DERIVATIVE GOLD AND SILVER INVESTMENTS

Turbocharged Vehicles You Can Use to Maximize Your Profits in the Coming Year

by Larry Edelson

For some time now, ever since gold peaked in September of 2011, I've been a lone voice crying in the wilderness, doing everything in my power to show you why I believe gold and silver will bottom in 2016, and that collapsing governments in Europe and eventually, the United States will end up sending precious metals into the next phase of their bull markets — their biggest moves up yet. Moves possibly sending gold prices to as high as $5,000 by the end of 2017.

And my goal is to give you the best information available to help you profit from this tsunami of money-printing. One of the ways you can do this, is with what I call derivative gold and silver investments.

These turbocharged vehicles are tools you can use to maximize your profit potential in the months and years ahead.

I'll also introduce you to an advanced trading technique I use, that very few are aware of — but that can help you make a lot of money, and I mean a LOT.

Now, I fully realize, and I am sure you do too, that no one can foresee the future with precision or guarantee profits.

But make no mistake — I expect plenty of profit opportunities in the months and years ahead, and in this special report, I am going to give you the edge you need to make those profit opportunities come to fruition.

So let's get started!

The 5 Basic Vehicles For Derivative Gold

Let's start by reviewing the best derivative precious metals investments that you need to know about.

Later, I'll give you my number one technique for timing the buying and selling or precious metals, both physicals and leveraged vehicles.

There are five basic vehicles for derivative gold and silver investments that I want you to know about.

They range from the unleveraged, where you get one for one leverage, all the way up to the most leverage possible, as much as 100 to one leverage.

They are:

1. **Unleveraged ETFs.**
2. **Leveraged ETFs.**
3. **Mining shares.**
4. **Futures.**
5. **Options.**

We'll now go through each of them, one by one.

FIRST, unleveraged precious metals Exchange Traded Funds, or ETFs.

Most of you are already familiar with ETFs, so I won't bore you with all the details. Suffice it to say, they are a great way to invest and trade in paper gold and silver, and also platinum in palladium.

An ETF, like a mutual fund, is a "pooled investment" that trades on an exchange like any stock. You can buy or sell shares in an ETF on an exchange, any time the market is open for trading, and you pay regular stock commissions for the trades.

In contrast, with very few exceptions, traditional mutual funds can be bought or sold only once per day, at the day's net asset value (NAV) closing price.

The advantages of ETFs include:

— They can be bought or sold at any time, allowing us to take advantage of timing the market.

— They have much lower management fees than traditional funds, thus reducing your expenses.

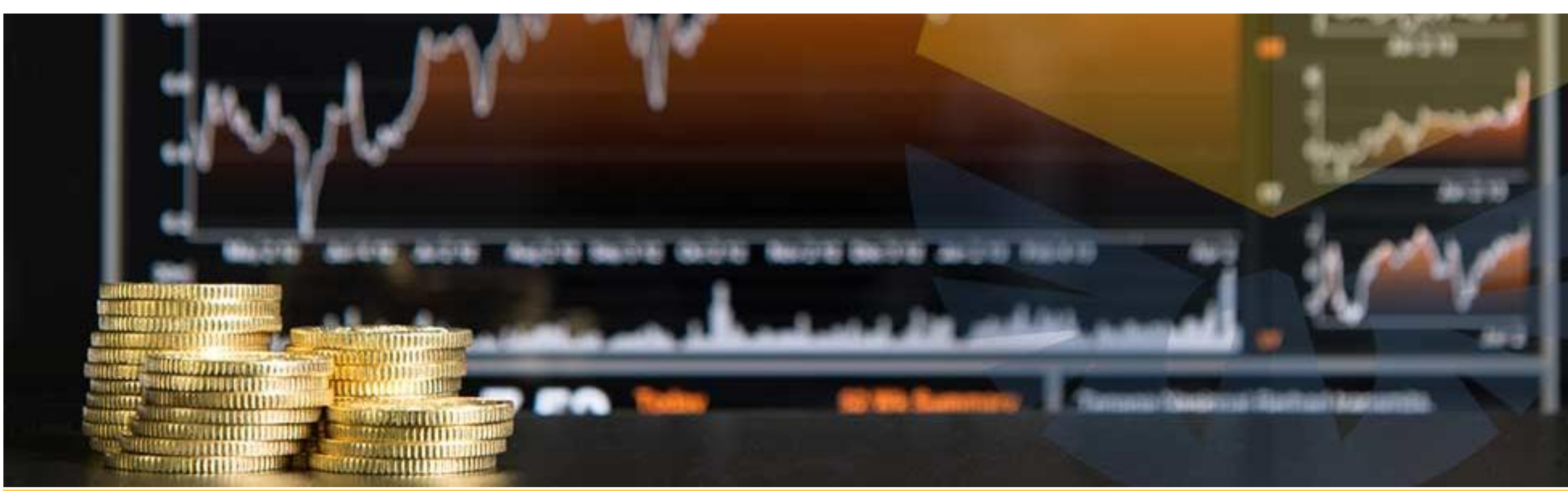
— They give you far-better transparency. You always know what you own via the ETF.

