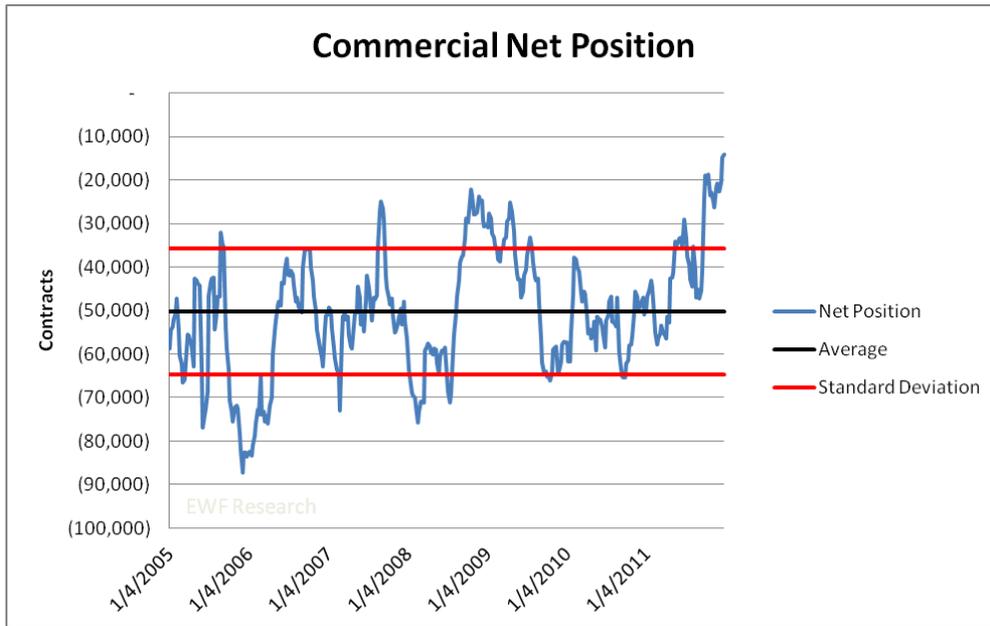
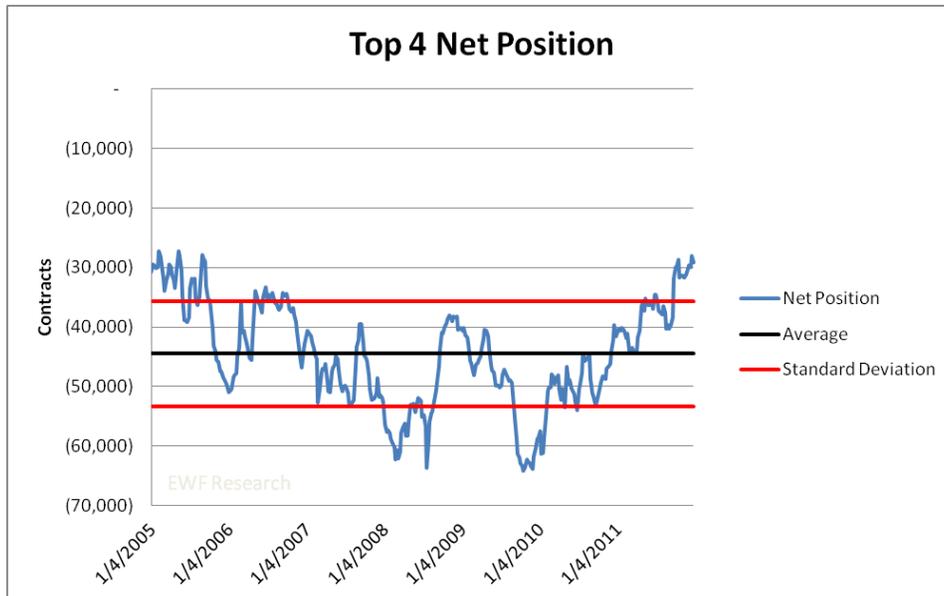


