



Trade Alert - (SLV) – BUY

BUY the iShares Silver Trust (SLV) August 2024 \$23-\$25 vertical BULL CALL debit spread at \$1.80 or best

Opening Trade

7-23-2024

expiration date: August 16, 2024

Portfolio weighting: 10%

Number of Contracts = 55 contracts

I believe that there is a major rotation in the market underway, out of technology stocks that have been leading all year into commodity and precious metals stocks. We have already seen major upside breakouts in gold and silver and copper is jumping on the bandwagon.

If you can't do options, buy the stock. My long-term target for (SLV) is \$50, up from today's \$26.54.

The June CPI indicates that the economy is modestly weakening, hiring is slowing, and inflation moderating. That has caused interest rates to fall and bond prices to rise, as I expected. That also invites a weaker US dollar and stronger foreign currencies, gold, and silver. (SLV) has just sold off 8.4% in a week so we have a decent entry point.

The bull case for silver is simple. The electrification of the grid means that industrial demand for the white metal is about to soar. Silver is used in the national grid, solar panels, and EVs. It also has many applications in electronics.

In the meantime, silver production has been almost level at 26,000 tonnes a year for the last decade. In 2023, only 23,000 tonnes were produced globally, setting up a potential short squeeze. The charts show that after a one-month rest, silver is ready to take off again.

Therefore, I am buying the **iShares Silver Trust (SLV) August 2024 \$23-\$25**

vertical BULL CALL debit spread at \$1.80 or best.

Don't pay for than \$1.86 or you will be chasing.

The iShares Silver Trust (SLV) is a play on physical silver.

Silver is an investment much like other precious metals. It has been regarded as a form of money and a store of value for more than 4,000 years. You can find silver relics of the Pharos used in Egypt's National Museum at the foot of the Great Pyramid.

Silver lost its role as a legal tender in developed countries when the use of the silver standard came to an end in 1935. Some countries still mint silver coins and collector coins, such as the American Silver Eagle with nominal face values. The main demand for silver was for industrial applications (40%), jewelry, bullion, and ETFs. Global silver reserves amounted to 610,000 metric tonnes at the end of 2023.

The (SLV) is part of the Blackrock family of ETFs, with \$10.6 billion in assets under management, and an expense ratio of 0.50%. It is priced off of the open market for silver bullion traded on the LBMA, or the London Bullion Metals Exchange. The silver is held in the exchange vaults in London. The world's largest banks are the market makers in the LBMA, including:

Citibank N A.

Goldman Sachs International.

HSBC Bank Plc.

JP Morgan Chase Bank.

UBS AG.

Morgan Stanley & Co International Plc.

The LBMA headquarters are next door to the Bank of England and down the street from my old office at Morgan Stanley in the City of London. LBMA holds 25,612 metric tonnes of silver, valued at \$20.2 billion, which equates to approximately 823,451 silver bars. For more information about the LBMA, please [click here](#) for their website.

For details about the actual holdings of The iShares Silver Trust ,please [click here](#) for their website.

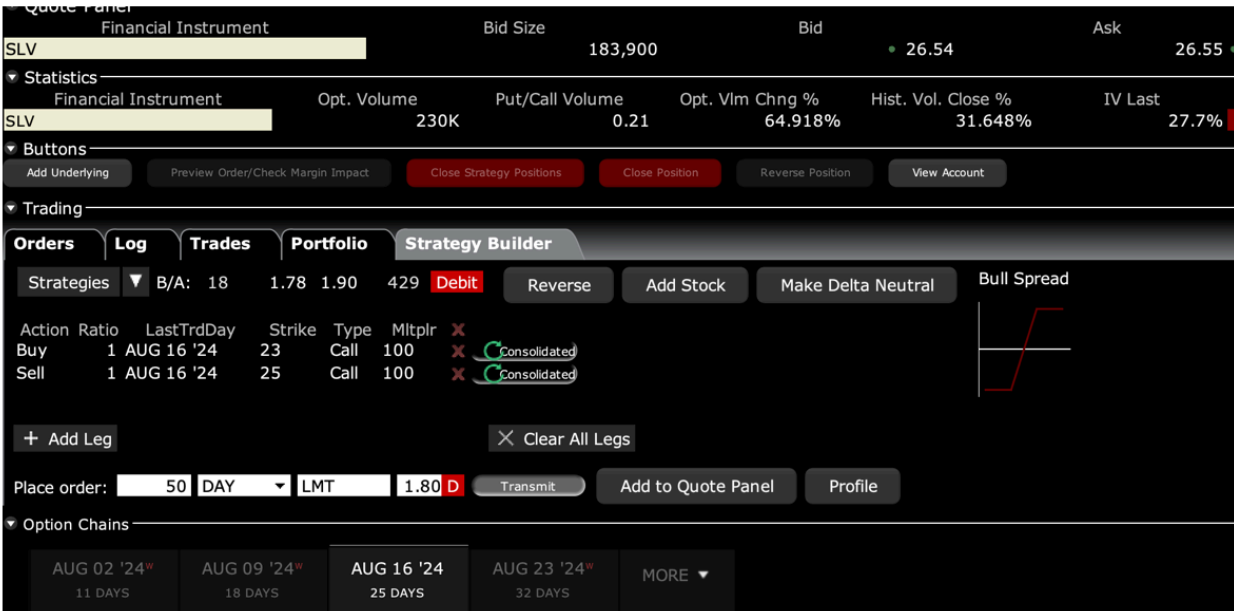
This is a bet that the (SLV) will not fall below \$25.00 by the June option expiration in 19 trading days.