There are pure commodity-based ETFs that track the prices of select precious metals, such as gold, silver, platinum and palladium.

Single leveraged precious metal ETFS should have two roles in your portfolio. The first being for core precious metals holdings; that is, positions that you intend on holding for the long-term, and as substitutes for physical metals.

One of the advantages to holding physical metals for the longer-term, is that you don't have to worry about storage, and there is no premium to buying the ETF, versus the physical metal. There is, however, a management expense fee that is charged by the administrators of the ETF, but the fees are very low, as low as .25%.

The only disadvantage I see to holding precious metals ETFs for the long-term, is the risk of a run on the fund — when too many investors want to cash in and take delivery of their metal sometime down the road.



But very frankly, I don't see a problem with that until gold gets over roughly $2,500 an ounce.

So for now, holding single leverage precious metals ETFs in your basic portfolio is an excellent way to go. Some of the biggest hedge funds and money managers own substantial positions in the ETFs, and if they are good enough for them, they are certainly good enough for you.

My list of favorite single leverage precious metals ETFs include:

Ticker	Single Leverage PM ETFs	Expense Ratio	Avg. Volume	Short-term tax rate	Long-term tax rate	Tax Form
GLD	SPDR Gold Trust	0.40%	9,260,704	35%	28%	1099
SLV	iShares Silver Trust	0.50%	7,851,254	35%	28%	1099
IAU	iShares Gold Trust	0.25%	5,780,437	35%	28%	1099
SIVR	ETFS Silver Trust	0.30%	86,559	35%	28%	1099
DGL	PowerShares DB Gold Fund	0.78%	87,964	23%	23%	K-1
PALL	ETFS Physical Palladium Shares	0.60%	24,745	35%	28%	1099
PPLT	ETFS Physical Platinum Shares	0.60%	47,632	35%	28%	1099

A note on taxation: Most ETFs for precious metals are taxed as collectibles, and not as regular securities. That means their tax rates are generally higher than other types of investments, with short-term gains taxed at a maximum of 35% and long-term gains taxed at a maximum rate of 28%.

Nevertheless, this should NOT be a factor in whether or not you invest in precious metals ETFs. In my opinion, taxes should rarely figure into your investing needs and objectives...only potential profits should.

The second reason to invest in single leveraged ETFs, is to actively trade them. With virtually no markup over the cost of the metal, and only very small expense fees involved, it's less expensive to trade in and out of single leveraged ETFs short-term profits than it is the physical metal.

You get less leverage, but also less risk.

Now, let's go up the ladder a tad, to the next set of ETFs that you can trade, where you do get leverage, with a tad more risk.

But the risk is well worth it in my opinion, because these leveraged ETF investments are where you can really turbocharge your profit potential.

For example:

— More recently, between December 17, 2015 and May 02, 2016, for instance, gold prices rose 23.3%

But the Double-long ETFs like ProShares Ultra Gold and PowerShares DB Gold Double Long could have handed you gains of 47.6% to 59.3% — over TWO TIMES MORE than gold bullion!

— Between June 27, 2013 and August 27, 2013, for instance, gold prices rose 17.3%

But double long ETFs could have made you between 37.9% and 38.1% richer ... over TWO TIMES MORE!

- Between December 19, 2013 and March 14, 2014, for instance, gold prices rose 15.4%
- But double long ETFs could have made you 33.4% richer ... again, over TWO TIMES MORE!
- Between April 17, 2009 and April 29, 2011, for instance, gold prices rose 79.9%

Here is my list of my favorite leveraged ETFs for the precious metals.

