THE NEW HEDGE FUND PLATINUM PLAY

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Investor's Report
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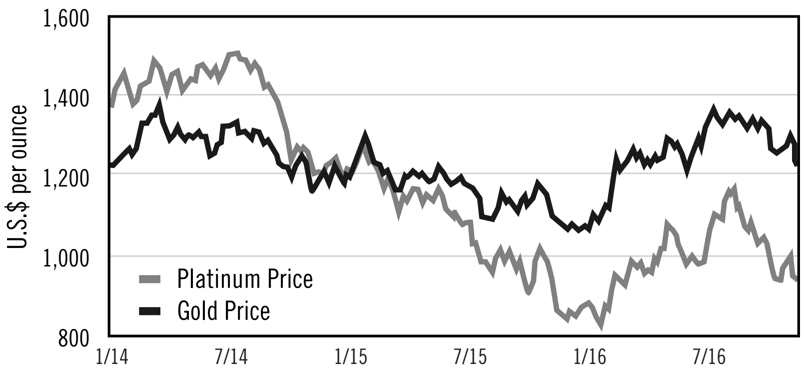
The New Hedge Fund Platinum Play

Dear Reader,

For most of the past quarter century, **platinum** has traded at a premium to **gold**. But now something crazy has happened. For only the second time in the last 20 years, it's reversed – and gold is more expensive than platinum.

Put simply, the **gold-to-platinum ratio** is out of whack.

Gold vs. Platinum 2014 - Present



Source: *Private Briefing* staff research

A historical anomaly, no doubt. But one that can be turned to your favor – in a big way.

You see, this situation never lasts. In other words, it's only a matter of time before platinum returns to its historical norm – priced higher than gold. And when that happens, those positioned properly could pocket massive gains.

Just like they did in 1996 (when the anomaly created $1.2 billion in new wealth) and 2008 (when it created a $6 billion windfall).

My research shows this **Gold Market Anomaly** will create $13 billion in new wealth as the platinum doubles in value – and even goes beyond that.

In fact, a perfect storm is forming around platinum – one that could send prices soaring to staggering all-time highs.

At the exact same time this anomaly is occurring, the world is facing a severe platinum shortage as industrial demand – fueled mostly by catalytic converters, electronics and jewelry – grows and supplies tighten.

This is why my research shows platinum could rise to $2,178 by 2020. That's more than 130% higher than it is right now…

Time to Load Up the Truck on "The Rich Man's Gold"

There are several platinum plays I like best.

I detail them all in the **$13 Billion Gold Market Anomaly** reports found on the ***Private Briefing*** **Investor Briefing Dashboard**.

> ***The $2 Miner Set to Hit $200*** shows you how a tiny $2 a share platinum miner is only weeks away from capturing an $86 million windfall from the massive ramp-up of its platinum mining operations.
>
> An additional report – ***The Platinum Stock Set to Deliver 10x Your Money*** – tells you about another miner that's about to deliver huge news to the market that could boost its stock 10-fold. We see this company doubling or even quadrupling that in the next 12 months as the gold-platinum ratio returns to normal.
>
> I also recommended (and showed you how) to purchase real hold-it-in-your-hand platinum – and how to capitalize on the best platinum ETF in ***How to Play the Price of Platinum Straight-Up***.

And now I want to share with you one more huge moneymaking platinum play.

This one is completely unique – and truly under the radar. In fact, I'm willing to bet 99% of the population has no clue this opportunity even exists.

And, to be truthful, it's not for everyone, as I will explain.

But if you want to play platinum… the **Wall Street** way… with much less money up front than the big boys typically pony up – and the potential to turn a mere $1,430 investment into $22,560 as platinum makes it move – then read on…

A Favorite of Sophisticated Investors

Make no mistake: If there's one group of investors who are locked down, watching the gold-to-platinum ratio (or "spread" as it's sometimes called), it's hedge funds.

In fact, my research shows that **BlackRock**, **Invesco** and **Genesis Asset Managers**, along with 17 other big-name hedge funds, have taken massive positions in platinum recently.

But hedge funds don't just buy stocks. They also bet on the gold-to-platinum spread itself.

Spread trading is widely used by these type of investors because it offers advantages (reduced volatility and lower margin requirements) over just going long or short on a specific futures contract with the potential to deliver better *risk-adjusted returns*. Spreads often exhibit smoother and longer-term trends than the choppiness of individual futures.

Many of these hedge funds see things exactly as I do right now…

They realize it's only a matter of time before platinum once again outperforms gold. And they're betting that the spread will first narrow – and then return to the historical norm of platinum being more expensive than gold.

Now, in the past, this "spread futures trade" was a complicated trade. You had to buy/sell both gold (on the COMEX) and platinum futures (on the NYMEX).

