Silver Positioning & War Threats

Posted July 22nd, 2026 - 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.*"

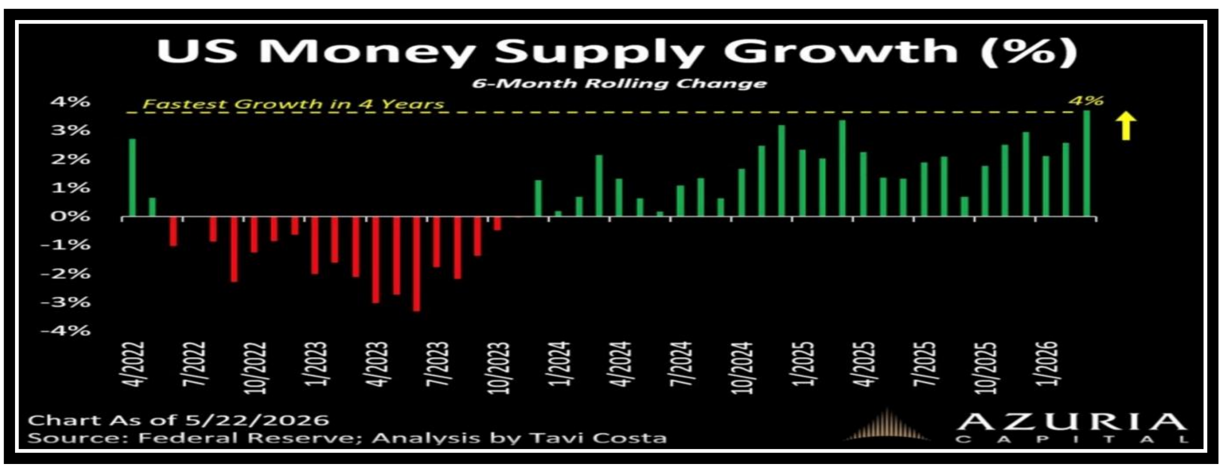
Freidrich A. Hayek, Austrian Economist (1899 - 1992)

"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)

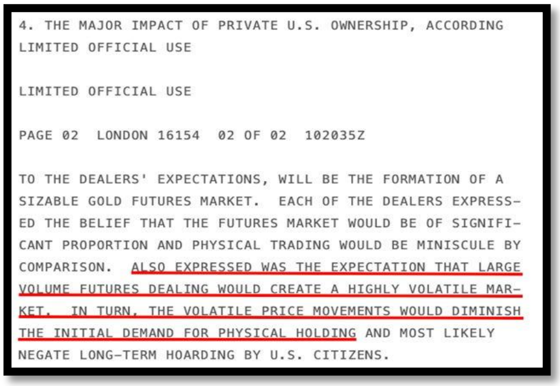
Greetings to All,

I'm back after a two month project and recess this summer. It's good to have a pause to better reflect on the metals market and geopolitical issues generally. Tensions and new Fed chair policy are having an effect on markets, but the Fed continues to grow the **US money supply**. As you can see below, the expansion began with the second Trump term and here is your real (*not nominal*) inflation factor.



You would think by now (*with $40 trillion debt*) that most people would be wise to what causes price inflation? But we are still told year after year that the noble leaders of the Fed are "fighting" inflation for the little guy. A study by Brownstone Institute found that their **Reality Index** for inflation indicates that "purchasing power in the US has declined by roughly 50% since 2019, nearly double the inflation implied by official government statistics." I could come up with my own Reality Index for all the lies that are being told today! **M N Gordon** asks if you are better off today than six years ago? "If not, this means your valuable time, talents, and labor have effectively been devalued by deliberate policies of extreme dollar debasement. Again, this is according to the government's fabricated statistics. We all know based on real world experience that prices are rising much faster than what's officially reported." He concludes that we are "mired in a stagflationary simmer" and inflation is never going away.

"For decades, the Federal Reserve has perfected one thing: illusion," say the good guys at Silver Academy. "Markets go up, so people assume things are fine. But markets are no longer a reflection of economic strength—they are a reaction to monetary distortion. When yields drop, money is forced into equities. When debt explodes, valuations expand artificially. That is not growth. That is financial sedation." This is also called the "wealth effect" and stock valuations are at record highs and this distortion is why **Buffett** is now sitting on a record *$400 billion* in cash. Why is he doing this? The current P/E ratios do not justify this malinvestment and he is waiting for the shoe to drop. Wall Street loves to disparage **gold** and this is all we are hearing these days as they ignore risk-on assets.


4. THE MAJOR IMPACT OF PRIVATE U.S. OWNERSHIP, ACCORDING
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TO THE DEALERS' EXPECTATIONS, WILL BE THE FORMATION OF A SIZABLE GOLD FUTURES MARKET. EACH OF THE DEALERS EXPRESSED THE BELIEF THAT THE FUTURES MARKET WOULD BE OF SIGNIFICANT PROPORTION AND PHYSICAL TRADING WOULD BE MINISCULE BY COMPARISON. ALSO EXPRESSED WAS THE EXPECTATION THAT LARGE VOLUME FUTURES DEALING WOULD CREATE A HIGHLY VOLATILE MARKET. IN TURN, THE VOLATILE PRICE MOVEMENTS WOULD DIMINISH THE INITIAL DEMAND FOR PHYSICAL HOLDING AND MOST LIKELY NEGATE LONG-TERM HOARDING BY U.S. CITIZENS.


