

“Ouch! Silver Falls by Almost Nine Percent! Is This a Bearish Sign, or a Buying Opportunity?”

“Silver is up 300 percent in just four years. Despite its recent tumble, the white metal still looks great. In fact, I think it’s looking better now than when this bull market began! Here’s why!”



James DiGeorgia, Editor

- **Major new sources of demand are appearing**
- **Supply is tight and will remain inadequate**
- **The Mother of All Market Defaults: developing now!**

Last month, as the Dow plunged, gold and silver fell with it. Both metals fell by about nine percent.

According to media commentators, this proves that gold and silver are no longer safe havens during times of uncertainty. Treasuries are the new refuge when other markets falter, they said.

Nonsense!

Once again, the financial media show their ignorance in the exact subjects where they claim to be experts.

The precious metals didn’t fall because of the Dow. Silver especially wasn’t affected by the Dow at all—the silver market had grown heavily distorted,

and it just happened to snap back into place at the same time the Dow fell.

So what do I mean by “distorted?” Am I bearish on silver now? Absolutely not!

The distortion was part of a long-term battle in the silver markets—one that’s been raging for years now. Through January and early February, the silver bears were shorting the metal heavily. If you knew where to look, you could have seen the price action coming. Sure enough, silver fell afterwards.

Although the bears won this battle, they’re losing the overall war. Silver has tripled in just the last four years—and I believe the bull market is just beginning! Even better, it’s looking to be an explosive bull, rather than just a long, slow rise.

That’s what this month’s issue is about. We’ll start by discussing the market’s fundamentals.

Why Silver Matters

Like gold, silver is a precious metal, and valuable in its own right. It’s been used as money for all of recorded history. Although the US no longer uses

silver in this capacity, many other cultures in the world still treasure silver as a medium of exchange and a store of value.

Nevertheless, silver's value isn't limited to monetary roles. Today, silver is in tremendous demand as a raw material in industry. It has a unique combination of characteristics that make it ideal for a staggering variety of uses.

Silver is a soft metal, and can be beaten or worked into near-transparent sheets. It can be drawn into

wires far thinner than a human hair, or dissolved into particles a few atoms wide. It's the best conductor of electricity known, and an excellent conductor of heat and reflector of light. And it has many other unique properties besides these.

On top of all that, it's affordable and beautiful.

As a result of all this, we now have...

A Bewildering Variety of Uses for Silver

Here are just a few of the countless sources of demand for the white metal.

Batteries. Silver alloys are increasingly popular in batteries. Your cell phone, wrist watch, and other electronics are probably powered by silver. In the last year, this demand has grown even more, thanks to the "exploding laptops" phenomenon. (Some unlucky people have discovered that lithium-ion computer batteries can explode under certain conditions.)

Now there are new silver-zinc batteries that offer up to twice the runtime of lithium-ion batteries, and can't heat up or explode. Plus, they can be recycled and reused.

Superconductors. Japan has successfully tested a new maglev (magnetic levitation) bullet train that screams down the track at 311 miles per hour. Actually, I should say it screams *above* the track: the train actually levitates 4 inches above the rails. It floats on a magnetic field, which reduces friction and allows it to (literally) fly.

To produce the necessary high-power magnetic fields, the Japanese are using new silver-sheathed superconducting coils. Unlike copper wire, which heats up when electricity passes through it, superconductors conduct electricity with very little loss of power. This allows for amazing new feats of engineering—such as levitating a train and shooting it down a track at half the speed of sound.

There are many other uses for superconductors as well, including power lines and other utility applications. Superconducting power equipment is only about half the size, with half the energy losses, of conventional equipment.

The US Department of Energy estimates that superconducting wire might account for 50 million ounces of additional silver demand in the next decade. However, some analysts think this might be a gross underestimate. For example, the manufacturer involved in the Japanese train project (American Superconductor) estimates that a full commercial maglev train between Tokyo and Osaka would require

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62,137 miles of wire. And that's just one train route—many others could be built as well.