Silver COT Update  
EWF 12/30/2011

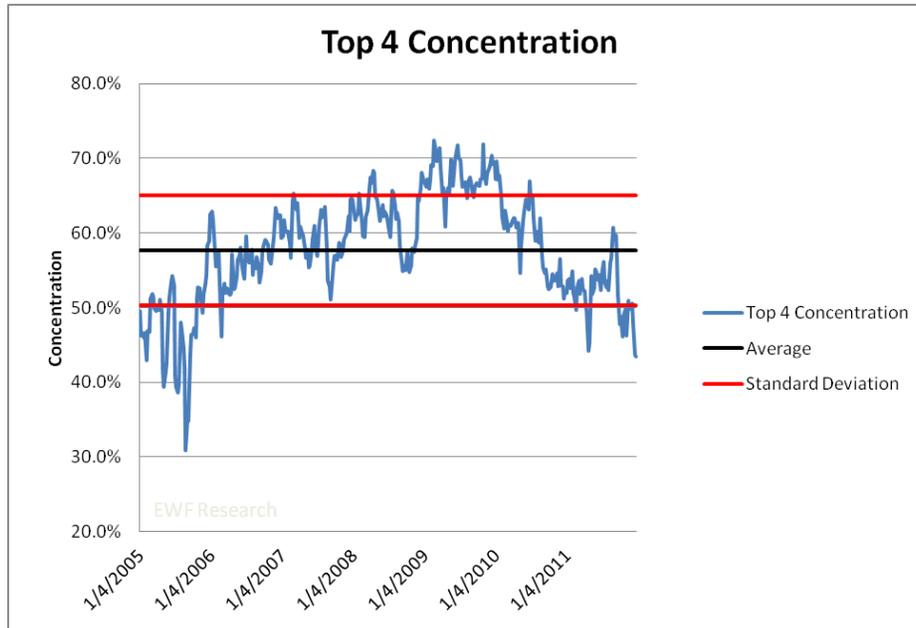
The COT for silver positions held 12/27/2011 shows the commercials net short 14,132 contracts. The commercials reduced their net short position by 693 contracts during the reporting week. The commercials net short position is an extreme 2.5 standard deviations above the average. This is the lowest net short position in over a decade.



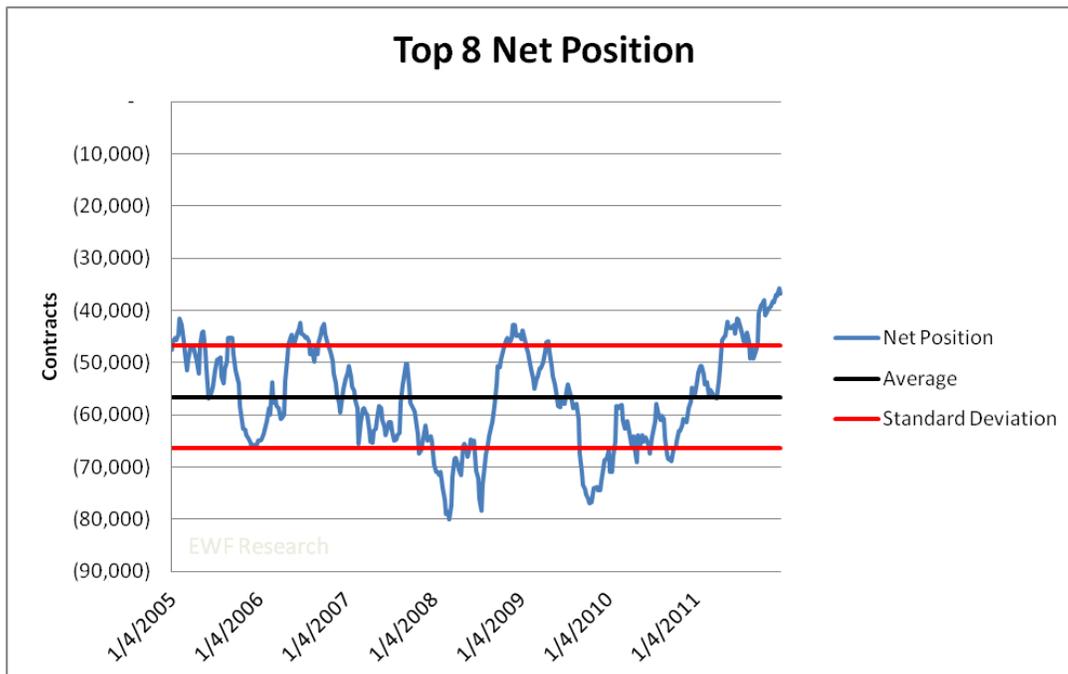
The top 4 commercial traders are net short 29,118 contracts. These large traders increased their net short position by 769 contracts. The top 4 commercial position remains extreme.