BARRON'S

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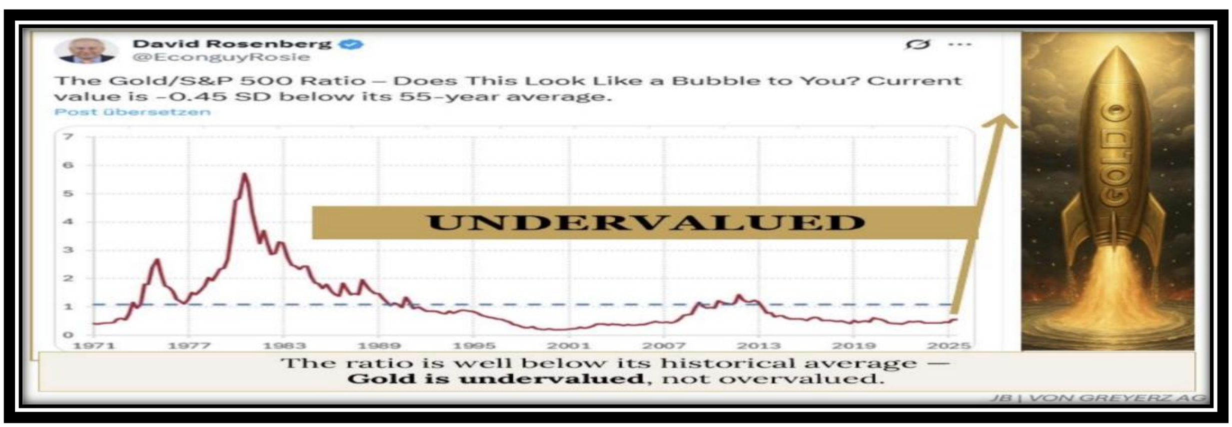
Gold Slumps Below $4,000 as It Loses Shine to the Dominant Tech Trade

By Martin Baccardax Follow

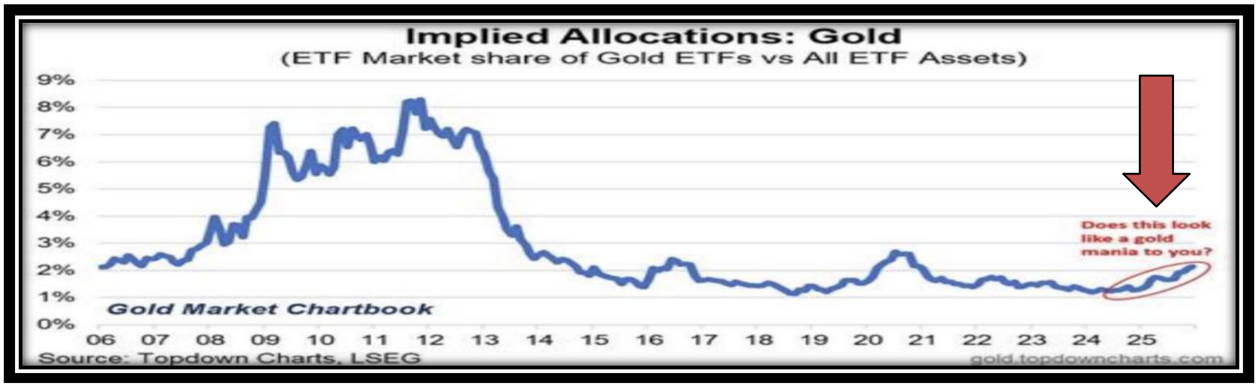
July 01, 2026, 6:43 am EDT

As seen on **the left** here, a cable was released by Wikileaks how Comex was created in 1974 in NY to serve as price discovery for metals and how that the volatile (paper) futures trading would discourage the average investor. This has been the case and the banksters do this out of necessity to protect the fiat fractional reserve monetary system and their monopoly to create "money" by exchanging bonds for currency notes. **Mike Maharrey** explains the simplicity. "The Fed buys those bonds with money created out of thin air, increasing the money supply and effectively raising the inflation tax. This is why government people love fiat currency. And it's why they hate gold and silver." **Maharrey** notes how a World Gold Council study shows that gold interest is *always up* in Asia but *always down* in Western exchanges. This is not the "invisible hand" of the market; rather fat fingers on the keyboard and this is why according to any metric or currency gold (and silver) are historically undervalued.

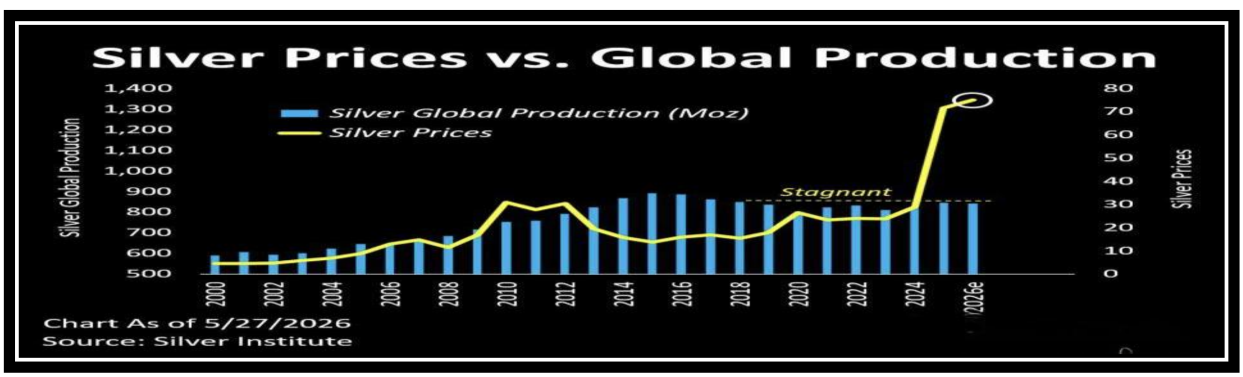


China is well aware of this undervaluation, and has imported nearly **700** tons of gold this year so far (163 tons in May) and as one blogger put it, "Meanwhile, paper markets in London and New York are comatose with only a flicker of interest." This will be the case until Gresham's Law and Stein's Law both render a final verdict on the global monetary system anchored on the US dollar as the reserve currency for global trade/settlement. In other words, risk-off assets will overwhelm risk-on assets.