Ticker	Leveraged ETFs	Expense Ratio	Average volume	Short-term tax rate	Long-term tax rate	Tax form
AGQ	ProShares Ultra Silver	0.95%	202,100	23%	23%	K-1
DGP	PowerShares DB Gold Double Long ETN	0.75%	55,636	35%	15%	1099
USLV	VelocityShares 3x Long Silver ETN linked to the S&P GSCI Silver Index	1.65%	901,241	35%	15%	1099
UGL	ProShares Ultra Gold	0.95%	41,495	23%	23%	K-1
UGLD	VelocityShares 3x Long Gold ETN linked to the S&P GSCI Gold Index	1.35%	455,159	35%	15%	1099

All of these are great vehicles for short-term trading in the precious metals, offer you double and triple leverage on the underlying price of the metals.

What about safety? In my opinion, they are better than trying to leverage your physical metals purchases by buying on margin, or even trying to leverage unleveraged ETFs by trading on margin.

Chief reason: Although they are not actively managed, all of them are designed by professional money managers, and unlike buying or selling on margin, with leveraged ETFs — provided you are not trading these on margin — you can never get a margin call.

In addition, though the fees are higher, naturally, than unleveraged ETFs, the fees are miniscule compared to say mutual funds and not something to worry about when you are trading these ETFs for short-term gains.

One of the great beauties of precious metals ETFs is that there are also ETFs that allow you to profit from the inevitable pullbacks that occur in the precious metals, via what are called “inverse ETFs.”

Essentially, these inverse ETFs allow you to stake out a short position in the precious metals, but without the risk of a margin call.

And, in most cases, they are leveraged, allowing you to really crank p your profit potential.

With some giving you the potential for as much as $3 in gains for every one- dollar gold declines during temporary pullbacks.

For instance:

— More recently, between January 22, 2013 and December 17, 2015, gold prices fell 37.9%

— But ProShares UltraShort Gold increased 93% in value and PowerShares DB Gold Double Short generated a 105.7% GAIN

— Between March 21, 2013 and July 24, 2015, gold prices fell 32.7%

— But ProShares UltraShort Gold increased 68.2% in value and PowerShares DB Gold Double Short generated a 76.4% GAIN

— Between January 22, 2015 and November 06, 2015, gold prices fell 16.4%

— But ProShares UltraShort Gold increased 35.4% in value and PowerShares DB Gold Double Short generated a 40.5% GAIN

— Between March 17, 2008 and October 24, 2008, gold prices fell 26.7%

— But the PowerShares DB Gold Double Short generated a 71.1% GAIN

— And between February 20, 2009 and April 17, 2009, gold prices dropped 12.5%

— But ProShares UltraShort Gold increased 24.6% in value and PowerShares DB Gold Double Short generated a 32.1% GAIN

— And between December 3, 2009 and February 5, 2010 gold prices declined 11.7% ...

— But the ProShares UltraShort Gold increased 24.5% in value and the PowerShares DB Gold Double Short (DZZ) generated a 27.6% GAIN!

Naturally, all of these are just examples, and in some cases - extreme examples. We can't go back and grab those gains, nor could we grab the entire move.

But I wanted to illustrate how profitable these inverse ETFs can be, when you get your timing right, which is of course, the subject of my next two modules.

But first, here is my list of my favorite leveraged inverse ETFs for the precious metals:

Ticker	Leveraged inverse ETFs	Expense Ratio	Average volume	Short-term tax rate	Long-term tax rate	Tax form
GLL	ProShares UltraShort Gold	0.95%	24,495	23%	23%	K-1
DZZ	PowerShares DB Gold Double Short ETN	0.75%	127,455	35%	15%	1099
ZSL	ProShares UltraShort Silver	0.95%	55,645	23%	23%	K-1
DSLV	VelocityShares 3x Inverse Silver ETN linked to S&P GSCI Silver Inverse Index	1.65%	53,241	35%	15%	1099
DGLD	VelocityShares 3x Inverse Gold ETN linked to S&P GSCI Gold Index Excess Return	1.35%	49,805	35%	15%	1099

Now, let's go on to the next investment vehicle you are going to want to use as gold, silver and other precious metals resume their long-term bull markets.

None Other Than Mining Shares!

Why mining shares? Three chief reasons:

First, diversification

While it's critically important that you hold some of your precious metals in the form of physicals and ETFs, the right mining shares — for the long haul — are also critical to maximizing your profit potential.

