

Silver and Gold

Special Report

The Christmas song was originally a poem by Robert L May in 1939. Ten years later his brother-in-law recorded it as a song. It wasn't until the invention of the television that the poem was adapted into the famous 1964 animated TV special Rudolph the Red-Nosed Reindeer with Burl Ives.

Silver and gold
Silver and gold
Everyone wishes
For silver and gold
How do you measure it's worth
Just by the pleasure
It gives here on Earth?

Silver and gold
Silver and gold
Mean so much more when I see
Silver and gold decorations
On every Christmas tree

Shameless Promotion

Patriot Asset Advisors presents the Money Minute with Mike Cornell, **Monday's at 5:10pm**. Each week, we briefly chat about celebrities and money issues on **KOOL 101.7**. Tune in to hear how your favorite rock stars handle money.



2025 has been some year. It seems like the entire world as we knew it has been put on its ear. From conflicts in faraway lands to tariffs and soaring expectations for Artificial Intelligence. In the world of financial assets, change has reflected growing concerns.

2025 Hard Assets vs. Financial Assets

Gold Miners GDX +117%

Silver Miners SIL +105%

Rare Earths REMX +77%

Copper Miners COPX +54%

Nuclear NUKZ +52%

Uranium URNM +26%

Global Value EWU +26%

While we have witnessed much change, some of the biggest moves have been in the price of hard assets ... Gold and Silver in particular. **In our Special Report titled "Dreams" written in January 2023, we discussed the mounting US Debt. As part of that discussion, we encouraged investors to:**

"Reach for the Golden Ring."

*"Ultimately, at the end of the day, stocks and bonds are just paper certificates. **Grossly irresponsible governments globally have put us in a corner.** We must own companies that control hard assets. The great migration is upon us, and portfolio construction has entered a new regime."*¹

As we usher in December, the market indexes have had a decent year. According



¹ BearTrapsReport Nov 4, 2025, Both charts above quote.

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to MarketWatch.com, the S&P 500 is positive 14% YTD and the Dow Jones Industrial average is positive by 9.2%.

However, just like the American consumer, there are companies that appear to be doing well and others not so much.

Wall Street is in love with Walmart. 3 years ago they loved Target when it was at an all-time high. Today, Target is out of favor. The PE Ratios is off the charts between these two retailers.² (We discussed PE Ratios in our Signs Special Report , Sep 2023.)



In the much discussed “K-Shaped economy,” lower- and middle-class consumers are becoming more budget conscious and continue to tighten their belts. Even wealthy consumers are showing signs of trading down.

CMG CEO Scott Boatwright (on low/middle-income cohorts): Consumers earning < \$100K (40% of base) "have further pulled back their spending... We're not losing that customer. They're just coming less often," **citing unemployment, student loans, and real wage stagnation.**³

META and GOOGLE sell \$47B Bonds in a few days

Meta generated close to \$55B in free cash flow in 2024; now the street expects \$16B in FCF (Free Cash Flow) in 2026! Capex (Capital Expenditure) (overdosing moved from \$37B to \$110B over the same period). Clearly, there is a significant problem here. Investors were told 6-9 months ago that free cash flow would fund the AI capex party. NOW, companies like Meta are admitting to the harsh reality! They must sell far more bonds and take on far more debt than investors were led to believe.

² BearTrapsReport Nov 6, 2025, and WMT/TGT Chart

³ BearTrapsReport Oct 31, 2025, and MCD/CMG Chart

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Craig Shapiro, credit analyst with BearTrapsReport, believes "The AI debt cycle is really gonna crowd out all other corporate sectors' access to debt markets. Spreads are way too tight for non-AI sectors that had benefited from the lack of overall corporate credit supply (bonds). Now they have an issue. Should start to see HY spreads (High Yield bond risk premium) widen more now, probably for Mortgages as well, especially since AI threatens labor markets and the ability to repay. AI is eating the world.'

Michael Burry is credited with having been one of a few who identified and profited from the mortgage melt-down in 2008. He recently made a big splash with his bets against Nvidia and Palantir. In the chart to the right, Michael (X handle Cassandra Unchained) lays out the bear case for many of the tech darlings. He claims that these firms are changing how they depreciate servers and semiconductor chips. By claiming a longer depreciation schedule, these firms can show greater profitability. As we have all witnessed over the past few years, technology usually needs to be replaced more quickly rather than a longer product cycle. Who knows....but it sure will be interesting. Consider Meta (Facebook) cash flow situation from above.⁴

Cassandra Unchained @michaeljburry

Understating depreciation by extending useful life of assets artificially boosts earnings -one of the more common frauds of the modern era.

Massively ramping capex through purchase of Nvidia chips/servers on a 2-3 yr product cycle should not result in the extension of useful lives of compute equipment.