As you know, we did hit fresh highs for both **gold** and **silver** in January. What happened? I think we can refer to the cable above and the intervention by Crimex in NY (heavy margin calls, etc.). They also exploit any market weakness and this is known as a "force multiplier" to push indexes. This battle between real and fake money is intensifying because the powers-that-should-not-be know that the system is mathematically, fiscally and politically unsustainable. As one writer in London recently put it, "It is now clear that the contemporary monetary system is coming to an end. In an era where promises are multiplied by the constant issuance of new debt, the commitment to repay them has become rarer than ever. As the world collapses under the weight of its own debts and dies in a future it no longer believes in, a global financial crisis looms." He predicts all fiat currency will go to *zero*.

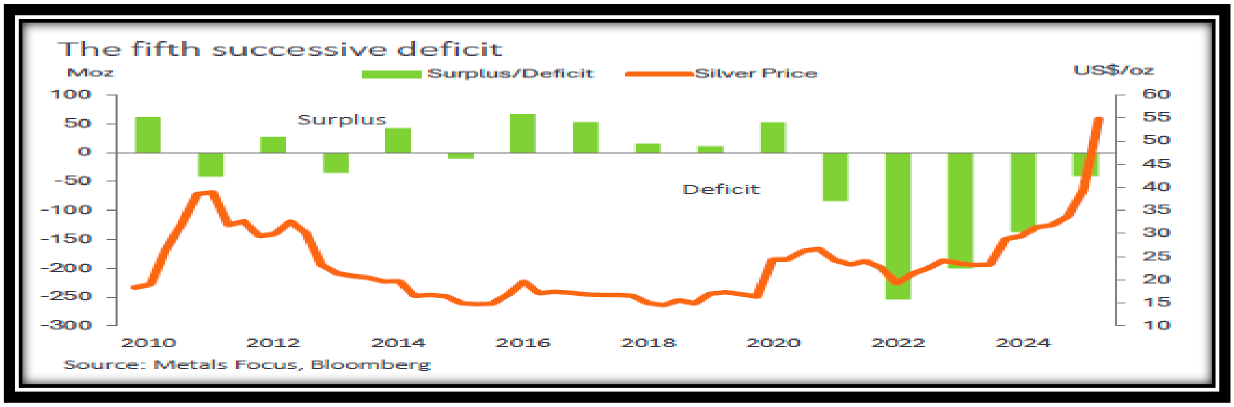


Meanwhile, the flicker of interest in gold can be **seen above**. The share of gold funds on Wall Street is a measly **2.7%** and it is also estimated that *$47 trillion* in pensions funds in the US have less than **3%** allocation for gold. One study also finds that privately-held gold in the US is **1.6%** of the global total. When you compare this to China or India it is staggering. China accounts for **20%** or more of all gold consumption and the average household in India has a kilo of gold (32 oz), and even more silver. In a recent post, **Dr. Marc Farber** said, "Now may be the time to think beyond financial promises—and consider anchoring wealth in something real, before ownership itself becomes unobtainable.…Gold is not an escape from the system, it may well be the foundation of the next one." What **Farber** is saying is what we are also hearing from monetary authorities and the need for a "reset" or debt restructuring that must necessarily "reprice" gold to $20-30k and ounce or higher. This is what China also sees. It will take a crisis event to finally address Triffin's Dilemma and this will not only be extreme for gold but silver by any comparative ratio. The current silver/gold ratio is **70:1** and this ratio should be more like **15:1** since it is also mined from the earth at **9:1** since the time of ancient Rome or Egypt!



We will now shift our attention to **silver** and the raw fundamentals. As seen above, despite demand for silver and stagnant supply the silver price has only recently broke though $50/oz. We can also refer back to the above cable why this has been the case while China (SGE) still pays a **12%** premium.

At some point these raw fundamentals will overtake the fake paper price in the West as compared to the actual real physical price in China. You can see the difference right at THIS LINK. You might want to bookmark that for future reference and clarity. The silver industry has been running a supply deficit for at least six years according to **The Silver Institute** as you can **see below**. You can also see that silver finally broke $50/oz. in the fall of 2025 for the first time in 50 years and that is a good sign.



A recent (in-depth) study was recently shared by **John Macintosh** who was a trader for 40 years at the Chicago Board of Trade (CBOT). His findings compared to **The Silver Institute** indicate that the institute has *understated* the amount of silver consumption in India and the actual industrial demand (which is almost 60% of annual production). His conclusion is that demand has been far exceeding supply for eight years and the actual shortfall is more like *five billion ounces!* **Here is his comment:**

If I have ever seen a case for massive rationing, this is it: when, demand exceeds supply by close to 50% for several years in a row, and when the true deficit for the last 8 years probably exceeds 5 billion ounces. *When rationing is thwarted by years of dodgy data the more extreme the final outcome will be.* ***The unwinding of decades of suppression, manipulation, and a complete absence of true price discovery, combined with an extreme inelasticity of supply should be one for the history books.***

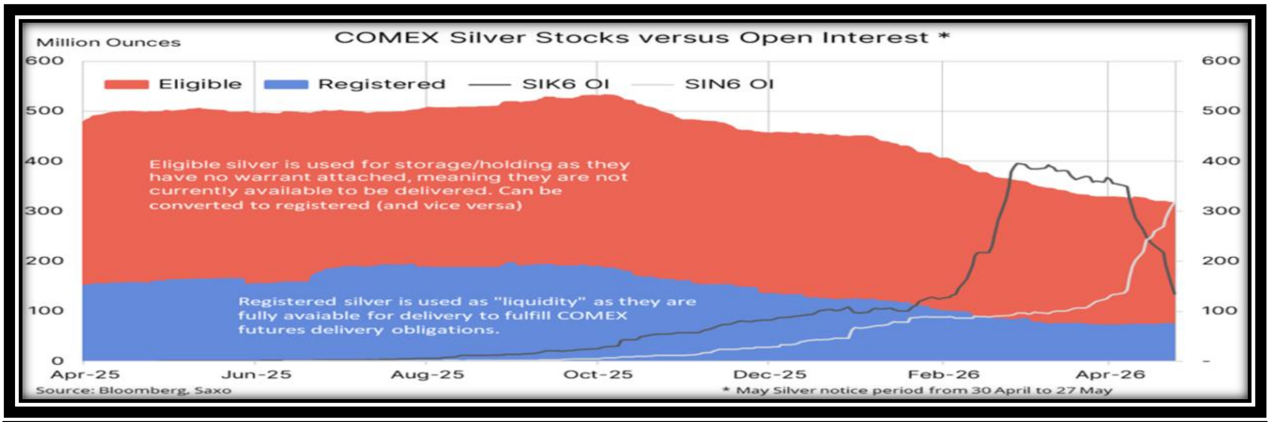
Previous estimates are that there is almost *a billion ounce shortfall* and he says it is *five times* that amount. I will explain why this is important to you a bit later**. Below** is the monthly available silver at Crimex back in April. The **registered** is what is available and the **eligible** is encumbered and not available. The current available in July is around 90M ounce and this is still 70% less than 2020.

