

Staggering Stats About Silver Supply

By [The Mogambo Guru](#)

07/12/10 Tampa, Florida – I got a June 2010 brochure from silverinsidersreport.com that contained an interesting fact about SLV, the Exchange Traded Fund (ETF) for silver, which is that Peter Keusgen, the writer, says that SLV is “the main alternate source of storage” of silver and “which accounts for around 50% of world silver inventory”! Wow!

Well, interestingly, he doesn't get into that whole controversy about whether there is actually any silver in SLV, but he writes that SLV has “been raided heavily over the past seven weeks,” and indeed since February 26, “17.9 million ounces...have been withdrawn from the ETF by authorized participants.”

Naturally, being the typical clueless guy who can't remember facts, figures or children's birthdays (“There's three of them, for crying out loud! How can I possibly keep up with that many dates or names?”), I don't really know how to evaluate this information, but it becomes a little clearer when he goes on “to put it another way, 3% of the world's silver inventory disappeared in just seven weeks!” Hmmm!

Immediately, I see that this is something that I can use to wave in the sneering faces of those disbelieving people who scoff at my advice to buy silver! I am almost drooling in anticipation of saying to them, with a nasty sneer on my face and with a voice dripping with contempt, “Now, what were you saying about me being an ugly little troll with crippling mental problems and an apparent fetish for silver? Huh? What about now, ya moron?”

Other interesting facts are that by 2008 worldwide demand for silver was about 900 million ounces a year, having grown by an average of 19.5 million ounces a year for the previous five years, while supply from mining and scrap was only 858.5 million ounces and growing at only 2.2% a year, meaning that supply was being outstripped by over 40 million ounces per year the whole time!

If that is not enough of a supply/demand imbalance to make you jump to your feet in eagerness to buy silver, longer-term it gets more interesting, because “in 1900 there were 12 billion ounces of silver in the world. By 1990, that figure had been reduced to around 2.2 billion ounces,” and now “today, there are less than 1 billion ounces in above-ground refined silver.”

In short, all the silver that was mined and refined since 1900 was used to create the gigantic electronic-based and electrical-powered economies of, mainly, America and Europe, and now that the silver has been used and thus disappeared, here comes China to need twice as much silver as was used by America and Europe! Wowser wow wow!

My few remaining brain cells that are still in, at least, intermittent working order are suddenly operating in hyper speed, conjuring up wild plans to somehow get some money, more money, lots of money, hopefully money acquired without actually working, to buy silver, which is the

most ludicrously undervalued asset in the Whole Freaking World (WFW) and such a bargain at current prices that it makes the decision to buy it so easy that one must exclaim, seemingly involuntarily and with great relish, “Whee! This investing stuff is easy!”