

Market & Precious Metals Update

Posted September 1st, 2025 - By Chuck Coppes



*"With the exception only of the period of the **gold standard**, practically all governments of history have used their exclusive power to issue money to defraud and plunder the people."*

Freidrich A. Hayek, Austrian Economist (1899 - 1992)

*"**Money** is the most important subject intellectual persons can investigate and reflect upon."*

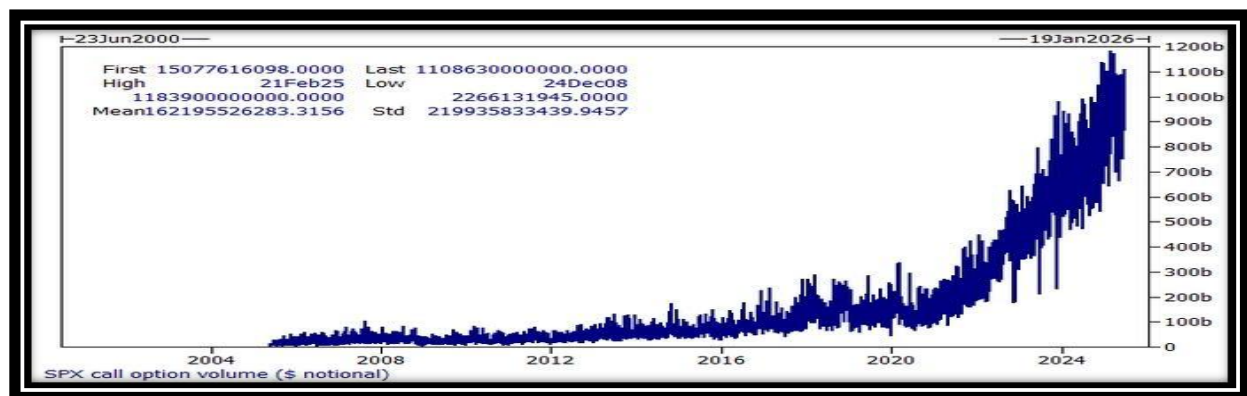
Robert H. Hemphill, President of Atlanta Federal Reserve Bank

*"Of all the contrivances for cheating the laboring classes of mankind, none has been more effective than that which deludes them with **paper money**."*

Senator Daniel Webster (1782 - 1852)

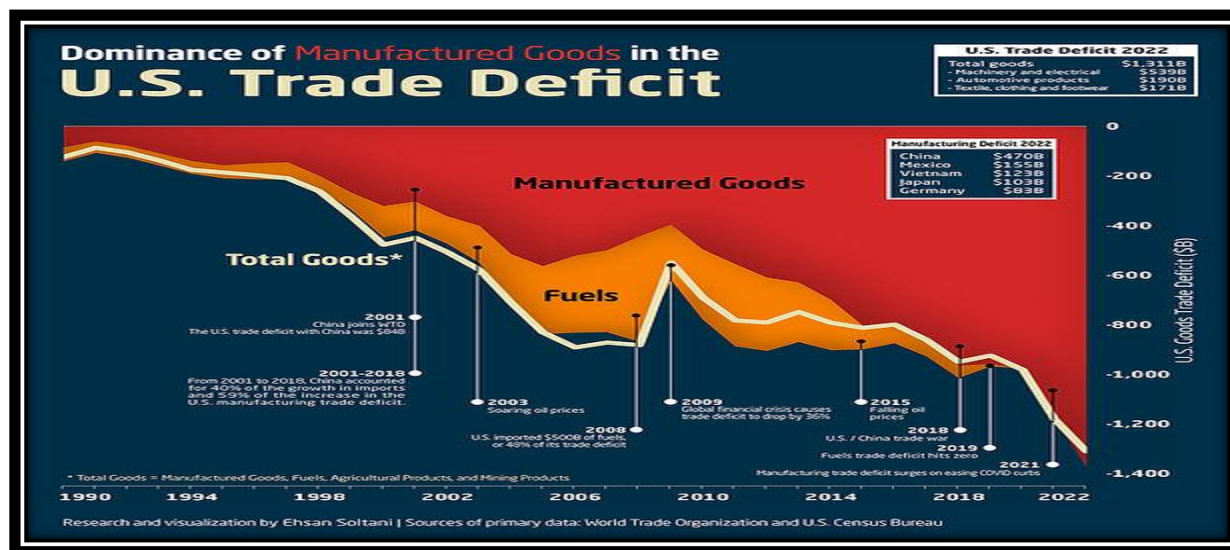
Labor Day Greetings to All,

Well, hard to believe it is **Fall** already. There is an old saying around **Wall Street**, "Sell in May and go away." According to [The Stock Trader's Almanac](#), stocks typically under-perform from May to October, and the rationale is to switch to fixed-income, etc. In recent years, the Stock Indices have been distorted with interventions, stock buyback schemes and perpetual overvaluations among traders.



