison to all other assets. Can it stay this low forever? Anything is possible, but from a statistical perspective, it's not probable that silver can remain at today's prices for very much longer. What would it take to align the stars so that silver finally sees its day? A DOJ indictment on JP Morgan traders? (That would be good!) A World event triggers a Massive Financial Meltdown? (Uh, Not so good, and unlikely in our eyes.) We don't have the answers, and if anyone tells you they do, they're a lying bastard. We've written that silver is the "**Devil's Metal**" due to historic price volatility, and God knows it takes a strong stomach and mind to hold on to it, and you can all attest to that. It is likely that most weak hands have already folded, perhaps long ago. But today has never been a better time to jump back in, as the downside risk has been all but stripped away. The only "fold" in our vocabulary is... will the next rally be **3FOLD, 10FOLD, 125FOLD** or ?!!! When Silver finally has its day like the vintage Ferrari's, the market will never ever look back. It's not too late to get in right now! What's that license plate frame, "GET IN, SIT DOWN, SHUT UP, and HOLD ON" ! It's coming.

Foldly,  
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