But now, the trade can be done in one simple transaction through your broker, or over the internet thanks to the **CME Group**.

Who exactly is the CME Group?

It used to be known as the **Chicago Mercantile Exchange**. But now after a merger with the **Chicago Board of Trade** and an acquisition of the **New York Mercantile Exchange**, CME Group is the world's blue-chip futures exchange.

It is the globe's leading and most diverse derivatives marketplace. On average, it handles 3 billion contracts annually worth approximately $1 quadrillion.

It is the marketplace for buyers and sellers – institutions, companies and individuals – that either need to manage risk or are looking to profit by taking on risk.

The CME offers the widest range of futures and options across all the major asset classes – equity indexes, interest rates, foreign exchange, real estate, weather, energy, industrial metals and, of course, precious metals.

Executions happen seamlessly through its **CME Globex** electronic trading platform. The CME also operates **CME Clearing**, one of the world's biggest central counterparty clearing platforms.

Traditionally, the CME exchanges are used by big-time investors and traders – those with a lot of capital to spend – and not averse to some serious risk.

But now, unprecedented demand for gold has driven ratios and spreads in the precious metals market to multiyear highs. And the CME hopes to capitalize on it by creating new products that let the "little guy" participate…

Futures 101

For those of you unfamiliar with the concept of futures and derivatives, here's a quick primer.

As mentioned before, the whole idea centers on risk – either managing it or hoping to profit from it.

In a derivatives marketplace, like the CME, businesses and individuals can lock in a future price by putting it into a binding contract. These derivative products are called futures and options (on those futures), and they are contractual agreements to buy or sell an amount of something at a fixed price at the date of the futures or options contract.

Simple examples include a farmer locking in a price for this year's corn crop or a shale oil company locking in a price at which its oil will be sold. A real-life example is Mexico. Before the oil price plunged, it smartly sold much of its 2015 oil output – through futures – at $76.40 a barrel. Mexican oil officials laughed all the way to the bank as other oil producers that did not hedge their production suffered.

Or from the perspective of initiating a trade purely for profit potential, a trader can bet on a "reversion to the mean." That is, as with the gold-platinum ratio, a return of prices closer to the historical norm.

In order to trade futures or options, one needs to open account with a firm that handles those type of transactions. Not all stock brokerage firms do so. For an introductory guide to trading futures, the CME is the place to go for education.

The Ultimate Insider's Platinum Play

On Oct. 24, the new gold-platinum spread futures (symbol: **GPS**) began trading on CME along with two other new precious metals products – the gold-to-silver ratio futures (symbol: **GSR**) and the platinum-palladium spread futures (symbol: **PPS**).

The listed contracts include the nearest two futures contracts for gold and platinum. Each contract is the equivalent of 100 troy ounces of each metal and reflects the difference (or spread) between the **COMEX Gold** and **NYMEX Platinum** futures price for each business day of the contract month.

These derivative instruments give everyday investors the ability to play those commodities against one another, without putting up the millions of dollars required to buy actual futures contracts.

In other words, you don't have to be a hedge fund, institutional bank, accredited investor or a Wall Street millionaire to trade the gold-platinum spread.

This new trading opportunity is open to everyone. That means everyday investors can now make huge gains every time the platinum prices increase and the gold-platinum price spread widens.

Best of all, the CME has simplified the process so that you can profit from the gold-platinum spread just as you trade stocks and options – with just a few clicks of a mouse.

There's never been anything like this before…

How It Works

You can buy one contract based on the absolute value of the gold-platinum spread for just $3,000 up front to cover margins, plus the price of the contract and brokerage fees.

Right now, the spread is at about $300, but as we've discussed before, that's going to change.

So when should you look at getting in on this specific new trading instrument?

I recommend you get in as soon as platinum overtakes gold in price. When that happens, the value of this contract will fall to as little as 10 cents, and then begin to grow again in value. If you bought 10 contracts at $5 and diligently rolled contracts over as prices steadily rose, you could turn a $940 net investment – spread out over time – into an $11,050 windfall… posting gains of 1,176%!

If you doubled that initial investment, it could turn a $1,430 net investment into $22,560!

Even better, the settlement is in cash. No one has to deliver any gold or platinum to the party on the other side of the trade. Because the settlement is financial, the CME has lower maintenance margin requirements for this contract – only $3,240 – making it more accessible for retail investors.

However, the CME does often change its margin requirements for precious metals, depending on the volatility.

My suggestion? Please check with your futures broker or the CME Group website for the complete details. For more information about CME Group precious metals, visit **www.cmegroup.com/precious**.

There you have it: The insiders play on the gold and platinum spread – now available at the fingertips of retail investors.

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