LATEST CR!MEX movement
According to SOUS on SilverDegenClub.

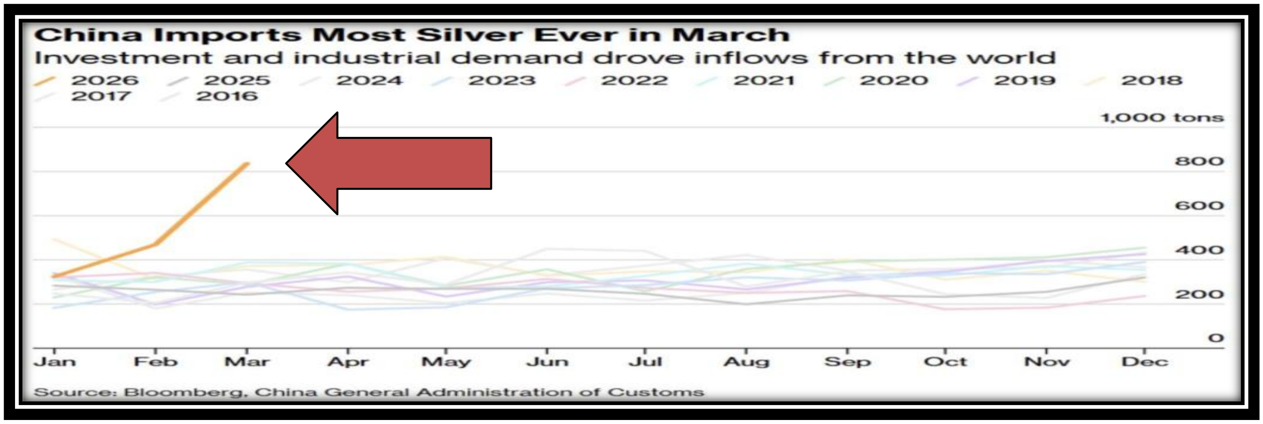
Ag. oz Troy	4/13/2026	Net Change	4/14/2026
TOTAL REGISTERED	76,885,805	74,838	76,960,643
TOTAL ELIGIBLE	247,961,066	-3,222,429	244,738,637
COMBINED TOTAL	324,846,871	-3,147,591	321,699,280

In January we saw 135 million ounces of silver withdrawn and things have quieted down since then. Each month there is Open Interest in the futures market and this factor needs to be better understood.

The current **Open Interest** (OI) for July is 270 million ounces of potential silver demand. This number however is the lowest in **15** years while registered is shrinking. So what is going on? "It indicates that market participants are stepping back from paper exposure at the same time the pool of deliverable metal is shrinking," notes Zerohedge. "This retreat from paper is occurring against a backdrop of persistent physical demand. China's import appetite remains elevated, continuing to draw silver out of the global system and away from Western exchanges. At the same time, one-month lease rates have turned positive." In other words, traders are skeptical about delivery or being subject to punitive margin calls. Each month the **OI** can demand delivery, roll into the next month or cancel. **Laurent Maurel** explains it this way, "For a layperson, it can be illustrated this way: it's like booking airline tickets. As the departure date approaches, you either board the plane (delivery), change your flight (roll), or cancel. But if too many passengers want to board at the same time while seats are limited (restricted registered stocks), tension rises immediately. This is precisely what we are seeing today."



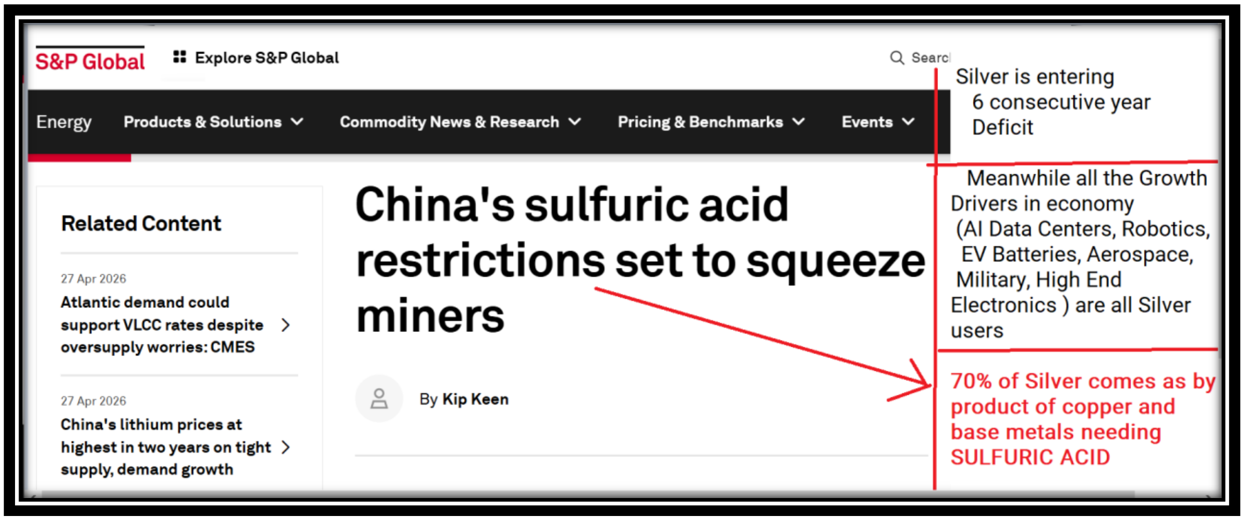
Here is a graph of the total inventory at Crimex. **Maurel** notes that rolling contracts into the next month merely "postpones the problem" because "as long as the majority of participants choose to not take physical delivery, the system holds. But in a context of growing scarcity and rising physical demand, this balance is becoming increasingly precarious." The reason it is precarious and vulnerable is because silver demand is – ***INELASTIC***. Remember that term. You can push out paper contracts all day in the West. Growing industrial demand needs *real silver* at any price. This is what makes silver so compelling and again **China** is at the forefront of this structural demand dynamic **as seen here**.



