

December 21, 2016 – Interview with Jim Cook

Interview with Jim Cook

Here's a recent interview I did with Jim Cook, President of Investment Rarities. Afterwards, I'll comment on recent developments and price action since the weekly review.

Cook: People that have been holding silver for several years are beginning to lose patience. What do you say to them?

Butler: The facts surrounding silver have never been more bullish.

Cook: Such as?

Butler: Over the last few years, enormous changes have recast and transformed the silver market.

Cook: Can we have an example?

Butler: In only a few years, JPMorgan has accumulated the largest hoard of silver in the history of the world.

Cook: How does that compare with the Hunt Brothers in 1980?

Butler: They have five to six times as much as did the Hunts, maybe more.

Cook: How do you prove that to people who doubt you?

Butler: I've been watching JPMorgan like a hawk for the past five years. In their COMEX warehouse, where the amounts they hold are made public, they have 80 million ounces. That's almost as much as the Hunts had or Warren Buffett when he bought up silver in 1998.

Cook: Are they still adding?

Butler: Yes, every chance they get. They are the biggest stopper or receiver of silver deliveries on the COMEX. This month that could be 7½ million ounces. Also 3 million ounces were sold out of the SLV last week which I'm sure they took. They do it in such a way that it doesn't have to be reported. They are masters of the game and they just keep adding without anybody knowing it but you, me and our readers.

Cook: Where are they keeping all this silver?

Butler: One place would be their London warehouse where they have pushed out all the other entities who used to store there. There is no shortage of warehouse space around the world. The beautiful thing about owning physical silver is that you don't have to report it to anyone.

Cook: With all their buying, why doesn't the price go up?

Butler: They are world champion manipulators. They maintain a large paper short position on the futures market that enables them to keep the price where they want it. It allows them to buy physical silver cheap which they've done masterfully.

Cook: How big is their short position?

Butler: Around 90 million ounces. They've been reducing it lately.

Cook: That's a good sign

Butler: Yes, but don't get confused by this large short position. When you have 550 million ounces of physical silver, you're still long 460 million ounces after you subtract the paper short.

Cook: You're saying they use this short position to manipulate the market so they can buy silver cheaper? Isn't that a possible violation of commodity law?

Butler: It absolutely is. As you know, I have bombarded the regulators with my newsletter and various correspondence pointing out this manipulation.

Cook: But they don't move on it?

Butler: No. I've also sent hundreds of epistles to JPMorgan; their board, their lawyers and their chief executive accusing them in the strongest terms of wrongdoing. Every newsletter I write accuses them publicly.

Cook: What do they say to that?

Butler: I've never heard a word. Let's face it, if you call a big financial entity crooked their lawyers are going to write you. If you keep it up, they will eventually sue you. I think the fact that they let my accusations ride proves I'm right.

Cook: When is silver going to overcome all this and the price break free?

Butler: When JPMorgan wants it to.

Cook: Are we close?

Butler: I think so. Here's an analogy. Imagine silver as a poker game. The stakes are in the billions. JPMorgan is holding an Ace, King high Royal Flush. It's a lock so they can't lose. Everybody else at the table has four of a kind or a full house. JPMorgan is in no hurry to win the pot. They are sitting back watching the raises and re-raises. They want to win as much as they can so they are patient.

Cook: How do we stay patient?

Butler: One of the biggest financial entities in the world is hoarding silver. They are your ally. If you own silver JPMorgan is your partner. You couldn't have a better ally.

Cook: People don't want to sit back and be patient anymore.

Butler: Why not? A price rise is inevitable. If you know you're eventually going to make a lot of money you should be able to wait if necessary. With JPMorgan in the mix, you know you have a big win ahead. They go for the jugular so it's going to be an enormous gain.

Cook: Could you give us an inkling as to when?

Butler: Soon I think. A number of things are happening in the futures market that are different. For example, the big hedge funds or managed money traders have always gone short at these low price levels. For the first time they have not done so.

Cook: What's it mean?

Butler: We could snap back much faster and there's less of a reason to keep pressing prices lower.

Cook: Anything else?

Butler: JPMorgan may not be the biggest short anymore.

Cook: So?

Butler: I'm thinking JPMorgan may be setting the other shorts up for a double cross. All that has to happen for a price explosion is for JPMorgan to do nothing. If they don't go short again, we go up in a hurry. Remember, every time silver goes up \$2.00 an ounce, they make a billion dollars.

Cook: If they don't go short on the next rally, who will?

Butler: I can't imagine substitute silver sellers stepping forward to replace them except at very high prices. As it stands now, eight commercial traders, many of them banks, hold a net short position of 85,000 contracts or 425 million ounces. There's nobody to take their place at these low prices. JPMorgan figured all this out long ago and that's one of the reasons they bought so much physical silver. There was no other way for them to cover without sending silver into orbit. You're truly looking at the opportunity of a lifetime with silver. You just have to relax and let it play out.

Cook: Anything else you can tell us?

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