CFTC Public Hearings on Metals Markets

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- COMEX data show that the price of gold and silver are suppressed
- There is a direct correlation of price suppression and the positions of two US banks (BPR)
- The Bank Derivatives Reports from Treasury Dept. OCC indicates these two banks are JPMorganChase and HSBC
- Appropriate enforcement action is required

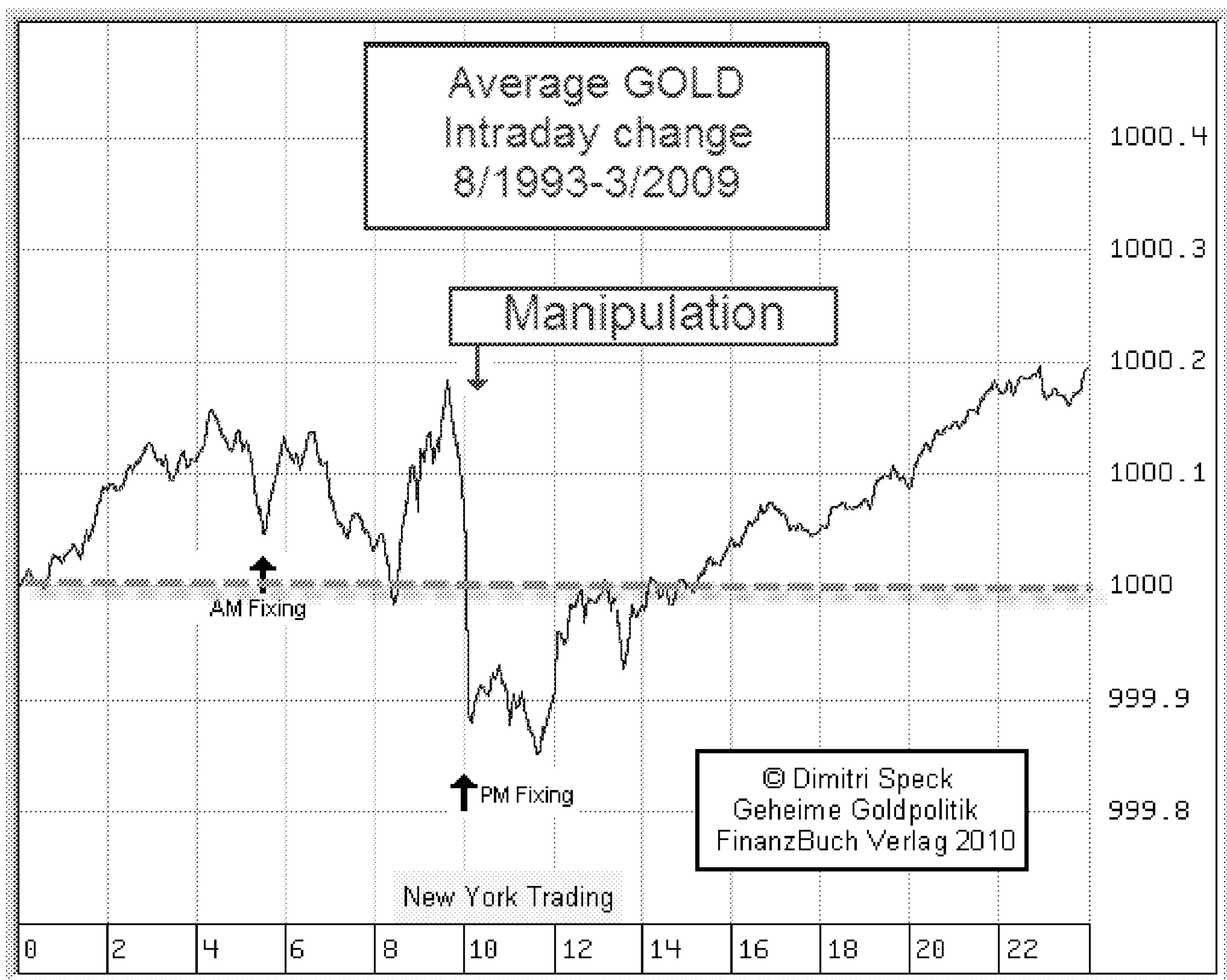
Gold Market Behaves Like No Other!