Second, during gold and silver's three- year bear market from 2011 through 2015, most mining shares have been beaten to a pulp, for a number of reasons. That said, even after the short-term run-up in the first quarter of 2016, select mining shares will soon offer you some of the most outstanding buys you can find in the precious metals arena once gold prices fall back as I expect them to in late June 2016.

Many mining shares will trade for 10 or 20 cents on the dollar compared to their recent all-time highs back in 2011.

And during the next phase of the bull market in the precious metals, that could begin sometime around June 2016, I expect select mining shares to double and double again, and even again — as gold and silver head to new record highs.

And third, and perhaps most importantly, the right mining shares can offer you tremendous leverage on the price of gold or silver.

Reason: The right mining companies own vast amounts of gold and silver in the ground; and by purchasing their shares, you indirectly own the raw metal.

Plus, as gold and silver prices rise, the gross profit margins of select mining shares expand exponentially, raking in huge profits for the miners, sending their share prices into the stratosphere.

For instance, between January 14, 2016 and May 02, 2016 for example, gold prices increased 20.7%. But Hecla Mining jumped 154.4% — enough to multiply your money more than roughly three times over.

Royal Gold soared 111.8% — enough to multiply your money more than two times over and, Newmont Mining spiked 99% — enough to multiply your money two times over.

For instance, between October 27, 2000 and September 6, 2011 for example, gold prices surged 632.5% but, Newcrest Mining Ltd. jumped 1,059.4% — enough to multiply your money more than ELEVEN times over.

Goldcorp Inc. soared 1,248% — enough to multiply your money more than THIRTEEN times over.

Royal Gold Inc. skyrocketed 2,957.9% — enough to multiply your money more than 30 times over… generating nearly $4.68 in gains for every ONE dollar earned by bullion investors!

Taken as a sector, from 2001 until Nov 12, 2012, physical gold soared 537% .

While gold stocks as measured by the NYSE Gold BUGS Index (also known as the HUI Index), gained a whopping 936%!

[Watch a FREE preview of my new Ultimate Gold and Silver Trading Course.]

The 3 Different Types of Gold and Silver Mining Companies

Now, let's explore miners in a bit more details. There are essentially three types of gold and silver miners — big, medium-sized, and small.

Small-time producers, also referred to as juniors, produce less than 200,000 troy ounces in a year.

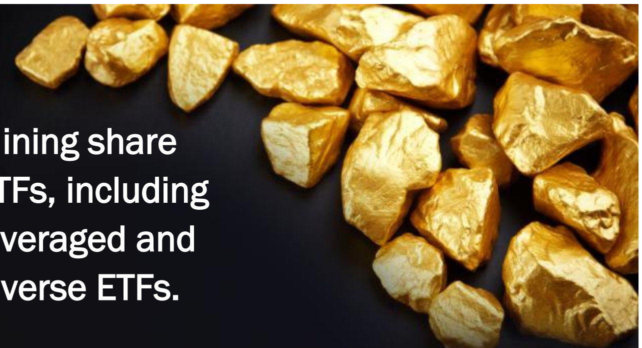
Medium-sized producers manufacture between 200,000 and one million ounces per year, and the big guys produce over a million ounces a year.

Once the new bull market in precious metals is truly underway, I will likely be recommending a mix of mining companies, for diversification.

I also like to trade mining share ETFs, which are a great way to own basket of mining companies, with one simply click of a mouse.

Here is a list of the 15 mining shares that are currently on my radar screen, followed by a list of mining share ETFs:

1. Goldcorp Inc. (GG)
2. Yamana Gold, Inc. (AUY)
3. Newmont Mining Corp. (NEM)
4. Agnico Eagle Mines (AEM)
5. Freeport-McMoRan Copper & Gold Inc. (FCX)
6. Hecla Mining Co. (HL)
7. Eldorado Gold Corp. (EGO)
8. New Gold, Inc. (NGD)
9. Franco-Nevada Corp. (FNV)
10. Randgold Resources Limited (GOLD)
11. Royal Gold, Inc. (RGLD)
12. Silvercorp Metals Inc (SVMLF)
13. Kinross Gold Corp. (KGC)
14. IAMGOLD Corp. (IAG)
15. Fortuna Silver Mines Inc. (FSM)



Mining share ETFs, including leveraged and inverse ETFs.