Superconductors are one of those “disruptive technologies” which, once they arrive, have countless new uses that nobody anticipated. I think we'll see lots of advances and announcements in this area over the next couple of years. And each one will be a new source of demand for silver.

Microcircuitry. We've all seen consumer electronic products get smaller and more powerful each year. These require smaller and smaller circuitry inside, which is difficult and expensive for the manufacturers.

That's why there's so much excitement about new ink-jet circuit printing. Silver powders are mixed with ink, sprayed onto a substrate in the desired circuit pattern, and then fired. The silver fuses into fine wires and makes a circuit. (Other metals are being experimented with as well, but silver has some real advantages in this process. For example, it fires at a lower temperature and is less expensive to work than some other materials.)

This is another disruptive technology. How much cheaper will consumer electronics become, once manufacturers can make circuits with inkjet printers instead of huge factories? What new things will be made, once companies can print circuits and embed tiny computers into paper, or clothing, or even furniture? I think we'll all be stunned with the possible applications that come out of this.

Biocides. Here's yet another disruptive technology. (That's the great thing about silver—it has huge potential in many different areas, not just one.)

For millennia, people have used silver to keep food and liquids fresh and unspoiled, although nobody understood how it did this. Today we know the white metal kills bacteria and other microbes.

Not only is silver devastating against germs, it has two important advantages over most conventional antibiotics:

- The human body is oblivious to silver. The only side effect is that your skin can get discolored if you swallow huge amounts of it.
- Many drugs have grown ineffective because the microorganisms have mutated and are now resistant to them. However, since silver kills by disrupting cell walls, scientists believe it unlikely that microorganisms will ever be able to resist it.

These two characteristics make silver particles the perfect “biocide.” The metal kills microscopic life, while not affecting people at all.

Today, manufacturers are using silver for this purpose in a long, growing list of products. I wrote

about this trend back in the January 2006 *GEA*, a little over a year ago. Since then, it's exploded upwards faster than even I had predicted.

Here's a *partial* list of markets for silver biocides:

- **Nontoxic disinfectants.** The EPA has approved silver-based disinfectants for use in child care facilities. The disinfectants destroy bacteria, viruses, fungi, and molds far quicker than current products, and are non-toxic as well (unlike the current products). Possible uses here include daycares, public and private schools, gymnasiums and health clubs, preschools and nurseries, and many more.
- **Self-cleaning materials.** More and more manufacturers are embedding silver particles into their plastics and other materials. For example, self-disinfecting countertops are becoming available. Possible markets here are restaurants, commercial food preparation facilities, and every home kitchen in America. Hospitals are already embracing the new materials, buying cabinets, patient nightstands, and even clipboards made from these products. Another big market is mass transit; for example, the Toronto subway recently announced new trains with silver-embedded poles and handholds, to reduce germ transmission among transit riders.
- **Mold prevention.** Silver particles kill mold, including the black molds that can cause illness in living spaces. Silver-treated building materials are becoming a promising market, including paint (interior and exterior), insulation, house wraps, wallpaper, tiles, carpets, and siding.
- **Wood preservation.** The commercial wood preservation industry has a problem: copper-based chemicals can contaminate water supplies, and one of the most popular chemicals (chromated copper arsenate) has been banned completely. So the industry needs to find a substitute. That's why Mississippi State University recently studied silver-biocide products, and found they're highly effective in preventing fungal decay of wood. Analysts estimate that preserved wood products now represent a potential silver consumption of 120 million ounces per year—which would expand global demand by a whopping 13 percent all by itself.
- **Water treatment.** For many years, hospitals have been known to harbor Legionnaire's Disease—but nobody knew why. Then somebody discovered that the often-deadly disease thrives in the complicated hot-water plumbing systems