COMPARISON OF GOLD, OIL & COPPER 2000-2010				
	Parameter	GOLD	OIL	COPPER
1	10 year Low ($)	258.1	19.7	0.64
2	10 year High ($)	1222	147	4.08
3	10 year maximum % Rise	373%	646%	538%
4	10 year rise to date (2/16/2010)	333%	291%	392%
5	Days when Intraday rise>2%	165	713	363
6	% of trading days intraday >2%	6%	27%	14%
7	Days when Close >2%	102	487	309
8	% of trading days close>2%	4%	19%	12%
9	Days when Intraday Loss>-2%	167	653	364
10	Days when Close>-2%	110	435	268
11	Closes gain>2%/Closes loss>-2%	0.93	1.12	1.15
12	Highest Daily % Gain	9.0%	15.7%	12.5%
13	Highest Daily % Loss	-7.3%	-11.8%	-11.0%
14	10 year Cumulative up ($)	6686	1256	37.04
15	10 year Cumulative down ($)	-5903	-1208	-34.74
16	Cumulative Up %	2590%	6376%	5788%
17	Cumulative Down %	2287%	6132%	5428%

- Gold has outperformed all financial assets in annual returns in the last 10 years yet:
- >-2% down days outnumber >+2% up days
- There are on average only 10 days per year where gain exceeds 2% compared to 49 days for WTI and 31 for copper

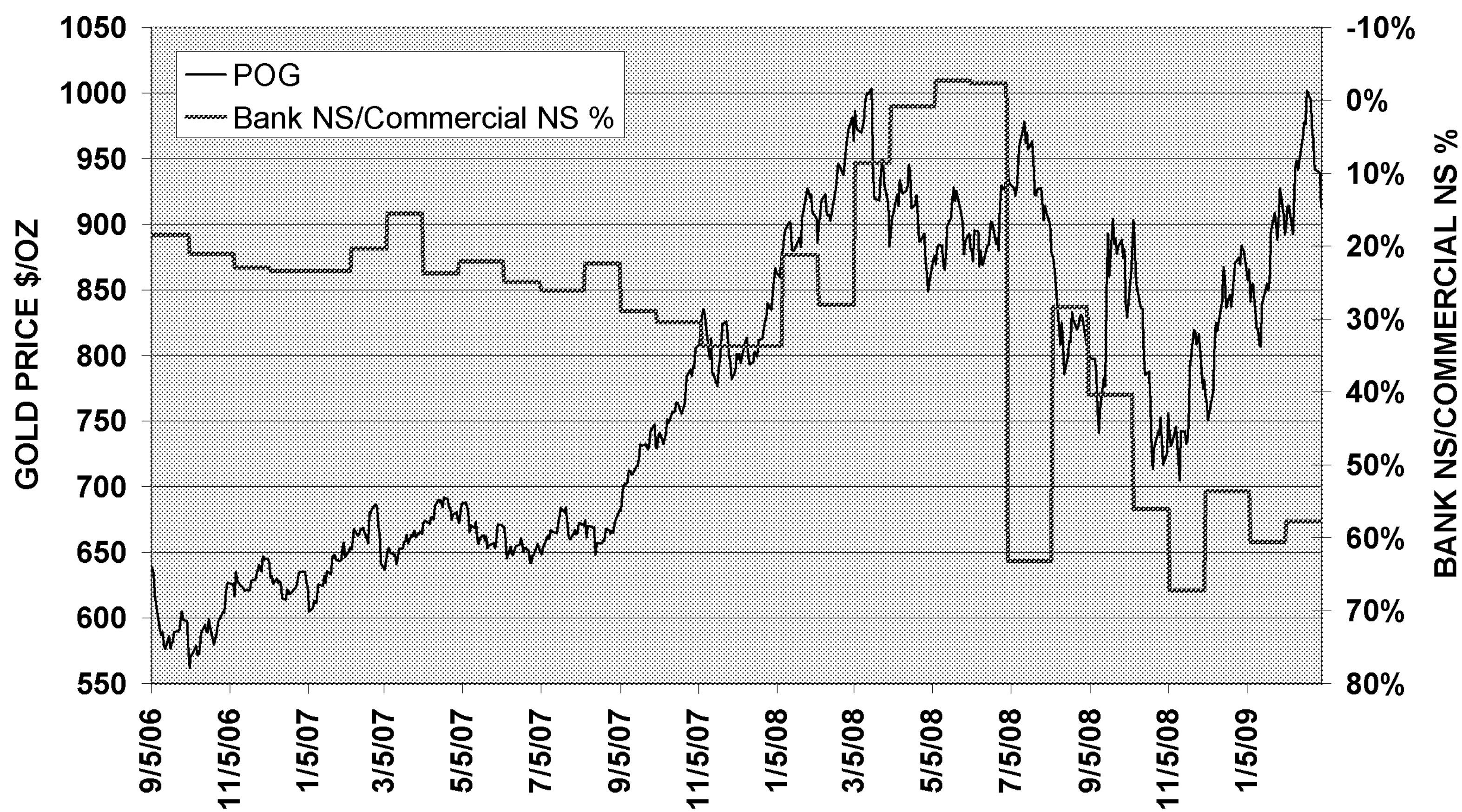
Waterfall Drops Occur Repetitively at the Same Time

