



## A Silver Lining in Our Futures

January 10, 2019

by Greg Silberman  
of Atlanta Capital Group

Steuern! I always liked that word, it seems to exude a no nonsense seriousness. It's a German verb meaning Control, or to be in control of, something that seems to have been singularly lacking in the markets these last few days.

What an exciting month? Starting with the Mid-east turmoil, then the Fed raised interest rates, and finally the Great Government Shutdown.

The Dow seems to have a mind of its own, now up, then down, and now up again...whew! And thanks to its influence even the other markets...London to Tokyo, with Dubai, Shanghai, Hong Kong, Mumbai...all of them whipsawing around like no one's in Control.

'May we live in Interesting Times' indeed!

A reasonably smart bystander may look to buy some good stocks on the cheap, a canny day-trader would think to chance a quick buck on a short position, an intelligent investor on the other hand would start looking at opportunities to diversify their portfolio.

**Real Estate** is an option, but is generally over invested in at the moment with even prime properties in London and Manhattan going a-begging for buyers.

**Crypto** deserves a look, but with Congress looking to regulate the market and the sheer numbers of new currencies (some of which are dubious) coming into the market, which ones can even be trusted?

**Oil and Natural Gas** are stuck in the low fifties, and with the cracks within OPEC becoming even more pronounced (Qatar Left OPEC), who knows where that goes?

**Fin-Tech and Food-Tech** are already heavily oversubscribed.

**Metals and Minerals** is an option, most heavy industries require it for manufacturing, and Industrial Automation is just about coming of age. Not to mention their demand as jewelry or fashion accoutrements.

In industry there is a growing demand to mechanize or increase the use of industrial robots and the reasons all make good sense - Less risky to use in hazardous industries like mining, oil and gas etc., Less prone to make mistakes in rote work, don't need sick-leave, overtime etc., No labor hassles...the list goes on.

Use of rare earth metals in Medical devices is growing as the latter are becoming even more sophisticated in identifying and diagnosing conditions that hitherto went un-detected until it was too late. Most of these machines rely heavily on electronics apparatus which in turn use metals like silver as conductors.

The Internet of Things (IoT) revolution that we are a part of is only going to grow, being able to manage all our utilities, gadgets with our smart devices is just the beginning, and these too require some sophisticated electronics to function.

In the IT and communication industry the use of silver and copper are a given.

**So I buy Neodymium or Lanthanum or Dysprosium or Palladium or Vanadium or...?**

Not so fast, to start with most rare earth minerals are not available for sale to individuals, but even if you could buy let's say a ton of cerium, or five tons of Neodymium – what are you going to do with it?

Most industries don't buy these in job lots or trade for them on their own; they work through a network of suppliers to get their requirements fulfilled. There isn't even much of a brokerage in the physical supply of it, and it isn't like you can go and

sell a ton of Palladium to GM.

Even more importantly most of these metals are too niche and the potential payday too limited for a non-industry investor to bother about.

## Gold and Silver

For a person entering this sphere, there are only two truly established metals that have a wide range of uses, can be stored indefinitely, can be traded online without a physical transfer of the metal, and have a track-record of being valued by consumers (the layman on the street) which in turn guarantees a certain minimum price for it.

I'm of course talking about **Gold** and **Silver**.