GDX	Market Vectors TR Gold Miners
GDXJ	Market Vectors Junior Gold Miners ETF
NUGT	Daily Gold Miners Bull 3x Shares
SIL	Silver Miners ETF
DUST	Daily Gold Miners Bear 3x Shares
JNUG	Daily Junior Gold Miners Index Bull 3x Shares
RING	iShares MSCI Global Gold Miners ETF
GLDX	Gold Explorers ETF
JDST	Daily Junior Gold Miners Index Bear 3x Shares
PSAU	Global Gold and Precious Metals Portfolio
PLTM	ISE Global Platinum Index Fund
SLVP	MSCI Global Silver Miners ETF
SILJ	PureFunds ISE Junior Silver ETF
GGGG	Pure Gold Miners ETF

Now, let's move up the ladder even more, to one of the very best ways to leverage your profit potential in the precious metals and related investments — without risking one penny more than you invest!

Using Options for Generating Big Gold and Silver Profits

I'm talking about options — an excellent vehicle for generating substantial profits from any market. This is true regardless of whether the market is in a bullish or bearish phase.

Simply put, an option is an agreement between two parties, granting the option buyer certain rights and imposing certain obligations on the seller.

Most people are familiar with the concept of stock options that come with an employment compensation package. If you join a corporation, they may give you an option to buy stock in the company at a low fixed price, no matter how high the stock price rises.

If your company does well and the stock price rises, you exercise the option. You buy the company's stock at the low price and reap a great benefit. If the company doesn't do well, you've lost nothing.

The options I like to recommend are essentially the same, with just a few basic differences:

First, the options are shorter term. Stock options, like the type you get as an employee, can be good for several years. Most actively traded options expire in a matter of months, though some options extend beyond a year (called "LEAPS") are also available.

Second, options are listed on an exchange. They can be bought and sold at almost any time. You just buy and sell the options themselves, just like a stock.

Importantly, I never recommend that you exercise the option and buy or sell the underlying security.

Third, you have access to two kinds of options — options to buy, called "call options" ... and options to sell, called "put options".

Buying call options allows you to profit from rising prices, while buying put options lets you profit from declining prices.

Fourth, options are available not only on individual stocks, but also on ETFs, indexes and futures.

Both puts and calls have great potential, are usually liquid (easy to buy or sell), and trade on regulated exchanges with low commissions.

When you buy an option, you never have the obligation to take a position in the underlying security as long as the option is sold before expiration.

Thus, you never risk one penny more than your original investment — the price of the option plus commissions.

<u>A call option</u> gives its owner the right to buy a specific item (underlying) at a specific price (strike price) for a specific period of time (through expiration day).

<u>A put option</u> gives its owner the right to sell a specific item (underlying) at a specific price (strike price) for a specific period of time (through expiration day).

Important Option Terms You Want to Learn.

The option universe has its own vocabulary, and if you're going to invest in and trade options, it's essential that you learn the most basic of options terminology.

Let's review the most important terms:

First and most important is ...**The Premium** — that's the price of the option contract, the price you pay and the price the seller receives.

Second is the **Strike Price** — that's the price at which the call owner has the right to buy or the put owner has the right to sell, the underlying security. It's a fixed price, compared to the actual underlying price of the security at the time of the purchase (or sale).

Third is the **Expiration Date** — that's the last date the option is valid through Once that date arrives, the option must either be sold, or you face exercise.

Or, if the option is worthless and has not worked out, you simply let it expire.

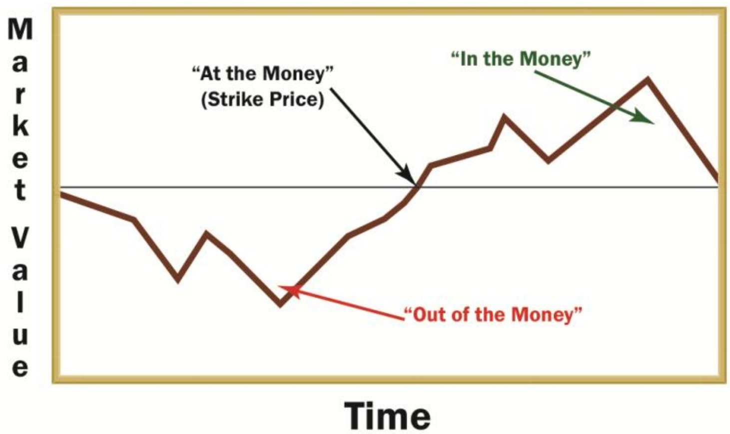
Fourth is whether the option is "**in the money**", "**at the money**" or "**out of the money**."