[As reported](#) by **M N Gordon**, the current profit-to-earnings ratio is now **38.15**. "The historical average CAPE ratio for the S&P 500 since 1881 is **17.26**. Thus, the S&P 500 is more than twice as expensive as its long-term average. What this means is that retirement investors, who auto-invest their income into an S&P 500 Index fund every two weeks, are getting ripped off. Moreover, it's not just the CAPE ratio that's showing stocks are extremely expensive. The Buffett Indicator, popularized by the Oracle of Omaha himself, is also flashing a warning sign." **The Buffett Indicator** measures the market cap of stocks to our **GDP**. Normal is around **70%**. It is **235%** today. Wall Street has become a casino, and the house usually wins. The herd follows the "meme stocks" that are crowd-sourced to put a short squeeze on hedge funds and then produce quick profits. "Meme stocks have nothing to do with traditional investing," says **Gordon**. "They're about collective action and an 'us vs. them' mentality."

As I often like to point out, the stock market – any stock market – is a **very bad metric** for measuring the health of an economy. It may have had some connection a generation ago, but not today and since 2000 the Fed has micro-managed the entire economy with interest rates and now Trump repeatedly wants lower interest rates to fuel more speculation. “Yet speculation in the stock market is already completely out of control,” writes Gordon. “Following the Fed’s rate cuts last fall, speculation via margin debt has jumped off the chart. In fact, FINRA’s latest data, through June, shows margin debt is over \$1 trillion for the first time ever. In other words, insane speculators are borrowing against the value of their inflated stocks in record amounts to buy more stocks. Is now really the time to add more fuel to the fire in the form of Fed rate cuts?” The answer is **no**, but the Trump administration is still trying to centrally plan the economy with artificial interest rates and various policy decisions.



The most obvious economic policy to create a “New Golden Era” is to impose **punitive import tariffs** upon our trading partners. As **seen above**, the US trade deficit has been in steady decline for many years, and it has very little to do with other nations “abusing” the US that I will discuss in a moment. The US posture is to enforce **protectionist** measures, but I will let Gordon [explain the downside](#):

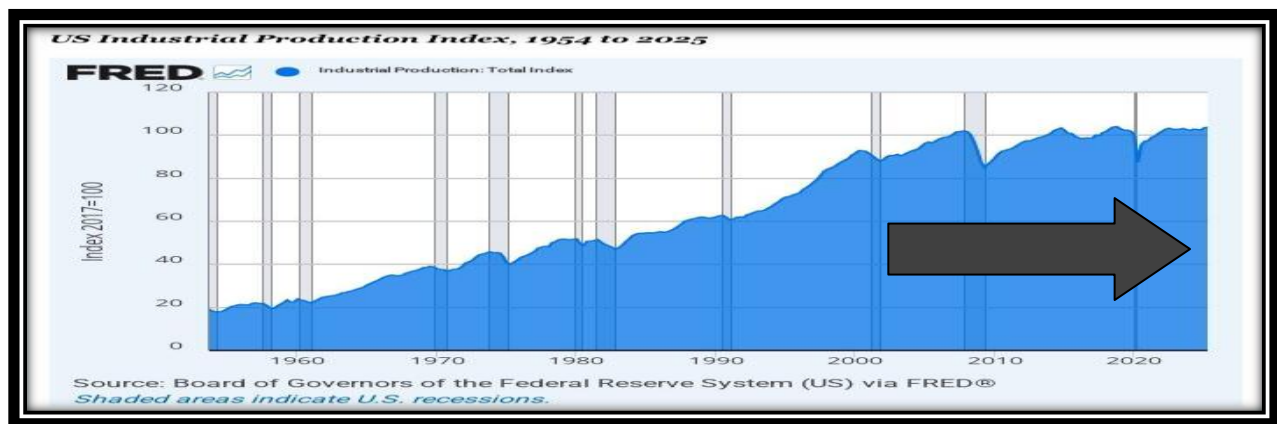
*Trump’s trade tariff policies are designed to protect domestic production, bring manufacturing jobs home, and reduce America’s massive trade deficit. **However, there are two sides to every coin.***

The flipside to Trump’s trade policies is higher prices. Very simply, tariffs are taxes.

They are not paid by foreign producers out of some generous desire to subsidize American consumers. They are duties levied on imported goods. And like all taxes, they are ultimately paid by the end-user. In this case, American consumers. For example, when Trump slaps a 10 percent, 25 percent, or even a 60 percent tariff on goods from China, Europe, Mexico, or anywhere else, that cost is absorbed into the price of those goods. Importers pay more, distributors pay more, retailers pay more, and eventually, you pay more. If the playing field is artificially tilted in the favor of American producers, they can simply raise their prices to match the now-inflated cost of imports. This is the downside of protectionism. It breeds complacency and, ultimately, higher prices for everyone. It also reduces the choices consumers have and generally leads to lower quality goods.

So, there you have it. We have been told repeatedly that foreigners will pay “to do business” with the US, but the cruel fact is that these **import taxes** are being paid by you and me. It may sound right or patriotic or whatever; but our national trade deficit with other nations has less to do with bad deals and more with our fiscal policy that floods the world with US dollars as the world’s reserve currency.