Here are the specific trades you need to execute this position:

Buy 55 August 2024 (SLV) \$23 calls at.....	\$3.70
Sell short 55 August 2024 (SLV) \$25 calls at.....	<u>\$1.90</u>
Net Cost:.....	\$1.80

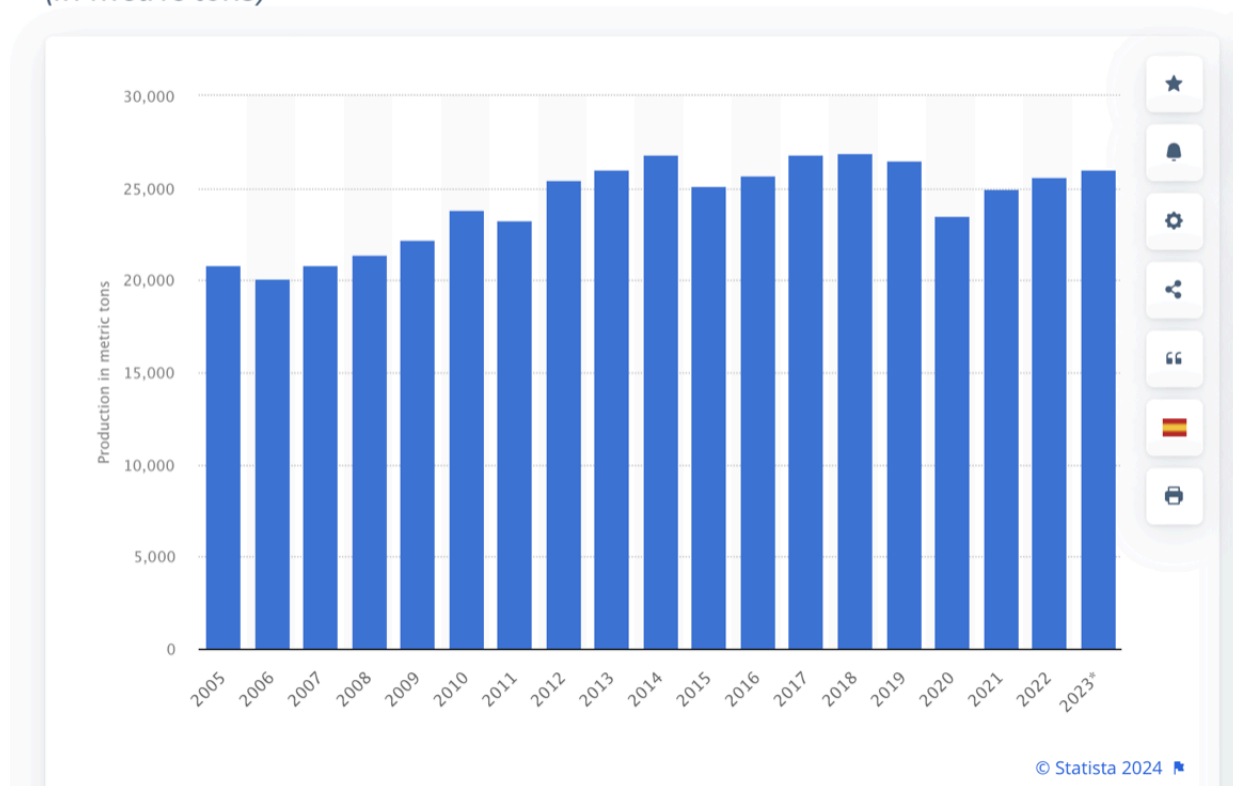
Potential Profit: $\$2.00 - \$1.80 = \$0.20$

$(55 \times 100 \times \$0.20) = \$1,100$ or 11.11% in 19 trading days.



Mine production of silver worldwide from 2005 to 2023

(in metric tons)



If you are uncertain about how to execute an options spread, please watch my training video by [clicking here](#).

The best execution can be had by placing your bid for the entire spread in the middle market and waiting for the market to come to you. The difference between the bid and the offer on these deep-in-the-money spread trades can be enormous.

Don't execute the legs individually or you will end up losing much of your profit. Spread pricing can be very volatile on expiration months farther out.

Keep in mind that these are ballpark prices at best. After the alerts go out, prices can be all over the map.