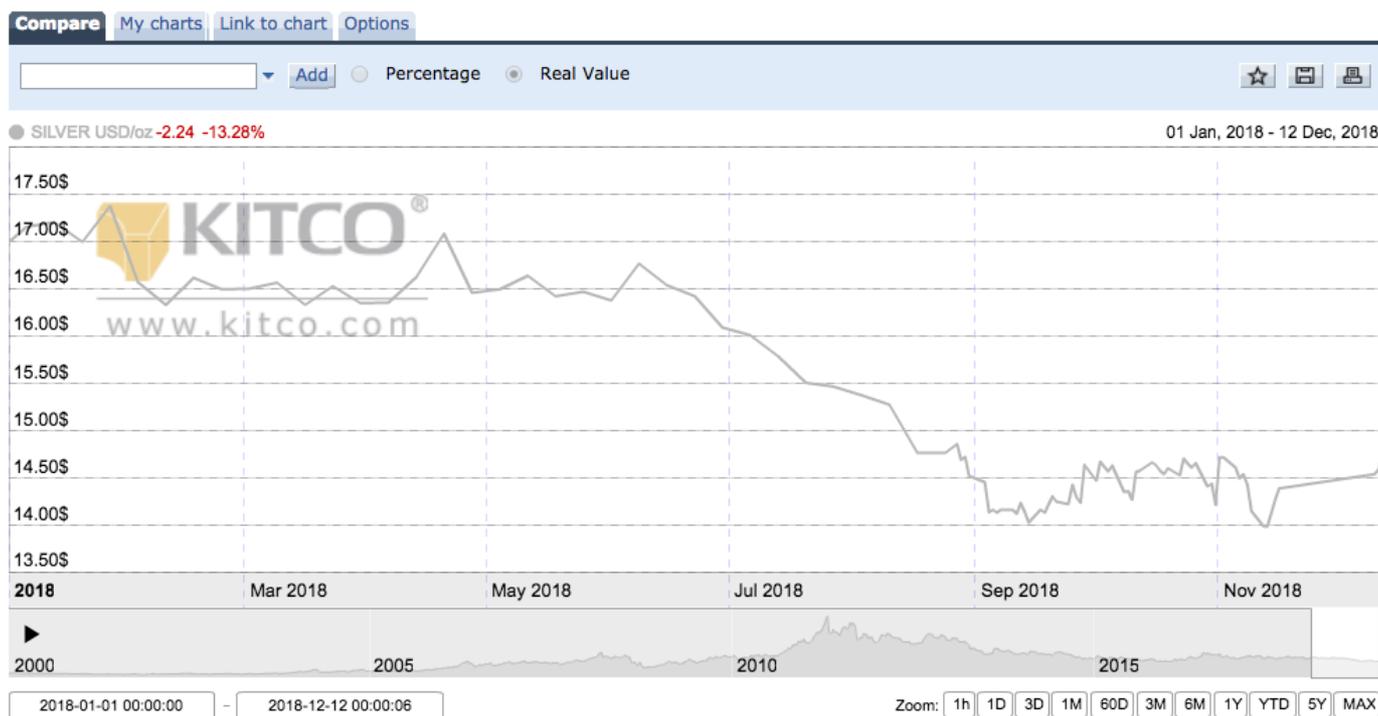
The two enduring metals that have held a special place in the annals of history, and have captivated explorers since the dawn of time, have seen wars fought over their possession.

They are valued by industry for their chemical properties, especially silver which holds pride of place in having the highest thermal conductivity and light reflectance of any element found so far.

It holds intrinsic value for the person on the street who uses it for jewelry or as a hedge against future catastrophe. Of all the metals Gold and Silver can be traded in physical form or ETFs, and their prices can be tracked by any novice with access to a smart phone.

Both these metals tend to be spoken of in the same sentence; gold has always dominated the Metal space and is usually an indicator of how metals are going to perform.

A disastrous 2018 has seen the price of these metals plunge over 14% for Silver from over \$17 per Troy Ounce in January to a low of just over \$14 in November, and for Gold from \$1,362.40 per troy ounce to \$1,176.20 in August.



Reasons vary all the way from an unusually strong rally of the dollar to falling industrial output etc. etc..

Gold has since been trending upwards even as global currencies are shedding all the gains of 2018. As of early last week the price of Gold was \$1,269.11 per troy ounce, Silver on the other hand barely registered any gains at all.

This is why you should take a look at silver. Silver touched a three year low in November testing the bottom at \$14 per troy ounce, and unlike Gold is yet to really bounce back, also unlike Gold Silver tends to be more elastic – when the price peaks it books record profits, and when prices fall it just bottoms out. So considering Silver is touching a three year low and has found support at \$14 per troy ounce, there's just one way for it to go.

As of now experts are looking at Silver to be anywhere between mildly bullish with gains of 20% all the way to wildly bullish with gains exceeding 50%.

Over the last week spot prices of silver have jumped from 468.30 USD/KG to 493.06 USD/KG. And as I've always said – The Trend is Your Friend. So get on the silver train before it leaves the station.

Thank you for reading my post. I regularly write about private market opportunities and trends. If you would like to read my regular posts feel free to also connect on LinkedIn, Twitter or via Atlanta Capital Group Investment Management.

Greg Silberman is the Chief Investment Officer of ACG Investment Management LLC (“ACGIM”). ACGIM specializes in creating custom private market solutions for RIA/Family Office clients.

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Source of Data: <https://www.bullionvault.com/silver-price-chart.do>

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