An in the money call option is when the strike price of the call option is lower than the price of the underlying.

Conversely, when the strike price of a put option is higher than the price of the underlying, that put option is also in the money.

An at the money call options means that they strike price is essentially equal to the underlying security price, in the case of with a call or put option.

And an "out of the money" call option is when the strike price of a call option is higher than the price of the underlying, or conversely, when the strike price of a put option is lower than the price of the underlying.



Which type of option you use — in the money, at the money or out of the money — depends upon a lot of factors. But in general, I like to follow two simple scenarios for buying options.

The first is when you expect a large move, either up or down. If it's an up move, you use calls, obviously; while if it's a large down move, you would use put options, naturally.

But you would want to use out of the money options in this type of "large move" scenario. Why? It's simple: Out-of-the-money options are usually priced dirt-cheap. That means you can risk very little, but if the market performs as expected and within the time frame, or by expiration of the option, you can rake in some pretty handsome profits.

The second is when you expect a decent move, but you don't think it's going to be a rapid move. In that case, you want to buy at the money options, for the simple reason that they will not lose as much time value as out of the money options would.

At the money options are going to be more expensive, but if timed properly, they can still potentially double or triple your money.

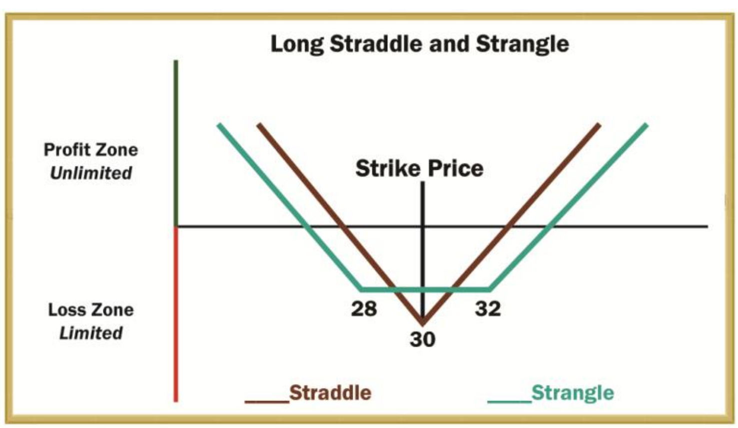
When you have a sideways market, you don't want to trade options, period. At least not until you think the end of the sideways market action is nearby.

There are other strategies to use when trading options, when one might do for instance, what is called a "combination trade" — which is a position consisting of two different options, usually one of which has been purchased and the other sold.

In general, they are either both calls, or both puts; however, combination positions consisting of one call and one put can be considered spreads.

The position can be constructed to have either a bullish or bearish bias. Although the potential profit from a combination trade is limited, it can still be substantial and the total cost of the position can be substantially reduced.

Straddles and strangles are the basic terms used to describe some of these option combinations.



A **straddle** is a position consisting of one put and one call option. They both have the same underlying security, the same expiration date, and the same strike price.

A **strangle** is the same as a straddle in most aspects: It also consists of one put and one call option. And these also have the same underlying security and the same expiration. The critical difference: The strike prices are different.

The goal of both a straddle or a strangle is to profit from a major move in the market in EITHER direction.

The Advantages and Disadvantages of Options

Before you begin trading any options, it is important to know the advantages and disadvantages of options.

Disadvantages of Options

Disadvantage #1: Options are wasting assets. That's because when you buy an option, you are buying time. So if the market remains unchanged, the value of the option will naturally decline as time goes by.

Disadvantage #2: Options can expire without value. This follows from the first disadvantage. The expected market move has to take place — or at least get underway — before the option expires.

Otherwise, the option can expire worthless, and you will lose the entire amount you invested in that option.

But importantly, when you purchase options, you can never lose a penny more than you invest.

If an option is in the money at expiration, it must be sold prior to this date so it is not automatically exercised.

Disadvantage #3: Occasional poor liquidity. There are many options with plenty of liquidity. But there are also some that are not so liquid. In other words, the number that change hands in a given day (the volume) is low and the total amount held by investors (the "open interest") is small.

You want to avoid these less liquid options contracts. The cost of buying and selling them — via market slippage due to lack of volume and liquidity — is often too high.

Now, let's look at the advantages of options.

