CHAPTER 9

SOMEBODY BIG IS GETTING READY FOR SOMETHING REALLY BIG

As I said, this book has taken many years to write, but as it is just about to go to press, I've learned that something really big is going on in the gold market. I didn't really want to put anything in the book that was changing so fast it would be outdated by the time the book comes out. But this is so big and important you need to know about it. There are a lot of details that we don't yet understand or can't explain. Nevertheless, I wanted to alert you to what we know at the moment, because it looks to be momentous.

In the United States, precious metals are traded on the COMEX (Commodities Exchange), a division of the CME group (Chicago Mercantile Exchange), which began life as the CBOT (Chicago Board of Trade) in 1848, the world's first futures exchange.[xciii]

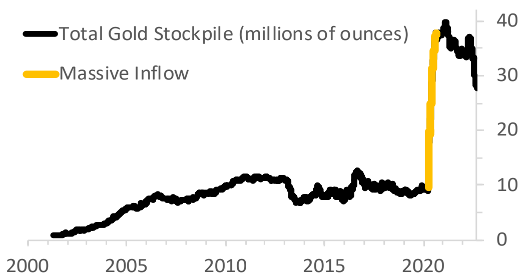
Something dramatic and highly unusual is happening on the COMEX. I'm not absolutely positive it's unprecedented, because my data only goes back to 2001. But to the best of my knowledge, nothing like this has ever happened before. And that's saying something, considering that I'm talking about more than 174 years.

The charts below starkly reveal the anomaly. (My thanks to Nick Laird of *goldchartsrus.com* for sending me all of the data to make these charts.)

The COMEX currently utilizes eight precious metals depositories, which facilitate the movement of bullion in settlement of contracts on the CME Futures Exchange. Normally, not much physical metal changes hands. The great majority of the action on the Exchange is among speculators who are trying to make paper profits from minor movements in the gold price. They write long and short contracts, many of which are closed out the same day, sometimes within minutes, and almost always for cash settlement. It's like a fractional reserve system. The COMEX knows the real demand will be just a tiny fraction of the gold represented by all those thousands of contracts flying around. So, it merely maintains a cushion, enough gold in its depositories to meet an average level of demand on the settlement date of each delivery month. Plus, a little extra for emergencies.

The first chart shows that, when the pandemic struck, the total amount of gold bullion in all COMEX depositories was roughly 9.1 million oz. Then, in just four months, more than 30 million oz. of gold flowed into the vaults, more than quadrupling the gold stocks.[xciv] During that period of time the gold price rose from $1700 to $1900 per oz. Using an implied average price of around $1800, this means there was approximately $55 billion worth of gold inflows.

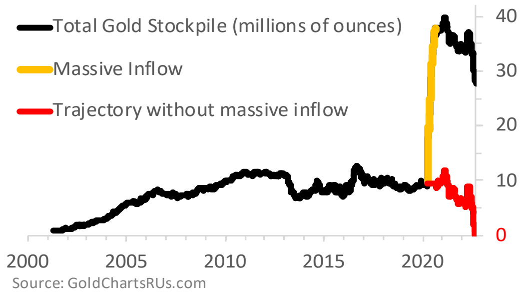
You can see what would have happened without that inflow. Subsequent to its arrival at the depositories, someone began taking massive deliveries of gold off of the exchange, reducing stocks by about 12 million ounces between early 2020 and the present.



Source: GoldChartsRUs.com

In the next chart, the red line was made by simply continuing the black line (total gold stocks) from the end of July 2020 onward, adding the effects of the outflow had there been no inflow. As you can see, the amount of gold taken off of the exchange since the pandemic (12 million oz.) is far greater than what was in inventory before the pandemic (9.1 million). That's why the vertical inflow spike is so important. If the COMEX had been caught flat-footed by the increase in demand, there wouldn't have been enough metal to fulfill all of the contracts that were promised gold at delivery. The Exchange would have risked falling into default, sending shockwaves through the entire global market. It would have had to scramble to find physical gold to deliver, and the price would have shot up.

Someone—and I don't as yet know just who—provided the COMEX with backup. And someone else was waiting to take advantage of it.



It could be several large investors, a few large entities, or even just one major bank acting either for its clients or itself (see the Manipulation section in Chapter 8). It could be a single or a coordinated action. Whatever the case, one or more big insiders with deep pockets is getting ready for something really big. He, she, or it has already taken more than $22 billion worth of gold off of the exchange... most of it within *just the last few months.*[xcv] And the COMEX has prepared itself to deliver a great deal more—as if it knows what is coming.

To summarize, a big buyer (or buyers) has been taking delivery of massive amounts of gold bullion through the COMEX. Normally, that amount of buying would drive the spot price of gold much higher. It didn't. In fact, the price is falling as I write, in tandem with the stock market. Why this should be, I confess I don't know. It's totally counterintuitive, though it looks suspiciously like further manipulation of the gold market. But what I do see is this: an opportunity to get in with the insiders who are anticipating a coming run to gold. It's a chance to buy gold at a *depressed* (if not *suppressed*) price.

This is what I currently know, but there's clearly a lot more to this story. I have been trying to track down where $55 billion worth of gold could have suddenly come from, without causing gold's price to go to the moon. During the months that this massive amount of gold was flowing into the COMEX vaults, it appears that normal US gold exports to the Swiss gold refineries stopped, Switzerland pretty much stopped exporting gold to the rest of the world and supplied the United States almost exclusively, and China, which is always a major month-after-month gold importer, paused its purchases.

I'm not done investigating this. This rabbit hole goes a lot deeper, and then branches off into a subterranean maze of tunnels and confusing data. But one thing is for sure… This is huge, and it's really important. But it's evolving so fast that by the time you read this everything will have changed. I'll be posting whatever I discover to my website, *GGSR21.com.*

Next: ▶

How to get a good night's sleep.