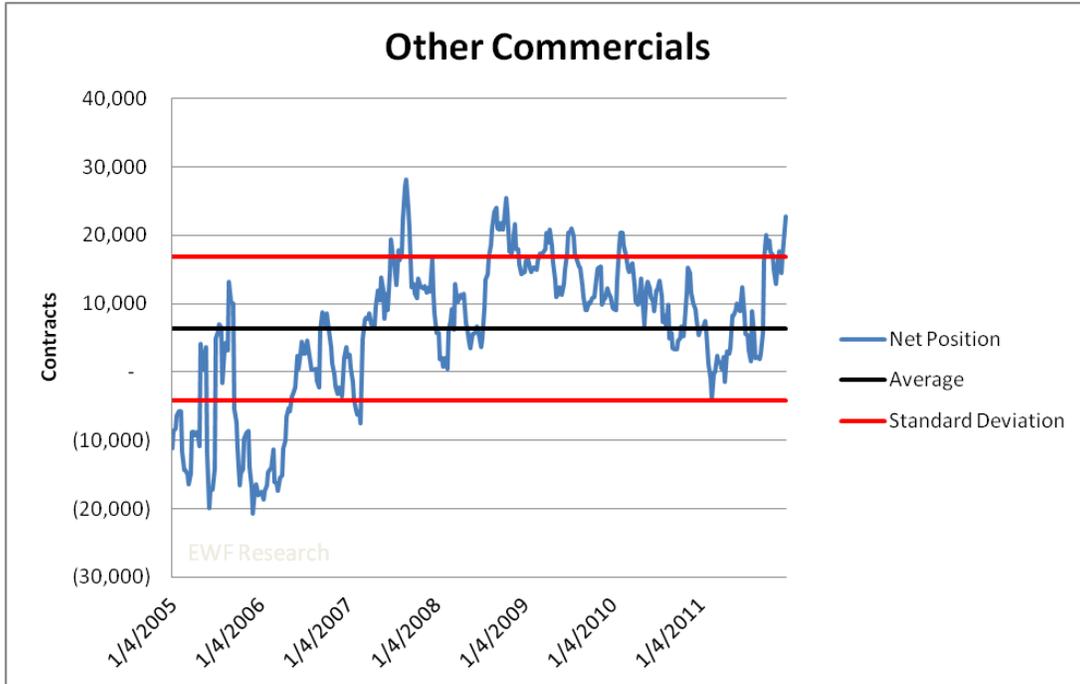
Top 4 commercial concentration hit an important new multiyear low this week. Top 4 commercial concentration fell to 43.5%, the lowest reading since September 2005. Ted Butler points out that concentration is the hallmark of manipulation. Silver owners who believe silver is manipulated should be pleased to see concentration at a new 6 year low.



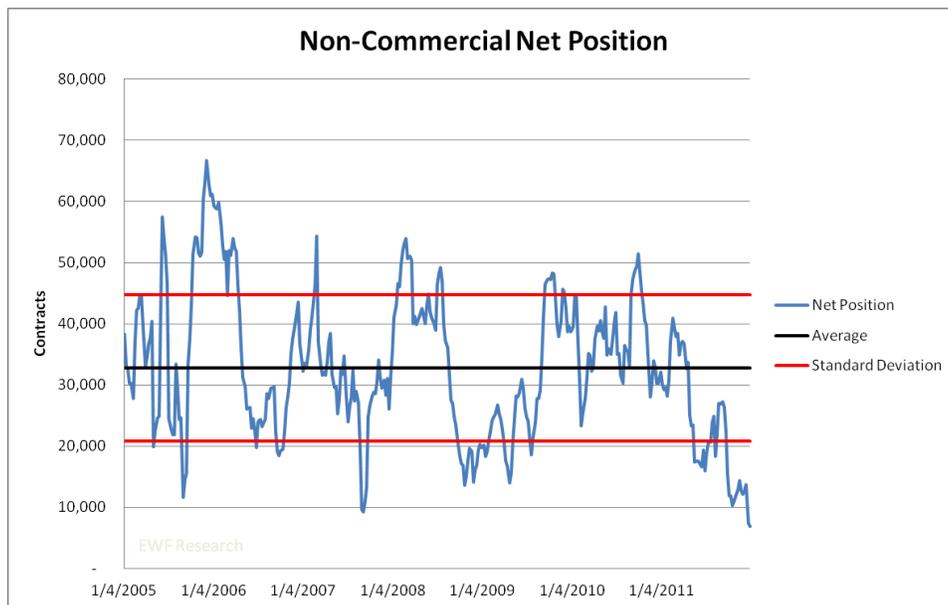
The top 8 commercial net position is 36,814 contracts. Their net short position increased by 1,102 contracts during the reporting week. Top 8 commercial concentration also hit a new 6 year low of 54.9%