In my opinion, the two main advantages of options easily outweigh the disadvantages:

Advantage #1: Leverage. Even a modest move in the underlying can result in a significant change in the value of your options.

In other words, they have the potential to multiply your investment many times over.

That leverage is due to two chief reasons.

1. First, since it's an option and not the actual underlying security, the price you pay to buy the option is far less than you would pay to buy the actual underlying security.
2. And second, each option often represents 100 shares of the underlying stock or security, allowing you to effectively control the underlying for mere fractions of a penny.

One simple example will suffice.

Suppose you expect a large move up in gold, and you already have your physical gold in place as core holdings, but you want to speculate and profit from gold's next move up.

And you want the most leverage you can get, with the smallest amount of pre-determined risk, and at the same time, you want to speculate on the actual price of gold, and not say, mining shares.

A call option is the perfect way to go. More specifically, a call option on one of my favorite pure gold ETFs, for instance, on the SPDR Gold TRUST (GLD).

Each call option on GLD effectively gives you control over 100 shares of GLD. And, since each share of GLD represents one tenth of an ounce of gold, buying one call option on GLD effectively gives you control over 10 full ounces of gold.

With gold, at say, $1,300 an ounce, buying 10 ounces of gold would cost you $13,000 … while buying 100 shares of GLD would cost you about the same.

But with an at the money call option on GLD, you would pay roughly $ 1,770 to effectively control the same amount of gold — effectively one-7th of what you would pay if you bought the gold or the ETF outright.

That's the leverage you get, more than 7 to 1!

And the beauty of it all brings us to the next advantage.

Advantage #2: Limited risk. When you purchase either a call or put options, you never lose a penny more than you invest, and you always know how much is at risk.

That said, and since many options are often very cheap to buy — and the leverage can be very tempting — always be sure to budget your purchases and never invest too much on any one recommendation.

Also, don't expect profits on every trade, as sometimes options expire worthless. An in any investing, never commit more funds than you can afford to lose.

Now, to the ultimate trading vehicle for precious metals …the sandbox where I cut my eyeteeth, where the big boys trade.

To Highly Disciplined Futures Trading — the Ultimate Vehicle for Maximizing Your Profit Potential in Precious Metals Trading.

If you really want to achieve the goal of multiplying the profit potential from the next bull legs higher in the precious metals, you simply must learn more about futures trading of gold and silver…where I cut my eyeteeth over 35 years ago.

And please, don't let futures trading scare you. Granted futures trading is not for everyone, but the futures markets are some of the oldest markets on the planet, the most liquid markets on the planet, and some of the most stringently regulated markets as well.

And they are not as complex as you might think! Quite the contrary, I consider the futures markets to be the ultimate and the single best way to maximize your profit potential in the precious metals.

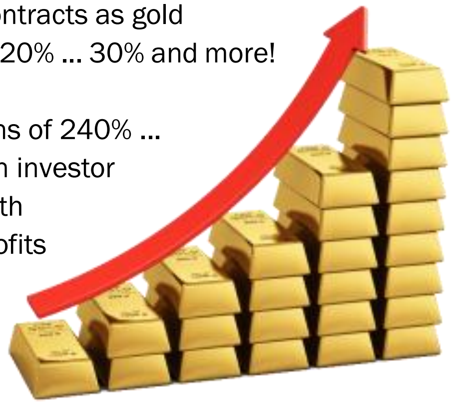
Yes, in futures, leverage is a two-edged sword.

Futures can multiply your losses as well as your profits. That's why you should never trade with money that you can't afford to lose.

But in my nearly 38 years of experience in the futures markets, I've found that the risk of loss is easily manageable ... while the profits can be very substantial.

For instance, a modest $10,125 investment in a gold futures contract I bought for my own account spun off $12,337 in gains — a profit of better than 121% — in just two months' time.

And that was using just one contract on a modest 10% move in gold. Imagine how much you could make trading, say, two contracts as gold explodes higher by 20% ... 30% and more!



There could be gains of 240% ... 363% and more. An investor could walk away with pre-commission profits of $48,000, $72,000 or more on a single trade!

I repeat: My past performance is no assurance of future results; and each investor is bound to get different prices, be charged different commissions or pay different tax rates.

And you should also know that losing trades are inevitable. No one can win all the time, and that's especially true in futures trading.

But that's precisely why I'm such a stickler for solid, risk-reduction tactics. Although not foolproof, I believe they are extremely effective — and essential — for success.