Our trade imbalance goes back to **Bretton Woods in 1944** that established the **US dollar** as the trade currency of the world linked to **gold** at **\$35/oz.** In **1971**, the Nixon Treasury Department *defaulted* on the former agreement and decoupled **gold** from the **US dollar**, and ever since then we have had a floating currency with no anchor – just *confidence* in the current monetary system! As **Mish Shedlock** [notes](#), “The advantage of the US having the global reserve currency is that it creates a demand for dollars. Nations accumulate dollars and tend to invest those dollars in US treasuries suppressing US interest rates. The curse, especially since Nixon ended US dollar convertibility of gold, is there are no brakes on US dollar creation or US deficit spending. The US has become the global consumer of last resort.” Please note his final comment. Precisely because the US can “export” dollars (inflation) to other nations that are “demanding” US dollars, this allows us to consume the goods that they send back to the **US**. In other words, the **US** has had a structural trade deficit since **1975** because we have become a consumer spending economy with an uncompetitive manufacturing base. The Industrial Production Index is the sum of domestic manufacturing, energy, mining and utility output. Since **1954**, this index has had a 3.3% annual increase, but since the GFC in **2008** the rate has essentially plateaued at a measly *0.10%* annum growth rate. “That’s right,” [says David Stockman](#), “The growth rate of America’s industrial foundation has plunged by 97% since the pre-crisis peak in Q4 2007. And yet June’s industrial production index, which was up a small tad, gets headlined as a sign of economic strength. In fact, the longer-term chart below screams the very opposite.” As seen below.

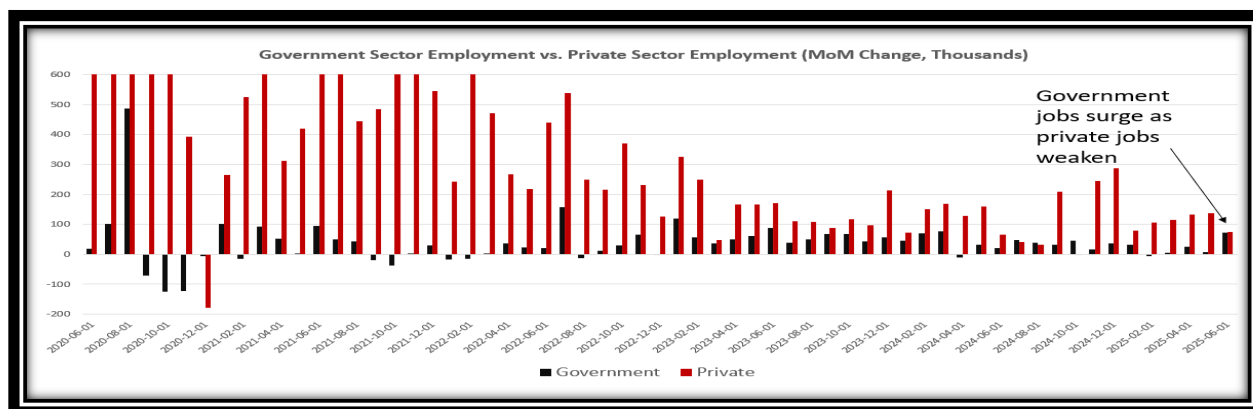


In other words, domestic manufacturing has been flat and the reasons are complex. The US has shifted from an industrial base to a technical base (the high-tech industry dominates on the S&P 500 Index). In the era of financialization firms have off-shored their manufacturing and there is little R&D, hiring and expansion in the US. Why is this? Taxes, regulations and other mandates make it too hard to do business in the US. Since the World Trade Organization was formed in **1995** global tariffs have been low and even in the 1-2% range. The Trump administration is trying to impose **10-25%** tariffs on other nations and this is not only unnecessary, but illegal. As **Mish Shedlock** [noted back in May](#), the Court of International Trade “vacated” all of Trump’s unilateral tariffs. Why? Because he used the International Emergency Powers Act. “The word **tariff** is not even in the act. Nor are synonyms like duties. **Second**, there is no emergency. An emergency is a sudden unexpected crisis. Trade deficits have existed for decades. **Third**, there is no unusual or extraordinary threat. Trump has even imposed tariffs on nations with which we have no trade deficit including islands inhabited only by penguins. **Fourth**, there is lack of a clear authorization by Congress to grant Trump such authority.” The Trump administration has appealed to the High Court, but this is not expected to stay. Finally, import tariffs have generated **\$60-70 billion** in revenue since April of this year and this is a small amount compared to the annual deficit of **\$1.34 trillion**. Further, in July the Congress finally approved “recissions” proposed by the **DOGE** committee totaling a mere \$9 billion. Not the hundreds of billions promised.

In a late ruling by the Federal Appeals Court last week, all of Trump's **illegal tariff taxes** have been rejected on Constitutional grounds – [LINK HERE](#). I will cover this more next time, and it is very unfortunate to deflect the real blame away from the **Fed** and punish consumers and our trading partners. According to the Achbridge Institute “American Dream Snapshot” Americans are not very optimistic about Trump's economic policies. “Nearly 60% of Americans say that recent tariff increases will make it more difficult for them to achieve the American Dream, and *only 12%* believe higher tariffs will help them.” **Below** is the dismal outlook for home ownership among the 30-year olds.