To summarize, silver is trading above $50 but the silver to gold ratio is still **70:1**, the actual shortfall for silver is huge and high tech demand is also great while the **SGE** in China is quietly becoming a more reliable (legitimate) physical benchmark for trading both silver and gold in the global market.

Recently, it has been reported by **Mike Adams** that the **SGE** is about to announce the end of margins on their trading platform on **July 24**. What does this mean? "On that day, China's major banks will complete a quiet but devastating campaign: halting all retail purchases of precious metals on margin. The paper marketplace for gold and silver at the retail level -- the very mechanism Western bullion banks have used for decades to suppress prices -- will cease to exist in China. This move directly targets Western agents and proxies who have used retail paper markets to artificially suppress gold and silver prices through massive short positions and spoofing tactics." This comes as no surprise since the **SGE** has actually banned some Western sources from participating earlier this year on the same grounds. What impact this will have we will see soon. You can read the report at THIS LINK.

In a related effort by China to become a dominant force in the metals space they have started to restrict the export of sulfuric acid to refine base metals. How does this impact silver pricing? China refines **70%** of the silver in the world. **Silver Academy** adds, "Around **70%** of global silver output is produced as a by-product of lead, zinc, copper and gold mining rather than from primary silver mines, so disruptions in those sectors can quickly tighten silver supply." This means that miners will have less ability to refine silver for the retail market and this is another bullish signal for inelastic supply.

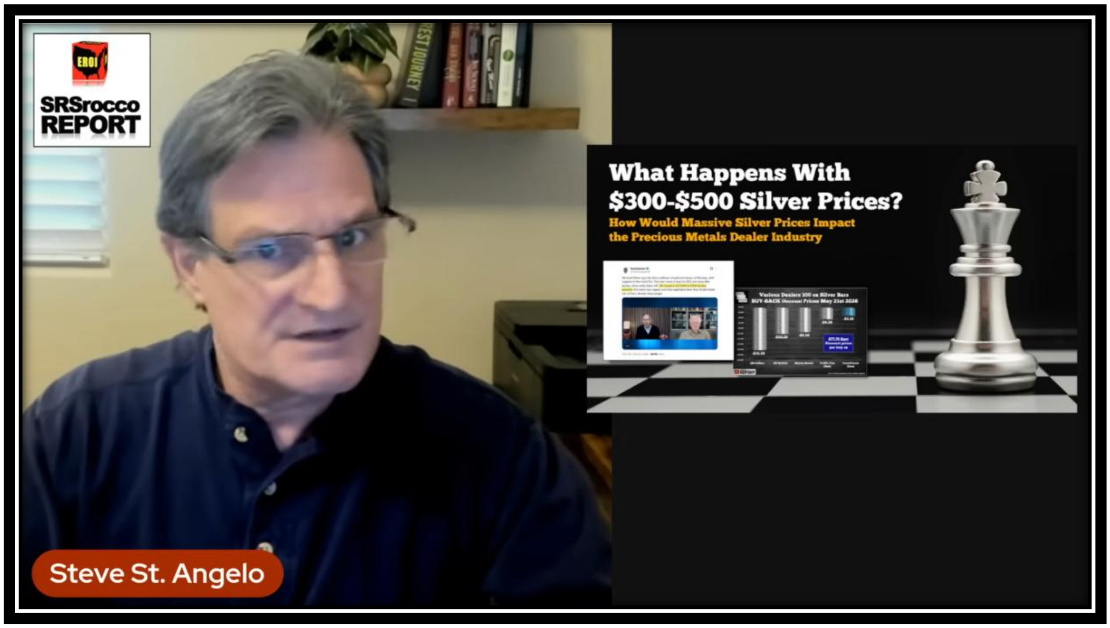


There is also an interesting development in **India** with respect to silver. In April the government allowed household silver to be used as collateral for banking loans, thus "monetizing" silver. As **Silver Academy** states, "Unlike Western "innovation," where financialization usually means burying commodities under layers of futures, swaps, ETFs, and other lies, India's approach is brutally simple. The system is not creating synthetic silver exposure; it is demanding actual metal as collateral. The credit machine is being backed by physical silver, not PowerPoint silver. That's financialization without paper dilution – the opposite of the usual Wall Street alchemy." However, the conflict with Iran has caused oil, gas and fertilizer to spike and India has slowed imports of silver and gold to hold down their trade deficit and this has raised premiums in India of course. Looking ahead, **Adam Sharp** says he is bullish on gold but he adds, "The setup for **silver** looks even better." He continues.

