

May 31, 2023

Dear Commissioner;

Last May, I wrote to you and the three other newly-installed commissioners, congratulating you on your appointments and laying out the case that the price of silver had been manipulated and suppressed in price for decades due to illegal trading practices on the Commodity Exchange, Inc. (COMEX). I also noted how the Commission had received more complaints over the years about a COMEX silver price manipulation than all other commodities combined.

The illegal trading practices that I described centered on two things. One, was that COMEX silver futures had held a consistent and highly unusual concentrated short position that was larger than any other commodity when normalized against actual world production - despite clear indications that silver prices were low, both on an absolute basis and relative to other commodities. Two, the remarkable pattern of the traders identified as commercials on the COMEX having never been collective buyers on higher prices, nor sellers on lower prices – an impossible to legitimately explain phenomenon.

I also pointed out how the Commission had written to me a year earlier (on May 5, 2021), acknowledging that it had referred the issue I raised about the concentrated short position on Feb 2, 2021, to the divisions of Enforcement and Market Oversight.

Based upon the data published in your weekly Commitments of Traders (COT) reports, there has been a remarkable reduction in the concentrated short position of the 4 largest traders in COMEX silver futures, particularly when adjusted for the commercial-only component of the short position. From the COT report I originally wrote to the Commission about, when the concentrated short position of the 4 largest shorts hit 65,262 contracts (326.3 million oz) on Feb 2, 2021, to the level that this short position hit on May 24, 2022 (the month I wrote to you), of 51,113 contracts (255.6 million oz), to the most recent COT report of May 23, 2023, which indicates the short position by the 4 largest traders had fallen to 36,514 contracts (182.6 million oz). Further, my analysis indicates the commercial-

only component of this position is down to around 27,500 contracts (137.5 million oz), among the lowest levels in history.

Thus, there has been a quite-remarkable reduction in the concentrated short position of the 4 largest traders in COMEX futures, both from the time I originally wrote to the Commission about the position on Feb 2, 2021 and again in 2022 when I wrote to the new commissioners upon your appointments. Since it is reasonable to assume, from the timelines and the Commission's response to me on May 5, 2021, indicting it had referred the issue of concentration in COMEX silver futures to your divisions of Enforcement and Market Surveillance, I must congratulate the Commission for any role it played in working to get this obviously manipulative concentrated position reduced.

The concentrated short position of the 4 largest traders in COMEX silver futures, particularly its commercial-only component, is now close to the level where it can no longer be considered manipulative on its face – unless, of course, it increases in the future. The reduction of the concentrated short position in COMEX silver futures from 65,262 contracts (326 million oz) on Feb 2, 2021 to what I estimated the commercial-only component of this position to be, 27,500 contracts (138 million oz), is nothing short or remarkable. Again, I commend the Commission for any role it played in the reduction.

That leaves only the collusive trading pattern of the commercials to be addressed. Since it is impossible for a group of traders to always collectively sell on higher prices and buy on lower prices, without employing some type of collusion among themselves, I urge you and your fellow commissioners to complete the job and crack down on the blatant collusion by the traders classified as commercials in COMEX silver futures trading. Should you succeed, you will be providing the highest possible service to the public and our markets.

Respectfully yours,

Ted Butler