We can see a sharp decline beginning in the era of financialization in **1990**, along with more central planning from the **Fed**. When we look at job growth in the **US**, the majority are new government jobs that contribute *nothing* to the real economy and are a drag on the private sector as **seen below**.



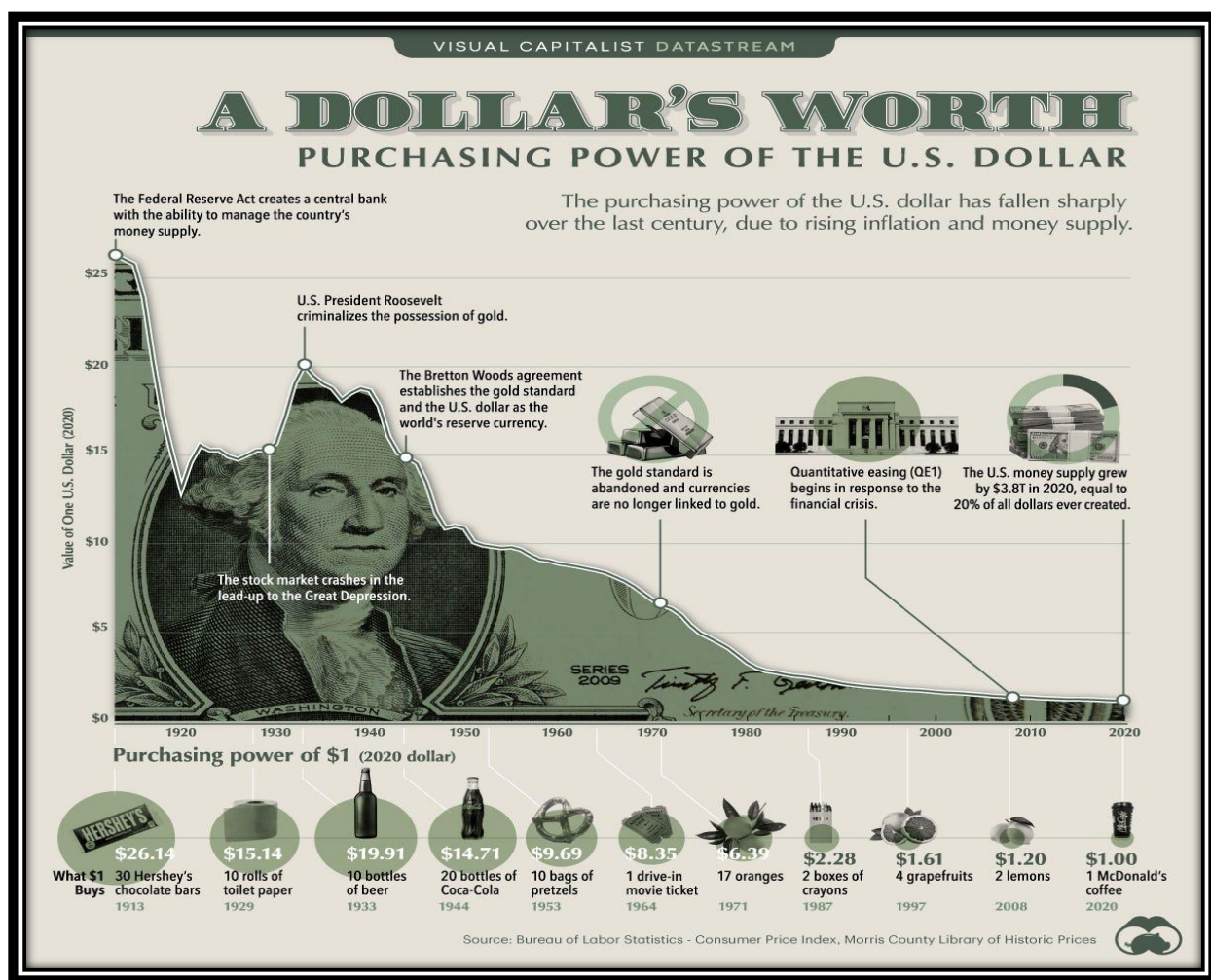
Contrary to what **Donald Trump** and other inflationists think, what the economy needs now is not more easy money to “stimulate” the economy via more consumer spending and higher asset prices.

Such things may be good politically for politicians like the president, but ordinary people desperately need deflation right now. **The only sane monetary policy right now is to allow our many inflation-fueled financial bubbles to pop, to allow for price inflation, and to allow for the economy to build on a new foundation of actual market pricing rather than on incessant monetary inflation. After all, the current policy of non-stop bubble creation and easy money has given us a world of \$30,000 “economy” cars and \$900,000 starter homes. The average age of first-time home buyers is rising to multi-decade highs, and homes are the least affordable they’ve been in decades. Delinquencies on auto loans, credit cards, and student loans are at new cycle highs. And now private sector jobs are at some of the weakest levels we’ve seen in years. **Business-as-usual isn’t working.****

The above is from **Ryan McMaken**, director of the **Mises Institute** – [LINK](#). Business-as-usual has not been working for a very long time and we will look at the root problem going back to **Nixon** in **1971**.