When that combination of booming industrial + investment demand hits again, we're going to see fireworks. ***In the midst of this energy crisis, it's easy to forget we're also due for a debt/credit disaster.*** *And whenever that one kicks off, demand for silver is going to skyrocket. So despite all the chaos and change in the world economy, silver remains my favorite way to play precious metals.* ***It'll be volatile. But the stars are once again lining up. Over the next few years, I remain confident we'll see $200/oz silver.***

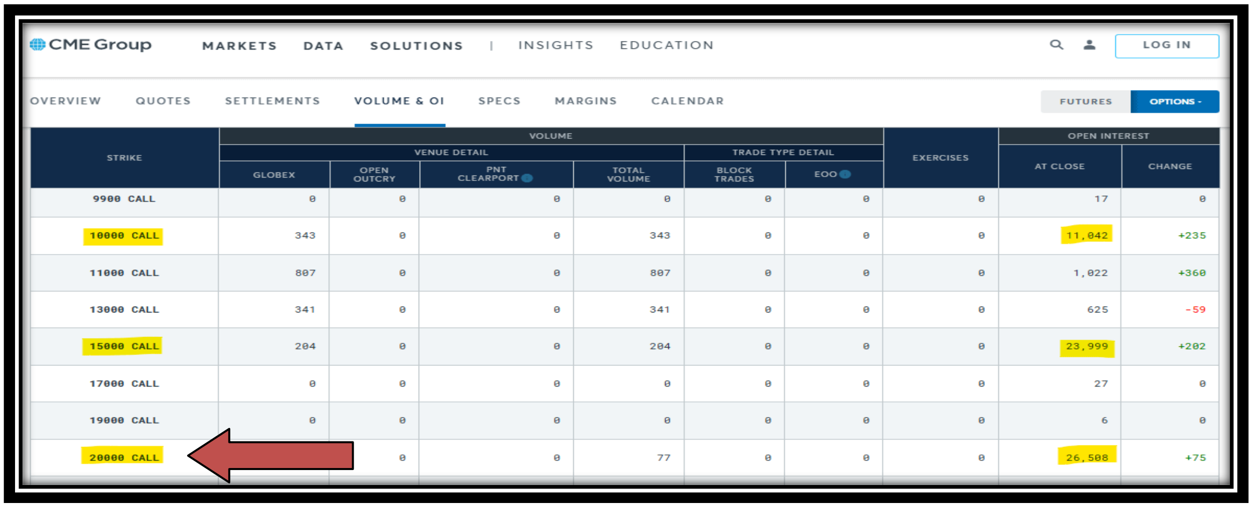
This seems like a fairly easy prediction when you project it over three years. Back in April, **Michael Oliver**, Founder of **MSA** Research made a bullish prediction that has gone viral. "We hold to our projection that once this violent congestion/pullback process ends, silver will seek out a new price reality probably between **$300 and $500**—fairly quickly and possibly this summer." **Oliver** cites his reasons and I am all for "a new price reality" in the silver market, but what would this really look like?

A Cautionary Warning from Steve St. Angelo



Steve is a respected analyst and researcher whom I highly regard. I invite you to listen carefully to what he has to say in this 12-minute video at THIS LINK. If we have silver at $200-500/oz. it will create a massive *liquidity crisis* at the wholesale, retail and refinery level. We saw a preview of this in January of this year when silver hit **$121/oz**. and then got ambushed. Small dealers got overwhelmed and premiums dropped for silver bids and junk silver almost went to no bid because the refineries only want pure silver (junk was selling 20% under spot!). Payments were delayed 30-60 days and only large dealers could offer bids with restrictive cash settlements. Even at Crimex, margins could not be maintained and the short positions were stressed and freezing credit lines. As silver broke **$50/oz**. it naturally brought sellers to the market and this selling continues to this day and the reason is simple. People have been "stacking" silver for over **20** years and trying to unwind this one-way trade is going to be disorderly. Presently, we have some geopolitical "congestion" and a Fed "pullback process" that is impacting the silver (and gold) market – a strong dollar for example – but when metals do start to gain there will be a slow drag as liquidations start again. As I covered earlier, if the inelastic gap for silver is actually billions of ounces of silver this is a bullish factor for you if you have silver. What is really needed to maintain liquidity at all levels is if we have new buyers coming into the silver/gold market – a near global flight to risk-off safety – and this is likely and better understood in the East than in the West! What is needed is some **silver positioning** on your part. I intend to sell some at under $100 and then a little more and so on. You should sell items that are subject to capital gains first and then consider IRA accounts. In other words, don't wait to sell everything at $200-500/oz! This is not advice, just some insight. We all want to see genuine price discovery and a real fair market price for silver, but be careful what you ask for as they say. Everyone needs an exit strategy and the time to think about it is now not later. I am anticipating this day and I pray we can all get through it easily.

<u>Finally, it is worth considered the real potential for metals in the days to come</u>. We have already considered that a monetary reset could see a new price for gold in the $20-30k range. Last month market researcher **David Jensen** provided **this chart** <u>straight from the CME Group</u> (owner of the Crimex) with 2.65 million gold call options for a **$20k/oz**. December 2026 strike price. *Say what?*



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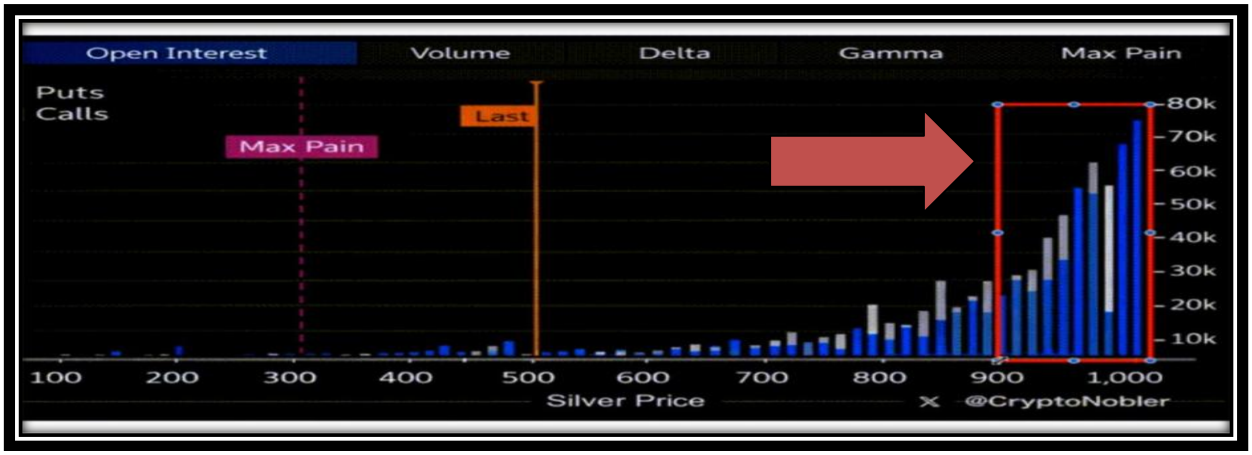
OVERVIEW | QUOTES | SETTLEMENTS | VOLUME & OI | SPECS | MARGINS | CALENDAR | FUTURES | OPTIONS

