

SILVER 2019: HONEST MONEY. BY THE PEOPLE. FOR THE PEOPLE.

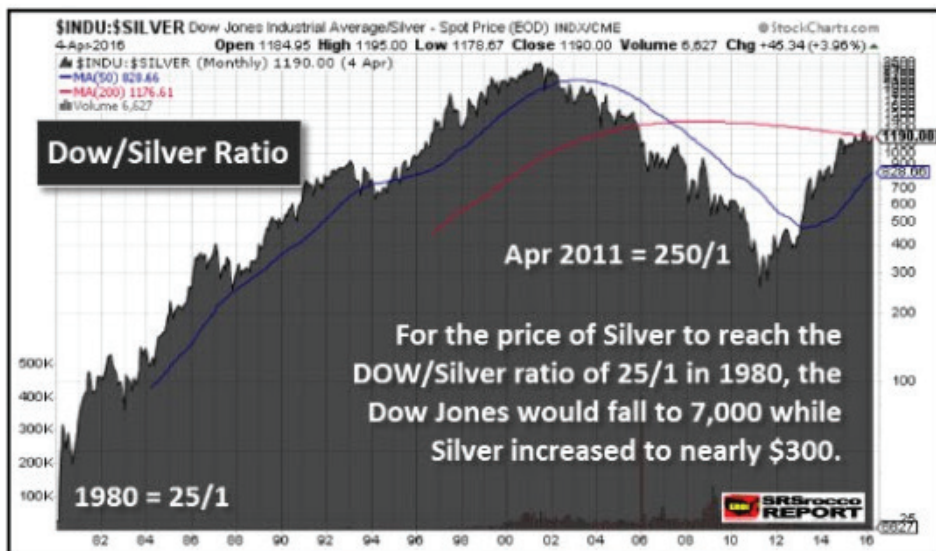
By David H. Smith

More than likely 2018 marked the end of the seven year cyclical bear market in silver, within the context of the ongoing secular precious metals' bull run. More than a few worn out silver devotees, some having held for decades, finally gave up the ghost and sold back at a loss. But this is just how Mr. Market operates. Endless sandpaper descents wear away all but the most determined...just in time for the birth of a new bull run.

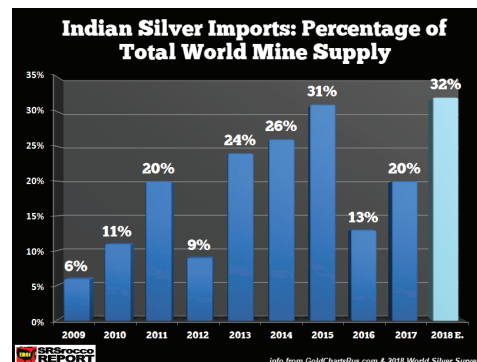
Could this next leg up be one for the history books? David Morgan, known for sticking his neck out near major turns, has indicated that the final leg up in any market tends to be a blow off, going higher than most think possible. In

a few years, silver could trade in triple digits, with precious metals moving into their third and most powerful bull leg expression, when the public - driven by fear, greed and the capstone of inflation-piles in. Massive global demand colliding with stretched out supply could take volatility through the roof.

Though U.S. silver investment is reported "at 10 year lows", buying by China and India (the "Chindian Connection") continues unabated. When rising prices lure U.S. (and European) investors back into the market, we'll see how the supply pipeline holds up.



Courtesy Steve St. Angelo



Digital Silver. The New Third Rail in the Supply-Demand Matrix.

The Silver-Gold Ratio, currently near 85:1 may fall by half, two thirds...or more as over the next few years, wild card investment demand and industrial use determine the price and ratio changes.

Toss in a new and rapidly-evolving third rail factor - the return of physical silver as money wedded to the blockchain - and an “all bets are off” price appreciation scenario becomes quite likely. What David Morgan has long referred to in our wallets as “paper promises”, have shown themselves throughout history to be also-rans when compared to “honest money” silver.