This **August** was the anniversary of the epic failure of the Bretton Woods Agreement to support the US dollar with a nominal gold-backing. [Blogger J D Breen](#) goes back to the formation of the **Fed** in **1913** to explain the decline of our currency and the real source of monetary inflation by the banksters.

Under Keynesian influence, like a bad striptease, the dollar spent six decades slowly shedding the chastening garment of constrictive gold. On August 15, 1971 the last tassel was tossed aside. In terms of gold, the dollar has lost 98% of its purchasing power since. Modern money is a melting ice cube and a hot potato. It rewards borrowing, punishes thrift, and makes suckers of savers. Whereas hard money encourages thrift, capital investment, and reduced time preference, fiat money promotes short-term thinking and perpetual debt. That's because fiat money is debt. It comes from commercial banks extending credit and making loans. It disappears when those loans are called in, repaid, or go bad. As in any counterfeiting ring, those who are nearest the tap get the most to drink. Everyone else simply gets soaked.



Above is how the hidden inflation tax works against savers and wage-earners. The slide really began with **Nixon** and the researchers at **Bullion Star** in Singapore provide a graphic background at [THIS LINK](#) and their commentary; “As confidence in the dollar eroded, countries began redeeming their dollar holdings for physical gold instead of holding paper. The pressure reached a breaking point in **1968** with the collapse of the **London Gold Pool**. The Pool was one of the key mechanisms used to keep gold fixed at **\$35** an ounce — a coordinated effort where the US and major Western central banks

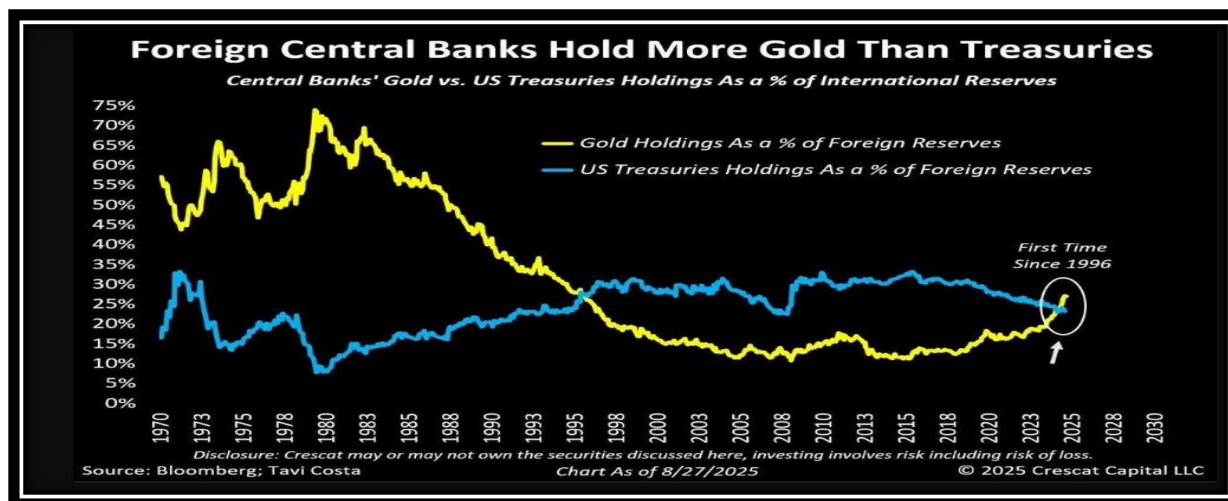
pooled their reserves to buy or sell gold and defend the **\$35/oz peg**. Since then, the U.S. dollar has undergone a dramatic loss in value against gold. From a fixed rate of **\$35 per ounce**, gold has climbed to over **\$3,500 per ounce in 2025** — a decline in the dollar’s purchasing power of more than **100%** over five decades. From Wall Street to The Roman Empire, monetary systems have risen and fallen. Every era believes it is wiser, more enlightened, better managed — yet history reminds us otherwise. Through it all, gold and silver have endured. They have served as real money for millennia, long before numbers on a screen, paper notes, or treasury bonds, and they remain a tangible store of value without needing anyone’s decree or ‘legal tender’ stamp.” I cover this history in **my book** and trying to support the economy with **protectionist tariffs** is not the answer and fails to address the larger issue of having the reserve currency of the world to allow currency inflation and even hyperinflation.



