

PROSPECTOR RESOURCE INVESTMENT NEWS

May, 2021

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By David H. Smith

I recently posted an essay on moneymetals.com advancing the idea that those still waiting for lower silver prices before taking action are “playing financial Russian Roulette”... with four rounds in the cylinder! Several easily understood yet complex to act upon elements are now at work.

First: Sentiment. When prices rise strongly, it's common for those who missed the boat, or “took a tidy profit” too soon, to start talking about “backing up the truck” during the next correction.

The problem, for ALL of us, is that once prices begin to fall, be it mining stocks, the metal itself, or cryptos, the spread of fear, uncertainty and doubt (FUD) becomes contagious, working its way into the psyche of every market participant. The difference - critical to appreciate - is that those who grow their funds over time act against this uncertainty, by holding onto good positions, and possibly adding into weakness.

On declines, sentiment gets so “salty” that Twitter tone may be a better contrarian indicator than “oversold” on the charts. Take the comments sent to Crypto analyst Scott Melker, after one of his followers apparently got miffed when bitcoin dropped \$15,000 in just a few days. Said the acolyte in a YouTube post to Scott's *Wolf of all Streets* channel, “You have no

idea what you're talking, it's time for you to shut down your Twitter account and find a rock to crawl under. Con-man.” For good measure another troller wrote, *“I hope you lose all your money cos all you do is hype crypto the f..k up for your own personal gains.”*

Seldom has someone stated the problem and its solution more succinctly than Stewart Thomson <https://galacticupdates.com/> Said he, *“We are all cowards on price weakness. Those who admit it, those who bet against it make money. Those who hide it and lie about it, lose money. End of story.”*

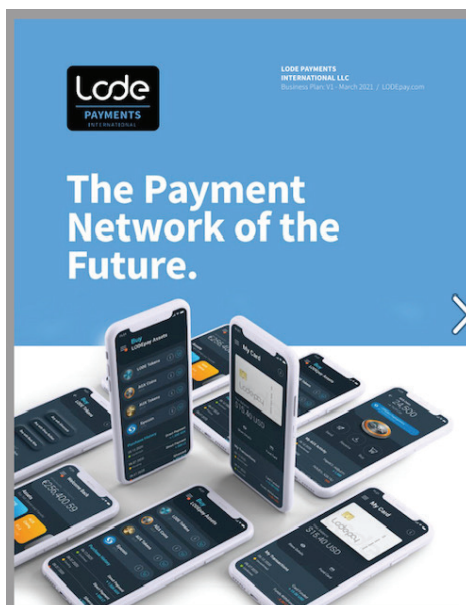
Financial Warfare. The investment arena - especially these days - is no place for the unprepared in planning, financing and emotional resilience. The market does not care for or even know you exist. Calling it a zero sum game actually understates the situation, because the most successful players cull a disproportionate amount from their less able competitors. Because only those who can stick to the plan will survive and thrive. Because, as long-term participant Dr. Alexander Elder says, “Trading means battling crowds of hostile people while paying for the privilege of entering the battle, and leaving it whether dead, wounded or alive.”

Second: Peak Silver. According to First Majestic's Keith Neumeyer, “peak silver” arrived in 2015. Since then, with a one year relatively

minor uptick, we've seen lower output annually. For over a decade, the top primary silver miners have all had shrinking yields, to the tune of almost 60%. Ore containing more waste rock and less silver. Concomitant with this trend is that for every ounce of gold dug from the earth, only nine ounces of silver are being produced. Rather stunning when one considers that the lowest silver to gold ratio in modern times took place for a single day in 1980 when it traded at 15 ounces compared to 1 ounce of gold. At the other extreme, for some time last year the S:G ratio held above 100:1!

In part due to increased retail demand (buying “hold in your hand” silver vs. assumed metal in ETFs), retail pipelines are being continually drained, causing some premiums to quadruple. So, sure, wait for silver to drop to \$22, and if it does, you'll pay \$6 over spot if you can even find bullion coins, or a \$10 - \$12 premium for American Silver Eagles...same story.

Third: No one alive today knows for sure what the price in relation to value “should” be. For at least forty years, paper futures, derivatives, delivery rule changes, leasing, selling of empty silver storage boxes and “spoofing” trades have so obscured the normal “discovery” process that an “expert's” guess may be no better than the man or woman on the street who, when offered a 10 ounce silver bar or a



candy bar, goes for the candy. Add to this the fact that most industrial-use silver is not recycled, and you've got a perfect storm building for a once-in-a-lifetime realignment of price in relation to value.

Yes, you've heard this mantra before. But repetition of - and attention to - the basics is the only reliable path to eventual success. Suit yourself. My choice is to continue showing up, adding to

my stash, advancing in attributes, and remaining alert and mentally agile. At some point, probably by surprise, preparation will intersect with an opportunity to generate an explosive outcome.

A Paradigm Shift is Upon Us

The current furor over blockchain-enabled digital coins obscures the truth that only a handful of the several thousand market entries will effectively meet a FinTec need and prosper. Still fewer are backed by something physical - with multiple use cases as opposed to just an idea - no matter how well-intentioned.

One of these is AGX. A new physical silver-backed digital blockchain-enabled coin.

By tokenizing and distributing silver into circulation as a peer-to-peer (P2P) enabled currency, you can acquire ownership of real physical silver at market rates even better than those from traditional bullion dealers. The added benefit of metals being securely vaulted, audited and insured in distributed locations around the world without ongoing storage or insurance cost to the holder, makes a compelling case for acquiring this paradigm-

shifting asset. Icing on the cake entitles the owner to redeem physical metal upon request, and empowers them to spend it for goods and services too.

Storing this digital asset is made straightforward through the use of LODE's proprietary wallet app "LODEpay Mobile." Available on apple, android, or desktop, LODEpay wallet is among the first crypto wallets to provide easy access to this new digital-enabled gold and silver vehicle, while offering both custodial and non-custodial solutions. As a first of its kind, it also boasts a growing suite of merchant payment tools which allow a business to accept fiat and stablecoin payments in one simple solution.

Since <https://ag.lode.one/> began to grow four years ago, we at The Morgan Report felt that one of these days - silver above \$50? - retail silver would become so difficult and costly to acquire that people would be driven to a digital physical-backed coin as the best alternative.

Such an at-the-margins market shock could easily "overturn the silver supply cart".

Imagine securely storing your own metal in one of several vaults around the world, recorded immutably on the blockchain, available to you if and when you decide to take delivery or spend the proceeds! This idea makes a lot of cents. Not to mention dollars!

I created **TheMorganReport.com** which will help you build and preserve wealth under the current economic conditions.

I invite you to join the **free Morgan Report**.

David Morgan

www.themorganreport.com

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