We often hear that “cryptoassets are not backed by anything” but that’s changing. Several attempts at backing digital tokens or coins with gold, silver or other tangible assets are now underway. So far, the ideas seem to be about recording metal on a blockchain, stockpiling it in a physical location, and letting it accumulate storage fees.

The LODE Project - designed and being brought to life by a community of silver enthusiasts from over 96 countries, is a paradigm shift. It proposes the establishment of a cryptographic silver monetary system (CSMS) operating on a blockchain, keeping track of every silver gram amassed, while being insured and stored in secure vaults around the globe.

The LODE System keeps track of physical silver, by the gram, on behalf of two parties - the silver contributors (LODE Token holders) and the silver users (AGX Coin holders). The relationship between the two users is governed by a common-law precedent known as Bailment. As the monetary mass circulates, LODE Token holders will receive rewards known as “AGXPay” - delivered to LODE Token wallets as micro-payouts. This makes it considerably different than any other proposed digital precious metals’ “asset-backed” project to date. Ultimately - as blockchain guru Teeka Tiwari has noted - the pace of innovation and the pace of adoption will be the key factors that determine the success of any project in this sector.

For the People. By the People. Ian Richard, an Ambassador to the Project, states,

“*LODE puts idle silver to work and enables the creation of a sound digital medium of exchange known as AGX coins. See <https://agxpay.com/> In fact, AGX may solve certain inefficiencies which currently inhibit the daily use of silver as spendable money. AGX is modern digital money for a global community. Private, borderless, low cost, high speed, redeemable silver-money for everyone, including the world’s unbanked and inflation-oppressed peoples... think of how Uber/Airbnb systems connect private asset owners with quality users. All due to the advent of blockchain technology.*”

Silver’s historic function as the “common man’s money” has never really been forgotten. But even a decade ago, the idea that digital silver via blockchain technology might once again play a central role in commerce and wealth preservation for millions, if not billions of people would have seemed like nothing more than a pipe dream. Yet here we are, standing on the cusp of just such an event.



Courtesy, lode.one

Venezuelan Hyperinflation In the US

Item	Current US price	Venezuelan Hyperinflation Price
Gallon of milk	\$3.25	\$1,487.46
Dozen eggs	\$2.5	\$1,144.20
Gallon of gas	\$3	\$1,373.04
6-pack Bud Light	\$6	\$2,746.08
Venti Americano	\$3.25	\$1,487.46
Monthly rent	\$1,200	\$549,216
Pair of shoes	\$75	\$34,326
Monthly internet	\$70	\$32,037.60
iPhone 8	\$600	\$274,608
Ruth's Chris steak	\$43	\$19,680.24
One movie ticket	\$12	\$5,492.16
One night hotel	\$150	\$68,652
Cash purchasing power	\$10,000	\$21.85
Gold (x1.8 inflation rate)	\$1,200	\$988,588.80



GOLD SILVER

Source: Various

Courtesy GoldSilver.com

The Path to Individual Sovereignty. A small amount of physical silver, or digital coins backed by it, redeemable-upon demand, would help protect people in Venezuela, Zimbabwe or Argentina, and it might someday do the same for anyone reading this essay. Value stored digitally, immutably recorded on the blockchain, secure and borderless, protected by an individual’s private key.

Was Jesse Livermore referring to you? Few people are paying attention to the historically-priced value proposition silver now offers as insurance, an investment, a speculation - or as money. The legendary speculator, Jesse Livermore had a nuanced take about how “most people” approach an idea. In the classic, *Reminiscences*, he said, “They (the public) are afraid to stand alone because they want to be safely included within the herd, not to be the lone wolf standing on the desolate, dangerous wolf-patrolled prairie of contrary opinion.”

Where do you stand? When silver decides to move briskly into the stratosphere on another of its famous bull runs - an event readers of *The Morgan Report* have long anticipated, if you have “hold in your hand” silver, or digital coins backed by (and redeemable for) it, you’ll be “Locked and LODED!”

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He has investigated precious metals’ mines and exploration sites in Argentina, Chile, Peru, Mexico, Bolivia, China, Canada and the U.S. He shares resource sector observations with readers, the media, and North American investment conference attendees.