STRIKE	VOLUME						EXERCISES	OPEN INTEREST	
	VENUE DETAIL				TRADE TYPE DETAIL				
	GLOBEX	OPEN OUTCRY	PNT CLEARPORT	TOTAL VOLUME	BLOCK TRADES	EOO		AT CLOSE	CHANGE
9900 CALL	0	0	0	0	0	0	0	17	0
10000 CALL	343	0	0	343	0	0	0	11,042	+235
11000 CALL	807	0	0	807	0	0	0	1,022	+360
13000 CALL	341	0	0	341	0	0	0	625	-59
15000 CALL	204	0	0	204	0	0	0	23,999	+202
17000 CALL	0	0	0	0	0	0	0	27	0
19000 CALL	0	0	0	0	0	0	0	6	0
20000 CALL	[illegible]	0	0	77	0	0	0	26,508	+75

We need to remember that the **central banksters** have been aggressively buying physical gold upon the advice of the BIS Basel III Accord. <u>Indeed, what do they know</u>? With this in mind we also have some information from silver expert **Cyrill Jubert** that you have to see. Here is **a chart** indicating aggressive traders have taken out nearly 500,000 call options for a **silver price** in the **$900-1,000/oz**. range! This has been discounted by Kitco and others, but Jubert thinks this is completely possible. He says, 1,000 silver "...could correspond to its value in a scenario where gold, remonetized, would be revalued to $10,000. I have always advocated a 1-to-10 <u>ratio</u> between gold and silver: a level consistent with both underground reserves, mining production, and the volumes of derivatives as measured by the BIS. In this context, seeing some traders today — or insiders betting on confidential information — predicting gold to $20,000 an ounce doesn't surprise me." Read more at <u>THIS LINK</u>.



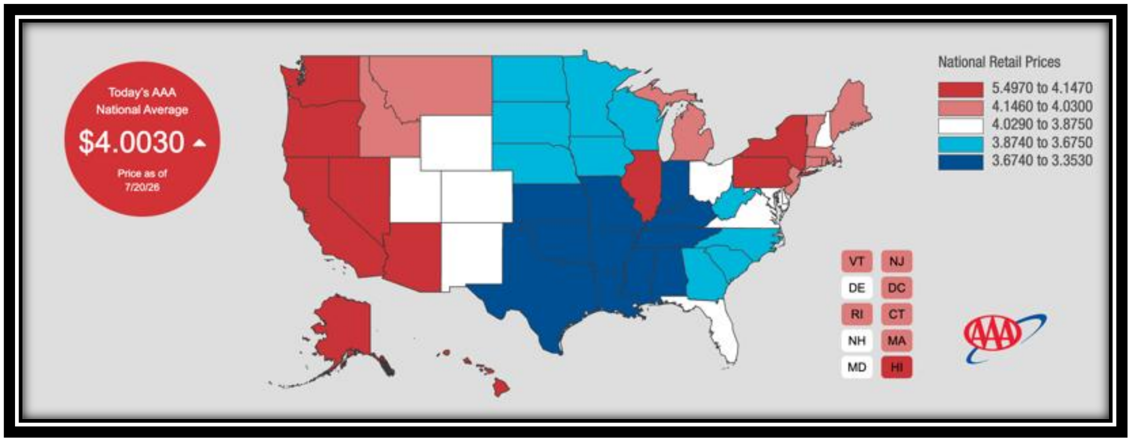
<u>Certainly if we had $20,000 gold a **20:1** silver/gold ratio would suggest $1,000/oz. silver</u> (and certainly not the ridiculous and criminal 70:1 ratio we have to suffer through). It is perhaps worth noting that back in February of 2025 there were massive purchases of call options volumes for **$80-85/oz**. silver and that is what happened in December of 2025. Just sayin. However, remember the important thing is to be able to sell your **silver positions** and take advantage of this historic opportunity.

War in the Middle East & Impact on Metals

A final word needs to be said about the ongoing conflict with Persia (Iran) and the US (and Israel). It is fairly understood that wars are easy to start but extremely difficult to wind down *much less* "make a deal" with the **Persian Shiite Muslims**. As I will share in a moment, the religious ideology of Islam in general, and Shiite Islam in particular, is one of perpetual conflict with the infidels. In 1973, **OPEC** was punishing the West for supporting Israel in a regional war. Crude oil spiked **400%**, gas lines were common and stocks fell. "In the 6 months following the embargo being lifted, US stocks fell another 35%," recounts **Adam Sharp**. "Oil prices remained high, and pre-existing problems didn't magically disappear. The economic damage was ongoing. Investors just hadn't digested it yet. Government measures such as price controls ended up making things worse. Inflation led to less consumer spending, which caused economic slowdowns, which led to the Federal Reserve printing gobs of money, and cutting interest rates prematurely. This was the 1970s stagflation story in a nutshell." In 1973, the leverage was an oil embargo. Today it is the Strait of Hormuz. And according to **Gordon** the US is already mired in a "stagflationay simmer" due to debasement and fiscal dominance and blogger **J D Breen** says "most Americans have no inkling what is coming" in the near future.