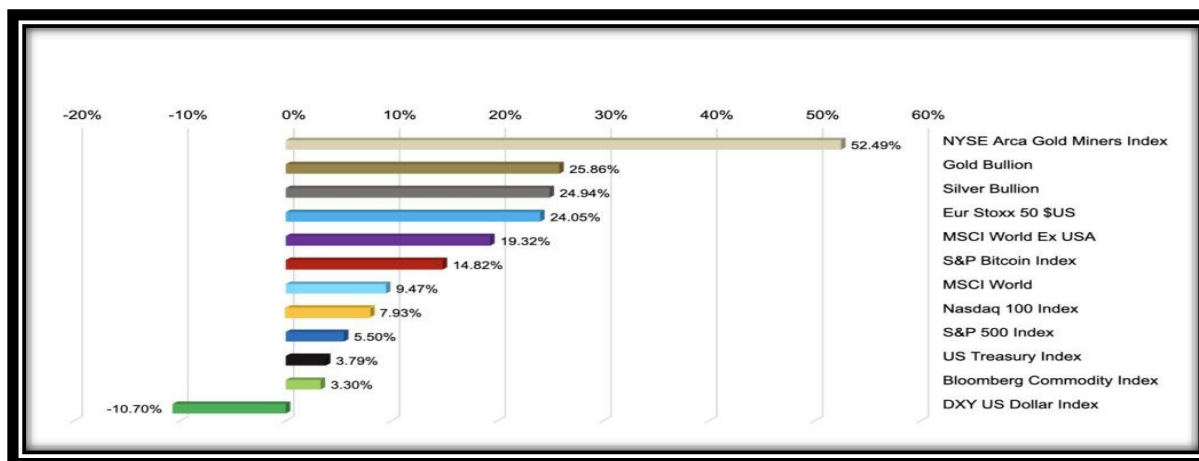
Above is what can happen to fiat currency and this gives “wealth effect” a new meaning! As noted, only **gold** and **silver** can serve as a reliable store of value and both have been real money for millennia. “To this point, the greenback has now been unbacked for longer than any other reserve currency in modern history,” writes blogger T. J. Butler. “The longer the experiment runs, the greater the risk of disorderly and uncertain transition when the house of cards comes crashing down. Therefore, while no one can predict the exact trigger—a debt crisis, a geopolitical shock, or policies from the Trump administration that inherently necessitate a weaker US dollar—history tells us that such transitions happen quickly and without warning. The bottom line is as follows: **54** years ago, **Nixon** told Americans he would ‘defend the U.S. dollar against the speculators.’ In reality, it was the dollar itself that became the speculation. And today, that bet is still running.” It should be clear that the **US** is on an unsustainable path and the notion that we can grow ourselves out of this hole or cut spending is both naïve and delusional. We are very vulnerable to a **fiscal/monetary crisis** in the days ahead and it is very uncertain what the central planners will transition to. **M N Gordon** provides his perspective:

“Presently, government planners and schemers are queuing up their tired plans to roll out at the moment of maximum panic. Economic patriotism, universal basic income, modern monetary theory, trade wars, outright currency destruction, travel restrictions, **central bank digital currencies**, social credit scores, World War III, and greater government control and encroachments upon freedom and liberty. These plans, however, ain’t gonna fix what’s coming. What’s more, these programs of central planners, while pandering to extreme populism, will only make things worse.” There has been lots of talk about **CBDC** and this is all the more reason to diversify into **gold and silver** before it’s too late.

Gold Rush & The Coming Silver Breakout!



Although barely mentioned in the financial media, it has not gone unnoticed that **gold** is breaking new records, and now we can see that the **evil banksters** have acquired more **gold reserves** than US bonds! As I indicated earlier, since the **Nixon** gold default in **1971**, the entire global monetary system is being upheld by only one thing – *confidence* – and that is wearing thin at this late stage. As **metals analyst Jon Little** [comments](#), “In the wake of the Big Beautiful Bill, the world is witnessing a perfect storm for gold and silver. As hyperinflation looms, government corruption festers, and the US dollar teeters on the edge, confidence in US Treasuries has evaporated—leaving the Federal Reserve as the lone buyer, much like a school raffle where only insiders buy tickets. This signals a profound loss of faith in America’s financial leadership. Central banks worldwide are quietly amassing gold, and recent reports show Hong Kong investors have tripled their gold holdings through HSBC, underscoring a global rush to hard assets. With gold allocations at historic lows—*barely half a percent of global portfolios*—a mere return to the **3%** historical mean could trigger a *sixfold surge* in gold prices, igniting an unprecedented bull run in both gold and silver.” Again, the financial press is loathe to make any reference to **gold** and **silver**. Why is this? **Gold** and **silver** is like **kryptonite** to the evil banksters and against their religion; all of their commissions, fees, bonuses, etc. are tied to the financial services industry; and central banks downplay the role of real money (as they hoard it). As you can [see below](#), stock indices have made nominal gains while **gold** and **silver** continue breaking out in **2025**.



