

From: Jason Hommel <j@silverstockreport.com>
Sent: Wednesday, May 5, 2010 3:04 PM
To: Metals Hearing <metalshearing@CFTC.gov>
Subject: Silver Stock Report: Why are people buying silver and gold?

Having trouble viewing this email? [Click here](#)

God Bless You!

You may [unsubscribe](#) if you no longer wish to receive our emails.

Why are people buying silver and gold?

(& Will the real Fear Mongers please stand up?)

Silver Stock Report

by Jason Hommel, May 5th, 2010

Many people today are cashing out their CD's to buy silver and gold. Why?

The obvious.

The CD's pay next to zero interest, and gold and silver continue to head up by 20-30% per year.

Most of our gold and silver buying customers have completely lost faith in the government's ability to "run" the economy, but more than that, there is a real fear of the government today, that it will turn dramatically totalitarian and that we will lose nearly all of our freedom.

The best time to own gold is when the government starts taking more of your money. Silver and gold ownership prevents government from confiscating your wealth through inflation, and more and more people see the inflationary threat of massive \$2+ trillion deficits, which are being met by printing more money.

A typical first time customer comes into our coin shop at the JH MINT, and says, "Hey this place looks really nice!" We designed it to look a bit upscale, with plenty of room to hang out, with nice couches to be able to sit down to talk.

They typically say, I've been doing a bit of research online about silver and gold, but I really know nothing about silver and gold, so what can you tell me?

To answer in person, I must get to the point quickly, as other customers will soon come in next.

So I like to show them, and let them hold a gold coin, and let them compare the heft and weight compared with a silver coin. Gold is twice as dense as silver, and the difference is easily discerned

when you hold them. A 1 oz. gold coin is just a tad thicker than a half ounce silver coin, which is a bit thinner, and much, much lighter. Since silver is 1/2 the weight, a similar sized silver coin, gold plated, would be about 1/4 of the weight of a gold coin!

Thus, the brass or copper core, gold plated, "authentic replicas" as old on TV make a beautiful comparison to show how difficult it is to counterfeit gold.

So when they hold gold, they know it's something real, and real special.

People continue to ask, "Which is better, silver, or gold?"

I tell people, we like silver best, because it's a much smaller market.

World annual silver mining is about \$10 billion, but world annual gold mining is about \$80 billion.

But most of the silver market is consumed by industry, as silver is used in all sorts of electrical contacts and devices. In fact, industry consumes more silver than world annual mine supply, and the gap is being met by recycling.

So the amount of silver left over for investors is shockingly small, perhaps only \$2 billion.

The silver story is surprisingly simple. The entire world once used silver as money, but today, no nation on earth has silver circulating as currency. This reduced monetary demand has created a very low price.

But silver remains a better store of wealth than ever, due to the increased scarcity, and the growing awareness of silver ownership as a way to make money.

Money is more than a currency or medium of exchange, it's also a store of value. As demand for silver, as a store of value, increases, so will the price, and this demand will continue as a positive feedback loop that will eventually destroy paper money.

But the real shocking fact of the silver market is that 99% of silver investors are getting scammed by paper silver, that is basically all fraud.

The proof of this is the BIS report, from the Bank of International Settlements, here:
<http://www.bis.org/statistics/otcder/dt21c22a.pdf>

The proof is in the numbers. The BIS keeps track of the derivatives of the banks worldwide. It shows that the notional value of "other precious metals" over the counter derivatives, which are mostly all silver, increased from \$100 billion to over \$200 billion in six months.

When the entire annual physical silver investment market is only \$2 billion, and when the paper silver investment market increased by \$100 billion in six months, there is only one way that can happen. The paper must be all fraud.

=====

I asked several bullion dealing managers why people are buying precious metals:

Matt, at rocklincoinshop.com, says:

Now more than ever, it seems that people are becoming increasingly aware of the growing instability of the dollar. With the national debt climbing, and the future of our nation's currency looking less bright every day, people are looking for ways to protect their wealth against inflation and the ever-crumbling banking system. After doing some research, most of them come to realize that purchasing precious metals like silver and gold is the most reliable method for storing their wealth in a way that will ensure that their hard-earned capital will retain its spending power and viability despite an economy with a future that is shoddy, at best.

Jim, at rocklincoinshop.com, says:

When most people think of precious metals, they think "gold." So when they consider purchasing precious metals, gold is the first thing on their minds, because they automatically associate it with something valuable. It's a cultural phenomenon that is ingrained into our everyday lives. Gold Record for recording artists. Gold Medals for Olympic champions. Everyday phrases like, "That guy is as good as gold," or "this is a golden opportunity." It's human nature.

K, here at the jhmint.com says:

Most of our customers are buying gold or silver because they all know the government is going down the tidy bowl! Most of them choose to buy from us because of our growing reputation, they read me online, or they hear about us from family or friends, and they are hearing all of the horror stories about other bullion dealers on the internet not being able to deliver, or just taking forever.

Dave, here at the jhmint.com says:

People are just cashing in their CD's because they know they will get a better return in silver and gold.