Average Daily Gold Price Change over 16 Years Shows Suppression Occurs on the COMEX after the PM London Fix



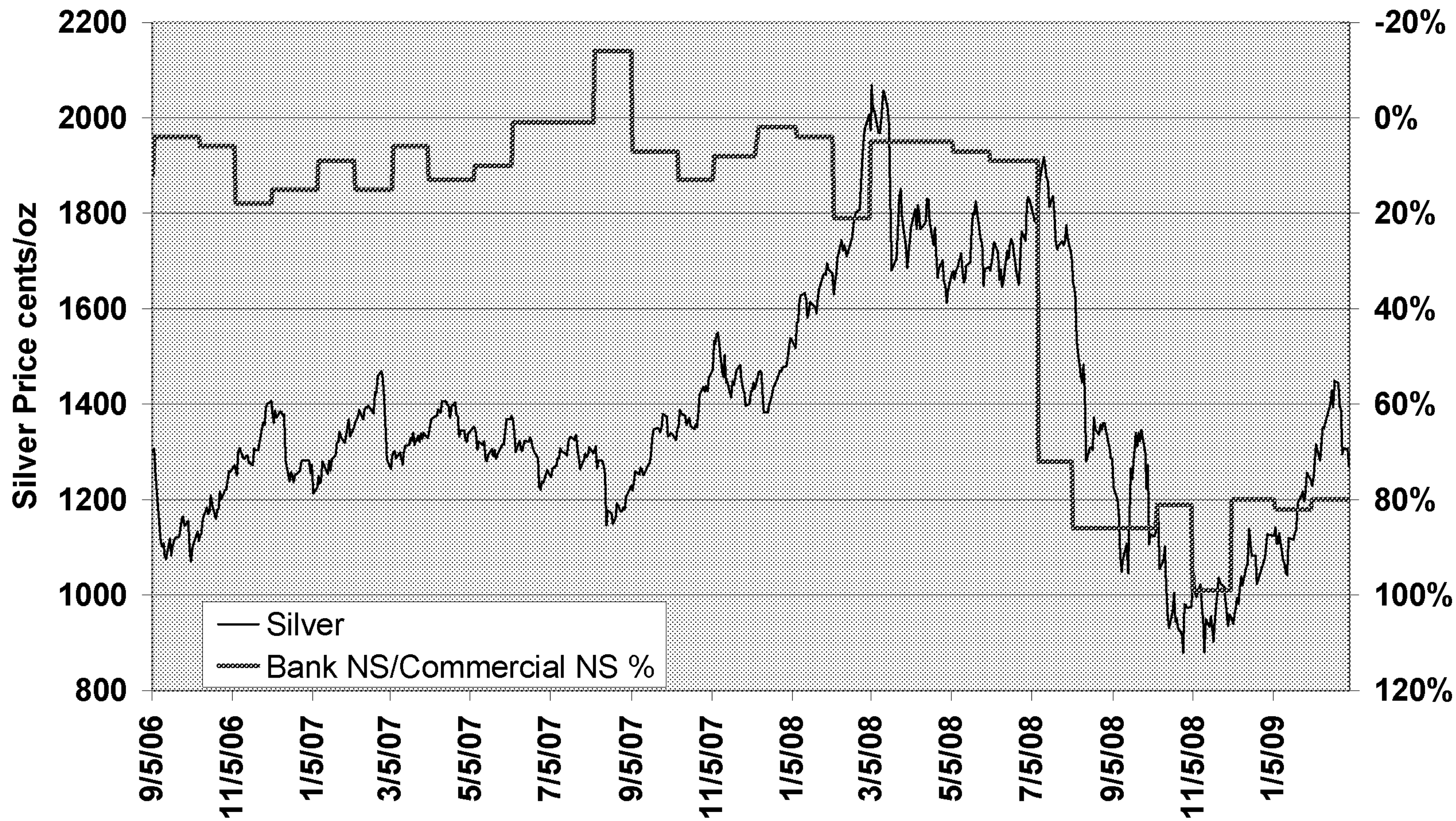
The Net Short Positions of 3 Banks in Gold Control Price