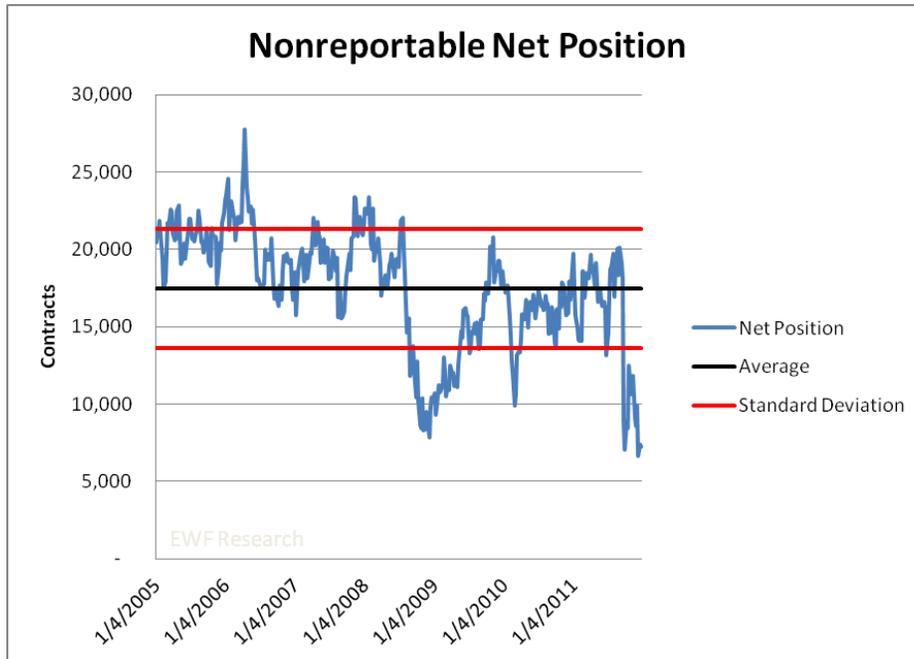
The other commercial traders increased their net long position by 1,795 contracts. These traders are net long 22,682 contracts. Their net long position is an extreme 1.55 standard deviations above the average. The other commercials (Ted Butler's Raptors) haven't held this many contracts net long since 10/28/2008 when silver closed at \$9.09.