Latest prices as GEA goes to press— March 21, 2007

Comex spot contract: silver \$13.16, gold \$657
 Nymex spot platinum: \$1,228, palladium \$347
 Nymex Light Sweet Crude Oil \$59.66

Silver coins		Dealer will buy at this price	Dealer will sell at this price
100 1 oz. silver American Eagles		\$1,450	\$1,550
100 1 oz. common rounds		\$1,250	\$1,300
\$1,000 face value US pre-1965 coin bag (circulated)		\$9,600	\$10,200
\$1,000 face value US circulated silver dollar bag (VG or better)		\$11,000	\$12,000
US Morgan silver dollars	PCGS MS64	\$42	\$50
	PCGS MS65	\$116	\$129
	PCGS MS66	\$210	\$230

Platinum coins

U.S. Platinum Eagle:	1 oz.	\$1,225	\$1,255
	1/2 oz.	\$613	\$635
	1/4 oz.	\$306	\$320
	1/10 oz.	\$122	\$129

Gold coins

Australian Kangaroo		\$660	\$690
British sovereign (Kings)		\$150	\$170
(Elizabeths)		\$150	\$170
Canadian Maple Leaf		\$650	\$685
Credit Suisse 1 oz. gold bar		\$655	\$690
Mexican 50 peso Centenario		\$790	\$820
South African Krugerrand		\$650	\$670

US Gold Eagle:	1 oz.	\$662	\$692
	1/2 oz.	\$331	\$360
	1/4 oz.	\$165	\$180
	1/10 oz.	\$66	\$76

US \$20 double eagle:				
Liberty	Raw	MS60	\$657	\$687
		NGC MS63	\$875	\$925
		NGC MS64	\$1,315	\$1,450
		NGC MS65	\$3,580	\$3,900
Saint Gaudens	Raw	MS60	\$665	\$705
		NGC MS63	\$720	\$780
		NGC MS64	\$845	\$895
		NGC MS65	\$1,250	\$1,350

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typically found in hospitals, even though the water is chlorinated. Recently, researchers learned that silver-copper ionization water-treatment systems will totally wipe out the disease. Not only that, there's a residual effect as well. One hospital, after eradicating the germ from its plumbing, deliberately turned off the ionization system to see what would happen. It took two months before the residual silver and copper ions dissipated and the microbe was able to re-establish itself in the water. Today, over 100 hospitals in the United States are using copper-silver ionization to purify their water systems.

- Direct medical uses.** Obviously, a substance that utterly destroys microorganisms, while being completely harmless to humans, has lots of medical uses. Silver-impregnated bandages have been shown to effectively disinfect wounds, and promote healing at the same time. Paramedics are starting to use a silver/calcium powder called Quikclot, which quickly stops even heavy bleeding. Our military medics and doctors in Iraq are using a new fabric called Silverlon as a wound dressing—it's been shown to provide full antibacterial protection even for burn victims, and (unlike burn creams or other treatments) is painless to apply or remove.
- Food storage.** Sharper Image is now selling its "FresherLonger Miracle Food Storage" containers. Basically they're Tupperware containers with silver particles in the plastic. Sharper Image says that food lasts longer in these containers. According to the company, its tests showed the silver particles reduce the 24-hour growth of bacteria by 98 percent.
- Dental hygiene.** Studies have shown that bacteria grow on toothbrushes after each usage. A new toothbrush called Silver Care has been shown to reduce the bristle's bacteria count by well over 80 percent. Silver-based floss, interdental brushes, and other products are being developed as well.
- Odor removal.** Since a lot of offensive odors come from bacterial action, silver-based textiles are getting popular. Shirts, socks, and insoles that wick away perspiration and don't smell... washing machines that disinfect and de-odorize clothes by releasing silver ions into the water... silver-impregnated mattresses, pillowcases and sheets...the list of new products goes on.
- Everyday items.** Manufacturers are now adding silver to a long list of everyday objects: computer keyboards and mice, pens, binders, file folders, even paper and envelopes. Studies

have shown that the average office desktop has 20,961 microorganisms per inch—more than 400 times the average number found on a toilet seat. (Isn't *that* comforting!) Plus, some items like binders and pens tend to get passed along from person to person without ever being cleaned. So many new self-disinfecting office products and furniture lines are being developed. Motorola has even introduced a cell phone with a silver anti-microbial coating.