Turning our attention to **silver**, the stress for physical delivery and deliberate manipulation of the fake **silver** “price” by the riggers is becoming intense. **The Silver Academy** [has predicted \\$300/oz. silver](#) and **\$15,000/oz. gold** if, when, we have a monetary reset or debt restructuring. They add, “For years, powerful banks suppressed silver prices through massive short positions. But the tide may be turning. As China’s influence grows and Western bullion banks shift to long positions, the stage is set for a dramatic reversal. The Shanghai price for silver already exceeds that of New York and London, pressuring global markets to follow suit. Speculators betting against silver will soon find themselves trapped in a historic short squeeze.” It has been recently revealed that the **SLV-ETF** (managed by JP Morgan Chase and Blackrock) issued **10 million shares** in a single day and this required **285 tons of silver**. The shares were sold. There are now **ZERO** shares to borrow in order to naked short the SLV!

SLV Borrow Fee (CTB) Changes

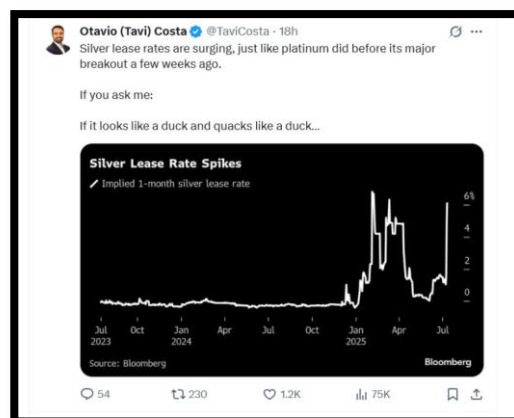
Updated ¹	Fee ² %	Available	Rebate ³ %
2025-07-16 07:30:36 AM EDT	1.82	0	2.51
2025-07-16 06:59:22 AM EDT	1.82	15,000	2.51
2025-07-16 06:43:51 AM EDT	1.82	20,000	2.51
2025-07-16 05:57:22 AM EDT	1.82	65,000	2.51
2025-07-16 04:24:17 AM EDT	1.82	90,000	2.51
2025-07-16 02:51:18 AM EDT	1.82	80,000	2.51
2025-07-16 02:20:18 AM EDT	1.82	100,000	2.51
2025-07-16 02:04:49 AM EDT	1.82	200,000	2.51
2025-07-15 11:20:19 PM EDT	1.82	250,000	2.51
2025-07-15 08:45:05 PM EDT	1.82	100,000	2.51
2025-07-15 03:19:23 PM EDT	1.82	250,000	2.51
2025-07-15 02:29:17 PM EDT	1.81	250,000	2.52
2025-07-15 01:27:13 PM EDT	1.93	250,000	2.40
2025-07-15 12:25:12 PM EDT	1.74	250,000	2.59
2025-07-15 10:21:00 AM EDT	1.26	250,000	3.07

← **ZERO SHARES TO BORROW**

1) Data from Interactive Brokers. IBKR publishes an updated file every 15 minutes. If there's no update, there aren't any shares available.
2) A stock loan fee (a.k.a. borrow fee, borrow rate, or cost to borrow) is a fee charged by a brokerage firm to a client for borrowing shares. [Investopedia](#)
3) A stock loan rebate is a cash payment granted by a brokerage to a customer who lends stock as cash collateral to short sellers who need to borrow stock. A positive rebate fee means the lender pays the interest to the broker-dealer. A negative rebate fee means the security is hard-to-borrow and the broker-dealer pays the interest to the lender. [Investopedia](#) [SEC.gov](#)

SLV Borrow Fee (CTB) [chartpage.com](#)

I don't think this has ever happened before, and to make matters considerably more urgent, the **LBMA** in **London** is alleged to have **24,200 tons** of **physical silver** and this kind of drawdown could empty their vaults in just **85 days!** You read that correctly. In addition, increased demand is causing the lease rates in **London** to soar (see below) and this is a happening with little or **NO** coverage in the press.



What does this mean? It means that the long, criminal suppression of **silver** is about to escape the death grip of the evil banksters and riggers at CRIMEX in **NY**. As **The Silver Academy** [reports](#), “For decades, Western banking institutions have treated silver as a strategic vulnerability, employing a range of tactics to suppress its price and discourage widespread ownership. This has included persistent short selling, spoofing, and frequent rule changes at the COMEX exchange, all of which have served to demoralize and disincentivize retail investors from holding silver. The mainstream media has largely maintained a blackout on silver’s true potential, further reinforcing the narrative that silver is an unworthy asset for the average person. In stark contrast, China has recognized the unique value of silver and is now actively promoting it as the poor man’s gold.” Something big is coming.

Silver is up 25% this year and at a 14-year high. We have news that **Russia** is buying undisclosed amounts of **silver** along with other nations. In the West, financial planners allow a mere .05% allocation in **gold**, and I imagine probably *none* in silver. **Michael Oliver** has been watching these markets for decades, and provides this insight; “What is going on right now is silver is compensating for having been restrained for so long by forces that are trying to hold it back. And the problem with that is that when it bites them they are on the short side of the market so the squeeze is them exiting what are now vulnerable short positions. And so I think that is the main driving force in silver in this slingshot move is killing the forces that have stood in its way for several years.” He concludes that **silver** will exceed **\$240/oz.** and even a return to a **30:1 silver/gold ratio** (like we had in 2011) would suggest a price today of **\$116/oz.** and I suspect more than double that. The real issue is that **gold** and **silver** are not getting expensive – *the currency is getting cheaper*. This is known as Gresham’s Law. Monetary expert **Alasdair MacLeod** explains that “we see moving average momentum accelerating in a commodity which has been in supply deficit for several years. Silver is a more restricted market than gold and therefore more volatile. It is not so much gold, silver, and other metal prices rising bullishly, but led by the dollar fiat currencies are rapidly losing purchasing power. Evidence is mounting that the fiat currency era is coming to an end.” **Silver** is currently testing **\$40/oz.** and a breakout is near.