Meanwhile, altogether, I believe...

Futures Offer Investors SIX Very Powerful Benefits:

First, liquidity! Futures are the oldest, most-liquid, widely traded investment market on the planet. They are far-more-liquid than even big-name equities or index ETFs.

As a rule, this tremendous liquidity makes it possible for me to get into, AND out of, the market more-easily — and with fewer price distortions — than with any other instrument in existence.

That advantage, in itself, gives me more freedom to apply tactics that are designed to reduce my risk and maximize my profit potential...and help you do the same!

Second, futures offer unbeatable leverage! For example, for as little as $8,125, right now you can control a contract of gold, currently worth about $130,000 — giving you more than 16-to-1 leverage on your margin deposit.

Moreover since a futures contract for gold is the equivalent of 100 ounces, for every $1 rise in price of gold, you could make up to $100, equivalent to 100 to 1 leverage!

Third, futures don't lose value in sideways markets the way options do.

Forecasts don't always come true. And for those that do, it sometimes takes longer than expected. With futures, it's a lot easier to wait — to give the market some more time to respond to the powerful fundamental forces we see driving the precious metals higher.

Fourth, futures are all-weather investments. It's equally easy to take a bearish position as it is to take a bullish position. Because of the way the futures markets are set up, and because they are so liquid, you can bet on market declines just as easily as you can bet on a market rise.

Fifth, your costs for broker commissions and fees are among the lowest of any publicly traded investment. That means you can keep more of your profits and reduce your overall transaction costs.

Sixth — and most important — I find it far easier to manage risk in futures than in virtually any other market.

You can never eliminate risk entirely, but — when used prudently — futures can be part of a strategy to moderate that risk.

One of the chief reasons I find it easier to manage risk in futures is that futures markets trade virtually 24/7 and almost exclusively on an electronic basis.

This means that you no longer have to rely on a broker on the floor of an exchange to hold your order and execute it. It's all computerized and done automatically.

It also means that when you place what are called "Good-Till-Canceled" (or GTC) stop orders, your position is automatically monitored virtually around the clock, so you can sleep peacefully at night.

That doesn't guarantee against losses. But it does let me manage risk efficiently.

What kind of future do I trade most?

There are only two futures contracts each for gold and silver that you need to know about:

First, are what I call the full contracts; that is the gold and silver futures contracts traded on the New York Mercantile Exchange.

They are the liquid gold and silver futures contracts in the world, and each contract represents 100 ounces of gold and 5,000 ounces of silver ... and they trade virtually 24 hours a day, six days a week.

Second, are what I call the mini-sized gold and silver futures contracts. They trade on the NYSE, via the NYSE Euronext of LIFFE market. They offer the smaller 33.2 ounce mini-gold futures contract and the 1,000 ounce mini silver contract.

Thanks to all of the above improvements in futures trading over the years — increased liquidity, electronic markets day and night, and even mini-futures contracts.

I can manage risk more efficiently than ever and sleep nights in the knowledge that, barring some extremely rare event, I can almost certainly lock in my profit — or limit my losses.

The bottom line is that I have been trading commodity futures for nearly 36 years — and I have never, never once felt that my risks weren't properly managed.

To show you the profit potential in futures, consider the following actual, documented trades I've made for myself:

— A quick $6,532 profit — a 148.4% return on a $4,400 investment. My holding period: Just 17 days!

— A quick $6,535 profit — a 297% return on a $2,200 investment. My holding period: Just 17 days! And as I mentioned earlier.

— A $12,337 profit in gold in just under two months: I invested $10,125 and banked a 121.8% gain in less than 60 days!

— A $10,652 profit in just 19 days: I invested $6,480 and in less than three weeks, I walked away with a 164.3% gain!

— A $3,356 profit in only FOUR days: I invested $3,375 and nearly DOUBLED MY MONEY in about half a week!

— And more, many more!

No, you are not going to become an expert in futures overnight; It takes time and most of all, self-discipline to make money in futures. But you can do it!

“In my most popular online trading course, The ULTIMATE Gold and Silver Trading Course, I explain how you can get started — by showing you some of the simplest most profitable trading strategies you can find on the planet …whether you are trading physical precious metals, ETFs, options or even futures!”

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- Use options to multiply your profit potential up to 100 times over
- The SIX powerful benefits that only gold and silver futures can offer you
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