Yet this is exactly what all the hyperscalers have done. By my estimates they will understate depreciation by \$176 billion 2026-2028.

By 2028, ORCL will overstate earnings 26.9%, META by 20.8%, etc. But it gets worse. More detail coming November 25th. Stay tuned.

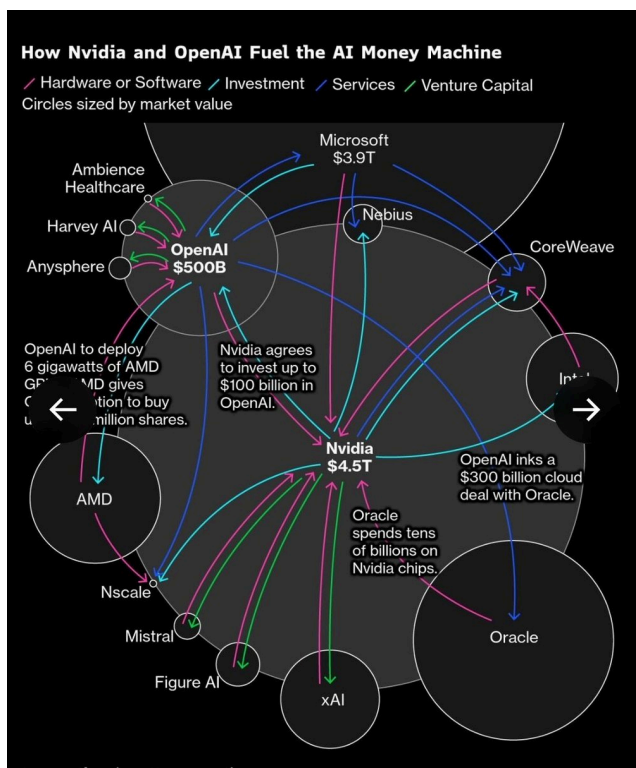
Network/Compute Depreciation Useful Life (Years)

Company	2020	2021	2022	2023	2024	2025
META	3	4	4½	4½	4½	5½
GOOG	3	4	4	6	6	6
ORCL	5	5	5	5	6	6
MSFT	3	4	6	6	6	6
AMZN	4	4	5	5	6	5

Source: Company SEC Filings

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177 281 1.5K 309



"And more people are certainly noticing. Important people, such as Goldman's head of Delta One trading, Rich Privorotsky, who dedicated an entire section to the Nvidia "transaction" in his morning note, titled appropriately enough, Circular reference?

'Markets were largely sideways, led early by a resurgence in Apple, with the rest of the tape struggling to hold gains... until the Nvidia-OpenAI headline hit. Reuters reports a structure where **Nvidia invests up to \$100bn for non voting shares, and OpenAI uses the**

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cash to buy Nvidia chips, with a plan to deploy of what could be at least 10GW of Nvidia systems.

NVDA ripped higher... TSMC +3%/rest of AI supply chain higher and Oracle popped on the read through that it likely builds a big chunk of the compute.

Ok definitely not old enough (Tyler wasn't old enough but I am) to have been around trading during the tech bubble and multiples are nowhere near that point in time... That said, vendor financing was a feature of that era and when the telecom equipment makers (Cisco, Lucent, Nortel, etc.) extended loans, equity investments, or credit guarantees to their customers who then used the cash/credit to buy back the equipment... **well suffice it to say, it did not end well for anyone.**

And guess what, **this time won't be any different.** The only question is when ⁵ Reported by Tyler Durben of Zerohedge

What might you want to put under the Christmas Tree

We are often asked what to invest in. Ultimately, folks are asking what do you think will appreciate in the near term. NOTE...We do not have a crystal ball. However, we do have more than a few thoughts.

As of Nov 12, 2025, the total value of the largest 100 companies in the Nasdaq was a colossal 31.6T. In contrast, the white line shows the value of the entire global energy company complex at 2.8T. **"The forward set-up is spectacular.** In Q4, everyone wants technology on the pad at year-end; they want to show they own the AI winners like MU equity above. Above all, everyone wants to avoid a 2025 tax event!!!



The current setup is eerily similar to November 2021. Big tech topped out that month,

**November 2021 to
December 2022**

QQQ Big Tech: -31%
XLE Energy: +71%

and as you can see above, that year, the **\$20T** in the Nasdaq 100 was down near **\$12T** by late 2022; the **capital had to go somewhere, and it flowed like a white water river into energy stocks.** Today, we have \$31.6T in the Nasdaq 100. **If just \$3T leaves the NDX in January (avoids the 2025 tax event)** and moves into energy, the XLE (Exxon, Chevron,

⁵ ZeroHedge.com, Tyler Durben Sep 23, 2025

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*etc.) names double.*⁶

⁶ BearTrapsReport, Nov 4, 2025