As **Oliver** said, **silver** will have “a slingshot move” that far exceeds the percentage move for **gold**. **The Silver Academy** concludes with their perspective on silver. “Silver’s behavior following gold’s three major breakouts to new all-time highs offers a compelling analog. While silver’s performance has lagged the average of these historical moves, recent price action suggests it is beginning to ‘perk up.’ This lag is not a sign of weakness, but rather of pent-up potential. As gold leads, silver is primed to follow — often with greater velocity and magnitude once momentum takes hold.” As welcome as genuine price discovery will be it will be disorderly, and as the late **Ted Butler** said, it did not have to come to this. I suspect that **gold** will be repriced into the thousands and **silver** will reach parabolic highs and level off at whatever a **30:1** ratio is (\$200-300/oz.). Remember, in **1980** the **Dow Index** was **800** points and **gold spot** was **\$800** – a true **1:1** ratio that would be **\$45,000/oz.** Just sayin.

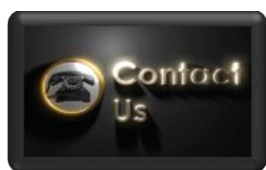
I’ll leave you with a quote from respected silver analyst and heir apparent of Ted Butler, Ed Steer. “While many investors are bored with these assets, and most don’t even understand what volatility squeezes are, they should be doing the exact opposite. This is shaping up to be a very exciting setup and opportunity for precious metals investors, as big rallies are likely to erupt this Fall.”

Summary & Conclusion. The US has a debt-based economy and this means that our currency is created **out of debt** (issuing bonds). This has been the case since the **Fed** in **1913**, and this is why we have perpetual inflation that defrauds, plunders and cheats the laboring classes of mankind as **Daniel Webster** said 200 years ago, as we recognize this **Labor Day**. Webster was a Christian and he was perhaps familiar with **Eccl. 10:19**, “Money is the answer to everything.” I have always thought this should be carved onto the (Fed) **Eccles Building** in the District of Criminals. Fake money. This is always the answer. And this accelerated after **1971** when the **Nixon** removed any restraint for loose fiscal policy. This is why government spending accounts for **37%** of our **GDP** and easy credit has distorted capital markets, valuations and the perpetual *wealth effect* created by monetary inflation and speculation. As **Doug Casey** likes to say, “We don’t have markets anymore, just interventions.”

What exactly caused the **Nixon Shock**? As I covered earlier (p. 5), the **US** pledged to redeem dollars for **\$35/oz. gold** since **1944**. Central banks (London Gold Pool) conspired in **1961** to “maintain” the price of **gold** and this failed in **1968** when foreigners holding **\$38 billion** in dollars wanted to exchange dollars for the remaining **\$19 billion** in **US gold**. This is why we have annual budget and trade deficits since that period because nations need excess **US** dollars for world trade and we get to run twin deficits and kick the can down the road. Our trade deficit is not because of “bad trade deals” or sneaky trading partners. **Trump** was whining about the **Japanese** back in **1980** and now it is **China**. **Reagan** was never a protectionist, and let’s remember that trade is among *people* not nations. It is the marketplace that decides, not politicians. The courts have ruled. As **Mish** said, invoking emergency powers is bogus. “There is no emergency. An emergency is a sudden unexpected crisis. Trade deficits have existed for decades.” Trump cites an activist (partisan) court. **Mish responded this weekend**, “The problem is we have an over the top, arrogant, activist president who does not give a damn about the Constitution.” I wish that we *would* address the *root cause* of our trade deficit (abusing our reserve currency status), “Unfortunately,” says M N Gordon. “His solution – **tariffs** – is like trying to control diarrhea with duct tape. It turns one messy situation into another. Fiscal discipline, like a balanced budget and a stable money supply, would go a long way to shrink America’s trade deficit.” Amen.

Finally, history seems to be repeating itself. Back in **1971**, nations were anxious about **US** debt and uncreditworthiness and dumping dollars for **gold**. Today, central banksters are dumping **US** treasuries for **gold**, and it is not **\$35/oz.** anymore. As **Jon Forrest Little** recently said, “Gold drops like a rock when people trust the system, it soars to the moon when they don’t.” The evil banksters are trying to “demoralize and disincentivize retail investors” from holding **silver**, but people are waking up and the long-awaited rally may begin this Fall. Let me know if I can assist, and as always trust the **Lord**, but keep your powder dry (Ps. 46:1-3). Confidence in Him and His word is still our best hope!

Until Next Time, Your Messenger from Sandpoint 



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