Call us to order silver or gold:
The JH MINT: (530) 273-8175

=====

So those are the basics, it's really simple.

I had an insight this week that I wanted to share with my readers, since you, like me, try to convince others to own precious metals, and we usually are ignored, scoffed at, or slandered. A common slander is that we are fear mongers.

Will the real fear mongers please stand up?

We live in an age dominated by banking. Bankers own the Fed, the Fed funds the government, and the government funds the schools. So who ultimately writes the schoolbooks? Bankers. A typical college textbook on economics is merely apologetics for central banking fraud. Thus, there is no need to overtly command propaganda to the media, when the media is trained correctly in college, they think silver and gold investors are "backwards", "fear mongers", etc. It is actually harder to convince a college educated investor to buy silver and gold than a person who has not paid to be brainwashed in college, where the kids are sleep deprived by final exam pressures and distracted by college parties.

So, we are called fear mongers. A "monger" is simply a salesman. It is said that we prey on people's fears, scaring them with visions of an economic meltdown that supposedly never comes.

But in truth, bankers are the fear mongers. Bankers play on people's fears. What does a banker do? He holds your money for you, primarily for two reasons. First, it's because you are supposedly not responsible enough to invest it wisely, that's the banker's job, so they just give you a small percentage in interest. Second, your money might be stolen if you keep it at home, which is supposedly not a very safe place, even though it's safe enough for you to sleep there in peace at night.

In truth, I have to convince my customers to be brave. I have to convince them that they are intelligent enough to wisely invest their money. I have to convince them that the safest place for their money is at home, in a vault that they can easily buy with a tiny portion of their own money.

The objection is always raised, "What if someone comes to my home and threatens me like in the movies?" I have to reply, that usually happens only in the movies!

Today, 20% inflation rates would be as if thieves robbed 100% of all the assets of every 5th home on the street, and got all their financial accounts, too, every year. Nobody should put up with that. Common robbery is far less common than that. Homes are mostly a safe place!

The most common robbery, therefore, is the inflation of the paper money in your wallet!

I have to convince them that the silver and gold of 10,000 different investors, in 10,000 different vaults in 10,000 different homes, all owned by gun owners, who live in a nation that has 80 million gun owners, is far, far safer than pooling 10,000 different investors money into one place, guarded by just a handful of low-paid security guards. It's an easy sell, because the point is irrefutable.

Furthermore, if the government ever does make silver and gold illegal to own, it's those places that "hold" it for you, that will have to give it up to the government, or who will be let out of their obligations to pay you anything, because they don't have any silver or gold to pay you to begin with.

But note, I'm not the fear monger. I sell courage in the face of fear.

The bankers fear silver. The bankers fear their own bankruptcy. That's why they created the Federal Reserve in the first place, to bail them out in case of their own failures, so they would be able to continue their scams, even after they failed, rather than be shut down and be out of business after a real bankruptcy!

So, it's amazing that bankers and banker trained media slander precious metals advocates as fear mongers, when the bankers are the real fear mongers. Also, I'm amazed that it's taken me 10 years in this business to see this insight. How dumb am I? But then again, the bankers have been at this business for thousands of years. I've had to relearn and discover most of the timeless truths about precious metals by reading the Bible, or by thinking deeply about these things, or by reading what is available out there on the internet.

I treasure such insights, and I always appreciate hearing from my readers, even if I don't always have time to respond to everyone.

Call us to order silver or gold:
The JH MINT: (530) 273-8175

=====

My mom has opened up a new Silver Shop in Sacramento, CA.

Mom's Silver Shop
<https://www.momssilvershop.com>
3510 Auburn Blvd., #12
Sacramento, CA 95821
916 481-5656

They are located in the shopping complex on the corner of Auburn Blvd. and Watt Ave, just south of Highway 80.

They have a smaller inventory, but have the same bulk suppliers, and are a viable alternative if you live too far from the Rocklin Coin Shop, or the JH MINT.

=====

I strongly advise you to get **real gold and silver**, at anywhere near today's prices, **while you still can**.

Price Board:
<http://jhmint.com/cgi-bin/ssrbidask>

Our Coin Shops are open 10AM to 5PM Pacific, Monday to Friday
100 oz. silver minimum, USA shipping, wire transfer only!
Janelle (530) 913 0553 silver_support1@hotmail.com

JH MINT & Coin Shop, Grass Valley, CA
(530) 273-8175
<http://www.jhmint.com/>

Rocklin Coin Shop, CA, 15 min north of Sacramento
<http://rocklincoinshop.com/>

Or visit www.momssilvershop.com
(Mom will ship in lots of more or less than 100 ounces of silver, and overseas, and take credit cards or pay pal.)

Sincerely,

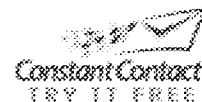
Jason Hommel

In case you miss an email, check the archives:
<http://silverstockreport.com/>

 **SafeUnsubscribe®**

This email was sent to metalshearing@cftc.gov by j@silverstockreport.com.
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Email Marketing by



silverstockreport.com | 13241 Grass Valley Ave | Grass Valley | CA | 95945