I think I've made my point by now. Silver has a bewildering number of uses today.

Oh, and there's something I didn't mention. All the items I just talked about are only the *new* uses for silver. None of these are included in the existing 900 million ounces of annual demand!

That's why I'm so bullish on the metal long-term. All of these applications are still fairly new, and aren't consuming large amounts of silver—yet. Once they really catch on, we'll see silver's demand skyrocket. Maybe up to several times today's amount.

Of course, demand is only one factor behind silver's price. The other is...

Silver Supply

Silver supply can be divided into three main categories: mine production, government sales, and scrap recycling. Of the three, government sales are the least important (about eight percent of supply), and are unlikely to increase anyway, since world governments have almost run out of silver to sell.

Scrap recycling accounts for about 21 percent of supply, and should also hold steady. Back in 1980, when silver hit \$50, we saw lines of people waiting to sell their silverware and tea sets to dealers for recycling. I think there's a lot of room in silver's price before we see such a thing again. First of all, \$50 in 1980 is the equivalent of \$122.83 today. Second, a lot of those tea sets and silver utensils are melted down and gone anyway. Nor have they been replaced—few people buy solid-silver items anymore, since electroplated items look just as nice and are far cheaper.

So until silver's price goes a lot higher, scrap supply will be limited to industrial recycling. And industrial recycling is fairly price-inelastic; it won't increase much even if the price goes up substantially. For example, it might never be cost-effective to dig the power-window motors out of car doors just to recycle their silver-tipped contact switches. Industrially, silver is often used in such small quantities that it's just not practical to recover it.

That leaves mine production, which is about 70 percent of silver supply. And this is where the supply story gets really interesting.

Usually, the price of a mine-produced commodity is somewhat self-correcting. The more the commodity's price goes up, the more the mines can produce. (With the higher price, low-grade deposits become profitable to work.) So as the price goes up, supply goes up too, which brings prices back down.

Little of this applies to silver, though. Most silver is produced as a by-product of other mining operations—mostly copper, lead, and zinc. So even if prices go up, the mines won't necessarily increase silver production. In fact, their production might even *decrease*, if the price of their primary product falls and they're forced to reduce their operations. Over the next year or two, silver mining is predicted to grow, but just barely (by only a couple of percent).

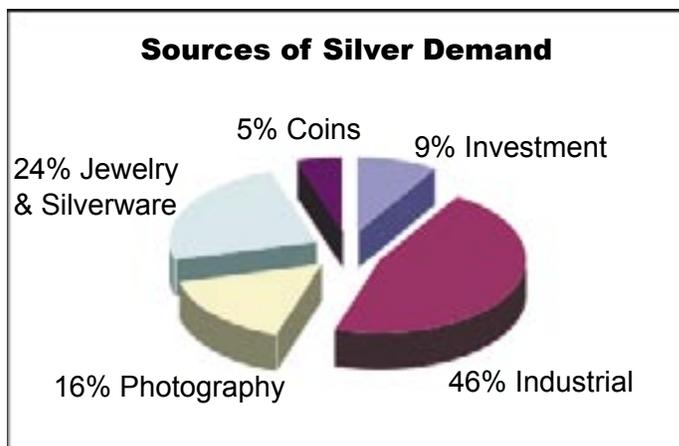
Summary: the annual silver supply might grow by a percent or two over the next few years, but that's about it.

Steady Supply and Swelling Demand: A Recipe for a Raging Bull Market!

We've seen silver's price make huge gains in the last couple of years. Usually, that would be a reason for caution, but I don't think that's the case here.