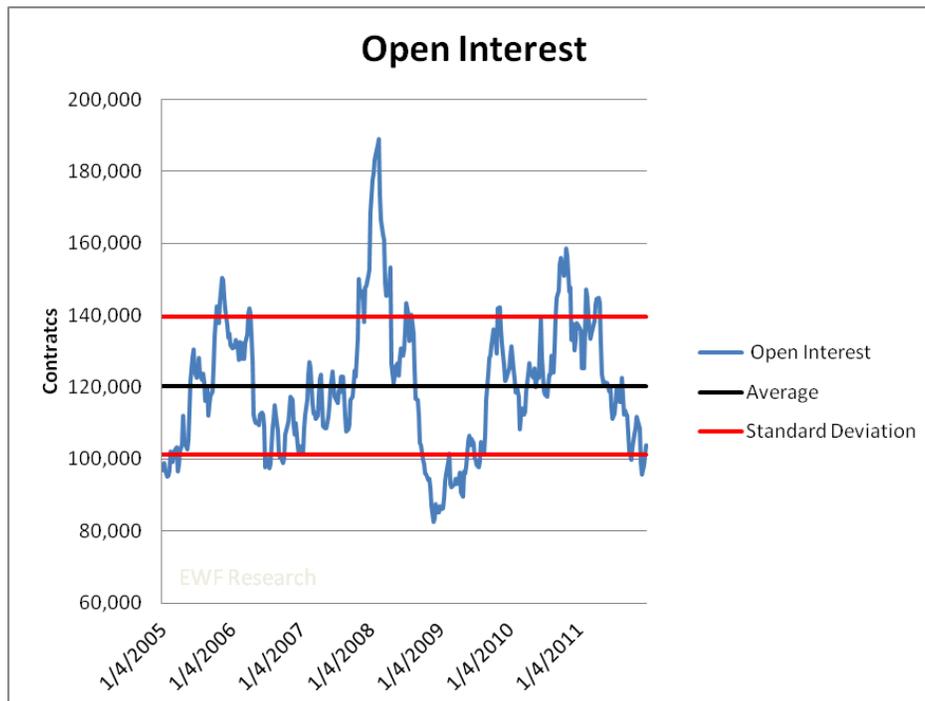
The large speculators continued their selling during the reporting week. The non-commercials reduced their net long position by 573 contracts. The large speculators are net long 6,885 contracts, their lowest net short position since 2003. Contrarians will find this very bullish.



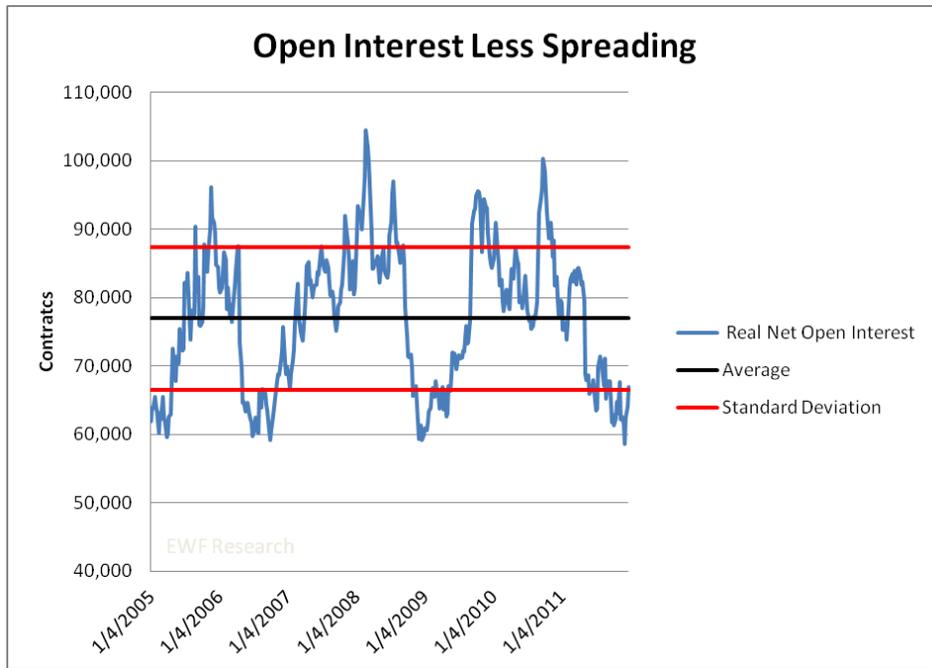
The nonreportable position did not change significantly during the reporting week. These small speculators reduced their net long position by 120 contracts. They are net long 7,277 contracts, which is a whopping 2.64 standard deviations below the average.



Reported open interest increased by 2,828 contracts during the reporting week to 103,993 contracts. This is another bullish contrarian indication that there is no widespread investor participation in COMEX silver.



Open interest less spreading increased by 2,946 contracts. Open interest less spreading is 67,002 contracts. While off the multiyear low, open interest less spreading still reflects extreme pessimism in the silver market.



The Silver COT Index summarizes all these results. The index ranks sentiment on a scale from 0 to 100. The current Silver COT Index score of 5 indicates excessive pessimism in the silver market. Contrarians will see the current Silver COT Index score of 5 as very bullish.