The International Energy Agency (IEA) has called this the "worst energy crisis ever faced by the world", worse than those of "1973, 1979, and 2022 combined*.**" *Most Americans remain oblivious, with higher gas prices being their only inconvenience. So far. The US doesn't import much Persian Gulf crude,* ***but they import the global oil price*… through diesel, freight, fertilizer, plastics, insurance, utilities, and food distribution. This mess takes time to manifest, and longer to fix.* ***Reopening the strait*** *won't refill inventories, reposition tankers, normalize insurance, repair infrastructure, rebuild workover capacity, or restore flow rates of shut-in wells.* ***Months (or years) will be needed to restore capacity to pre-war levels.***

The US has been tapping into the **Strategic Petroleum Reserves** (SPR) and will reach a critical level soon. Politically, gas prices above $4 become sensitive for consumer sentiment, and a slowdown in the economy (velocity of money) could see a weaker dollar and this would be a boost for metals. The launch of Epic Fury may prove to be an Epic Mistake since it will take months or years to recover from the damage already done and things could get much worse if a broader regional conflict gets really kinetic with the use of nukes or ground troops! Persia has been preparing for just such an event.



Above is the current national average for a gallon of gas. The US consumes 17.5 million barrels a day and needs to import 4 million bpd. We saw crude oil peak around $110 in April and the current price is $89. During the peak the US Brent crude was $35 less than Dubia or Europe and we now know that the administration is "shorting oil" with futures contracts at Comex in NY. As **Matt Piepenberg** has commented, "this difference between real oil pricing and *paper oil pricing* represents a pathetic attempt by policy makers to psychologically suppress panic via dishonesty." **David Jensen** adds this:

> ***Given that oil futures can be created without limit but that physical oil is becoming increasingly short, this mispricing is not surprising***. *It should be noted that this problem with oil futures pricing is now clear with a functioning physical oil market price reflecting the real price for physical oil purchase. Futures prices should be used for hedging only and not as a proxy for the current price of real assets.* ***The problem with the gold and silver market's mispricing of these strategic monetary metals is even more severe than oil and petroleum as their prices are so highly distorted in the world's largest physical cash metal market in the City of London [LBMA].*** *There are hundred's of millions of ounces of gold and billions of ounces of silver sold in this London cash market [and Comex] for immediate metal ownership and delivery that* ***do not exist*** *and cannot be delivered. It is likely that the crisis in mal-pricing oil in the futures market is going to highlight the even greater underpricing problem in the world's gold and silver markets* ***triggering a repricing of these metals much higher.***

Yes, read that last line. The naked shorting of crude oil could expose the mispricing of the monetary metals. As mentioned earlier, rolling paper future **OI** silver contracts could suddenly stand for physical delivery since industrial demand for silver is inelastic. Things are precarious indeed. "In the coming months as increasing physical crude and fuel market delivery demand continues to grow and spread from Asia, to Europe, to US markets, it will be of particular interest to see how barrels of crude are conjured for delivery to CME Comex crude futures contract holders," says **Jensen** in a recent post. He predicts that we could see delivery defaults (*force majeure*) for crude oil and **Kuwait** announced a delivery default for crude in April that barely got reported and there has been more since. The conflict with Persia is something to watch closely because they are the "true believers" of Islam and they want a confrontation with the West (and Israel). As **Ray Ibrahim** explains in this 5-minute CLIP Islam divides the world into Dar al Harb and Dar al Islam – the House of War or Peace. This is why they have a Jihad mindset and this can impact the metals futures market or flight to safety. In a recent interview silver expert **Ed Steer** says crude oil is going back to former highs and mentions how Comex was created in 1974 and has been manipulating "price" ever since. He also mentions how the physical market for metals is shifting from the West to the East (SGE). This is **37-minutes**.

Ed Steer: Urgent Alert to Gold & Silver Investors

Summary & Conclusion. The conflict in the Middle East is simply adding to inflationary pressures by the central banksters. The world "imports the global oil price" all the way down the complex supply chain for consumer goods and vital services. And once food and energy becomes **40%** of a household budget your get social unrest not to mention loss of political votes! The **SPR** is declining and a fake price for crude oil in the futures market will be exposed with continuing aggression. I think we will know which direction this is going rather soon. Meanwhile, the Fed keeps expanding the money supply that helps provide the "illusion" of prosperity in the US. They do this because they have no choice and this is known as **fiscal dominance** – this refers to how unsustainable debt dictates fiscal policy to service debt and how "…inflation is a secondary concern" – LINK. We could also point to **Furgeson's Law** which states that "a hegemon loses its dominant position once its interest payments *exceed* its defence spending" and the US is clearly on this trajectory and there will be no real recovery.

Geopolitics is like a grand chess board and the Chinese want dominance using asymmetrical warfare tactics. Trump may have the *Art of the Deal* but they have the ancient *Art of War* by **Sun Tzu**. "The supreme art of war is to subdue the enemy without fighting." The Chicoms are aiming at the US dollar as our weakness and this is why they are challenging Western platforms for physical settlement of real money. They produce and import the most **gold**. They have inelastic demand for **silver**, refine **70%** of all silver and started restricting export of silver earlier this year in addition the export of sulfuric acid to refine metals, and this weekend they start banning margin transactions on their exchange. When the West finally realizes this strategy the flicker of interest in silver and gold will become a flame! In this scenario we are looking at a global monetary reset and I cover this in my book if you are interested at this LINK. A "global financial crisis looms" but so does a prophetic matrix that is unfolding and I also cover this in my book concerning Israel, a false messiah and the coming of **Jesus** and the need to have faith in **Him** alone "for all who call upon the Lord will be saved" (Rom. 10:9). **More at THIS LINK**.

Until next time, your Messenger from Sandpoint,