THREE BANKS GOLD NET SHORT AS PERCENT OF TOTAL COMMERCIAL NET SHORT & GOLD PRICE



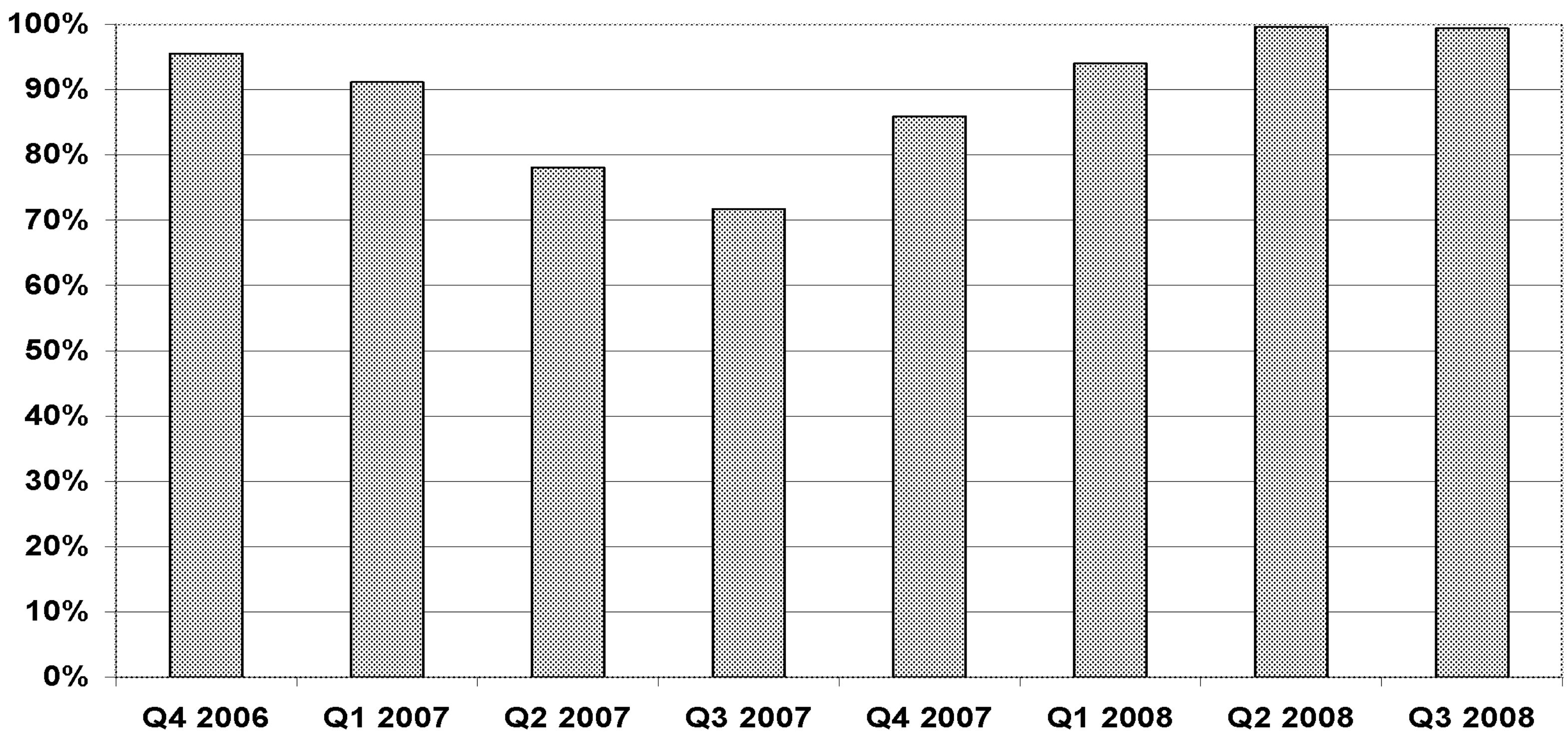
The Net Short Positions of 2 Banks in Silver Control Price

TWO BANKS NET SHORT AS PERCENT OF COMMERCIAL NET SHORT & SILVER PRICE



The Treasury OCC Reveal the Manipulators Are JPMorganChase & HSBC

JPM & HSBC Share of Bank Gold Derivatives With Maturity < 1 Year



Since November 2009 the CFTC now "suppresses" the names of banks in the BPR if there are 4 or less banks in a category to prevent the public knowing who is manipulating the precious metals markets

Treasury Department Concedes Five Banks "Dominate" the Massive Derivatives Market

Quote from Q4 2008 Bank Derivatives Activities report from the OCC

Derivatives activity in the U.S. banking system is dominated by a small group of large financial institutions. Five large commercial banks represent 96% of the total industry notional amount and 81% of industry net current credit exposure. While market or product concentrations are a concern for bank supervisors, there are three important mitigating factors with respect to derivatives activities.......

Despite a near meltdown of the financial system due to derivatives and a bailout of the "five large commercial banks" this statement first appeared in the OCC Bank Derivatives report in 2006 and is still used today.

Conclusions

- Price suppression occurs on the COMEX
- A small number of banks dominate the commercial net short positions
- A small number of banks dominate the OTC derivatives market
- Solutions:
  - Hedgers should deposit 40% of short position in bullion in COMEX warehouse
  - Sign affidavit metal title is unencumbered and will remains so while it is collateral for the short position
  - Banks prohibited from speculation (Volcker Rule)
  - "Speculators" positions to be limited