As you can see, the fundamentals are looking wildly bullish. If anything, the white metal is more bullish now than before the price started its run up in 2003. (A lot of the industrial uses I told you earlier about were just announced in the last year or so.)

That's why I believe silver has a long bull market ahead!



*Current demand for silver is about 900 million ounces each year—which **doesn't** include all the new sources listed previously.*

But What About Digital Photography?

Every time somebody predicts higher silver prices, the bears start whining. “Digital cameras are here... Film cameras are obsolete...Silver is dead.”

Yes, photographic films use silver halides, accounting for about 16 percent of silver’s demand. And yes, digital photography has reduced the demand for film, so photographic demand for silver is shrinking.

But there are three important things the bears aren’t telling you.

First of all, it’s easy to see digital cameras all around us, and expect film demand to plummet. But America is only part of the world film market—much of the rest of the world can’t afford digital photography, especially in its expensive forms (such as medical imaging). Silver film demand from those places has hardly changed, and is expected to remain strong.

Secondly, over half of all silver halide film is recycled. (Few consumers recycle their pictures, but Hollywood movie film, hospital X-rays, and other films are all recycled.)

At the end of this process, the silver is recovered and sold back into the market as scrap. So when photographic demand drops, silver’s *supply* drops too. For every one-ounce drop in physical film demand, there’s less than a half-ounce drop in net demand.

Thirdly, photographic film demand has been dropping for years. Yet silver has gone up by 300 percent since 2003. Obviously, the bears have been wrong!

Portfolio Updates

In Update #318, we bought options on Noble Energy. In Update #320, we sold them for a 27.52% profit in only two days.

In Update #323, we rolled up our calls on BBG (Bill Barrett Corp.) from March into June, and our COP (ConocoPhillips) calls from March into May.

In Update #324, we allowed our calls on Suncor Energy and Encore Acquisition to expire, and kept the premiums. We bought back our Talisman Energy calls for a \$70 profit. We also bought back our Cimarex Energy calls for a \$310 profit. Finally, we bought back our Noble Energy calls for a \$320 profit.

Why Then Did Silver Drop in February?

I’ve given all these reasons why silver will go up. Yet that’s not what it did recently. Instead, it fell sharply.

But so what? Short-term swings are normal in any bull market. To see why this particular one happened, look no further than its primary trading market: COMEX (the New York commodity exchange).

Like all future markets, COMEX divides its traders into two main categories: “commercials” (traders who produce or consume the commodity commercially), and speculators. Among all commodities, silver is absolutely unique in this: for two decades, its commercial traders have *always* been overwhelmingly net short. This has occurred in no other market besides silver.

Some commentators believe this is a deliberate, orchestrated effort by certain large companies. These companies, which are all silver consumers, have a vested interest in keeping the price down. So whenever silver’s price looks like it might climb, these companies bury it in a blizzard of short contracts, selling heavily and driving the price down.

Once the longs are driven away with their tails between their legs, these companies quietly buy back their short positions as much as possible. And they’ve been doing this for years.

Is this true? I’ve discussed this in previous *GEAs*, so I won’t go into it again here. Whether it’s deliberate or not, though, two things are clear.

First of all, the big non-commercial players (mostly tech funds) were going heavily long in January and early February. Every time this has happened, the commercials have fought them by going short. The contracts piled up higher and higher until the tech funds lost their nerve, and sold out.

This has happened lots of times before, and it played out exactly the same way again. (No surprises here, unless you’re a clueless media commentator who thinks the Dow index is the only market in America. The bubbleheads in the financial media just amaze me sometimes.)

Second, there will come a day when the shorts lose. In fact, they’re losing now. They’ve fought desperately against every price rise, and silver’s price has still clawed its way up by \$10 an ounce in the last few years.

Now the commercials have amassed a huge short position—some 365 million ounces. This is almost *half* of the world’s annual silver supply. There’s no

way this position can be unwound without a violent upwards explosion of the price.

So how will it all work out? I'm not among those who expect the shorts to lose during regular COMEX trading. The silver commercials seem to have a blank checkbook that allows them to sell and sell and sell as many contracts as they want, while being immune to normal commodity trading rules (and laws).

I don't know where this magic checkbook comes from, or if anybody's getting paid off to let it exist, but it doesn't really matter either way.

No, I expect the commercial short positions to accumulate until the market itself breaks. To me, the silver markets look heavily stretched, and ready to snap.

For many years, demand has consistently outstripped supply, by millions of ounces per year. What has fed this ravenous deficit? So far, it's been existing above-ground stockpiles.

Unfortunately for the silver shorts, these supplies have evaporated as a result. Just five decades ago, there were about 50 billion ounces of usable silver above ground. Now it's down to about one billion—the rest has all been consumed. In fact, you might not know this, but...

There's now less silver above-ground in the world than there is gold!

Central banks alone have about 32,000 metric tons of gold in their vaults—that's about one billion ounces. That's roughly equal to *all* the known stockpiles of silver combined.

And most of that silver isn't available to industry. A lot of it is hoarded by private investors, and it won't come onto the market until the price skyrockets.

As for government stockpiles, most of those are in India, where silver is rightly treasured—that metal will require *very* high prices before it's pried loose.

Then there's all the silver that's been used to manufacture religious icons and vessels. These won't be melted down ever, regardless of the price.

The shortage becomes clear when you look at the vaults of COMEX. When a COMEX trader takes delivery (i.e., he actually wants to buy silver, instead of just trading in and out for a paper profit), these vaults are where the silver comes from.

Right now, COMEX has 119 million ounces of silver stored there—this sounds like a lot, but it represents less than seven weeks of global consumption.

Silver, gold, and other assets have also been affected by the yen carry trade. This explains why several asset classes all fell simultaneously. See *GEA Update #319* for details at;

<http://www.goldandenergyadvisor.com/page/gez/updates/2007-03/2007-03-07-319.html>

For that matter, 40 million ounces aren't available for trading anyway—they're owned by investors who happen to be using COMEX's storage facilities, but haven't made them part of the trading market. That brings us down to four weeks of consumption available from the metal's primary market.

So the game can't go on much longer. Periodically, rumors sweep the markets about one trader or another who wanted to take delivery, but was stonewalled or convinced to settle in cash instead. These rumors, if true, confirm that there's a severe shortage of physical metal available.

Nor is this surprising—when the natural market price of any commodity is held down artificially, massive shortages develop until the whole system breaks down. We've seen this over and over again in various markets. Silver is no different.

The day will come when the silver shortage is so acute that industrial users and others are forced to go long on COMEX—not to trade silver's price, but to actually buy physical silver and take delivery. At that point, the shorts will be forced to default (since they don't have any silver to deliver), and the whole house of cards will collapse.

Silver's price will go to the moon, as everybody realizes how scarce it is and scrambles to buy some before it's gone.

Exchange defaults like this are rare, but they're obscenely profitable if you're along for the ride. A few years back, we watched palladium go from \$290 to \$1,100 in just 20 months or so.

Then there was the copper fiasco a year ago, when a Chinese trader went too far short. China delivered a bunch of copper to make his trades good, and the price *still* shot up 40 percent.

I think those examples are trivial compared to today's silver potential. In fact, I think we're going to see the mother of all exchange defaults in COMEX. Probably not this month, and maybe not even this year. But the longer it takes, the more the pressure builds up, and the more spectacular the eventual explosion will be!

My Silver Recommendations

I wish I could give you a single long-term silver stock recommendation that made sense. There are a few small mining stocks that have interesting stories attached, but they fall into the realm of penny stock recommendations. So, unless you're willing to take on the substantial risk that is (correctly) attributed to bulletin board, pink sheet, or Canadian listed companies, you have no business even considering these stocks.

When it comes to investing in silver, I recommend sticking with bullion coins, semi-numismatic coins, and genuinely rare numismatic US coins.

Recommendation #1: US 90 Percent Silver coins were struck for circulation until 1964. They contain 90 percent silver, and with silver trading at \$13.29 an ounce, bags of \$1,000 face value sell for \$9,350 plus postage. I like these bags as silver investments, but there's a smarter and better opportunity.

Instead of worn, ugly, heavily circulated, and tarnished coins that are routinely sold in the standard 90 percent silver bags, you can now buy **Gem Proof 90 Percent Silver rolls of quarters, dimes and half dollars from 2002 through 2007** for as little as 14 times face. Yes, you're paying almost a 50 percent premium to get Gem silver coins, but they have the potential in a wild silver market (\$25, \$35, even \$50 an ounce silver) to see that premium double or triple.

For example, with silver at \$25, we could see 90 percent silver \$1,000 face bags trading for \$19,000, while these Gem 90 Percent Silver Proof coins traded at \$38,000. The reason is simple. The coins in the standard circulated bags are NOT collectables. Conversely, the Gem proof coins *are* collectable, and investors and collectors may well be willing to pay premiums of 100 percent, 200 percent, even 300 percent to get them when the frenzy in the silver market really gets going.

Recommendation #2: Boxes of 100 Gem Proof Silver Eagles from 1986 to 2006. The prices for these vary from \$3,000 to \$6,000 per box. However, when you buy these original boxes, you'll receive a nice percentage of Gem FLAWLESS Proof (PR70 Ultra Cameo) coins that can be worth as much as \$200 each.

Many dealers hunt high and low for these original boxes. They know that 20-30 percent of the coins will be flawless and can be worth much more than the cost of the entire box.

I like these as investments. I honestly believe the PR70UCAM coins will be worth as much as \$500 each in a hot market. For example, a box of 2002 Proof Silver Eagles might cost \$6,000 today. At \$25 silver, 30 of these coins would be potentially worth \$500 each, or \$15,000 total. Not only that, the 70 remaining coins could be as much as \$80 each. So, in a hot silver market, the original \$6,000 investment could jump up to \$20,600.

Recommendation #3: Choice Uncirculated Rare US Morgan and Peace Silver Dollar Rolls. You can buy very nice 20-coin rolls of Choice Uncirculated US Silver Dollars from 1878 through 1935 (common dates) for as little as \$500 per roll. In a hot silver market (\$25 silver or better), these rolls should triple in value from current levels. If you're interested in a semi-numismatic investment, the US Silver Dollar rolls and the 90 percent silver proof coins are perfect for you.

Recommendation #4: PCGS or NGC Graded Morgan Silver Dollars in Gem Uncirculated MS65 and better condition. I like rare Gem Uncirculated US coins dated before 1938. You shouldn't be afraid of investing in truly rare US silver coins. Based on over 40 years of experience and price history, they'll make you more money in the silver market than other coins.

I suggest starting with **Silver US Morgan and Peace Silver Dollars struck from 1878 through 1935 in Gem Uncirculated MS65 or better condition.** Prices vary from \$150 to as much as \$1 million. There are suitable investment quality coins in all price ranges.

The trick in this market is to stick with PCGS and NGC graded coins. Make sure they're original coins that have not been dipped or altered in any way. **I believe this market will see as much as 25 to 1 appreciation in the next 10 years.**

If you're feeling more adventurous, I also recommend these:

- Silver Type coins like Bust Half Dollars, 1807 through 1839 in Gem Condition.
- Seated half dimes, dimes, quarters, and half dollars from 1839 through 1878.

Summary: In my opinion, the rare coin market will offer the biggest gains for the buy-and-hold investor as the price of silver climbs.

Call my staff at **1-866-697-GOLD (4653) ext. 1406** on any or all of these recommendations. They'll steer you to my favorite silver opportunities—not only the ones in this issue, but also those not included because of limited space.