From: Steve Hickel <smhickel@gmail.com>
Sent: Thursday, May 12, 2011 2:18 PM
To: AG-COD <AG-COD@michigan.gov>; O'Malia, Scott <SO'Malia@CFTC.gov>; PosLimits <PosLimits@CFTC.gov>; Sommers, Jill <JSommers@CFTC.gov>; Dunn, Michael <MDunn@CFTC.gov>; Gensler, Gary <GGensler@CFTC.gov>; Chilton, Bart <BChilton@CFTC.gov>; GATA <info@gata.org>; DRUDGE@drudgereport.com; kudlow@cnbc.com; squawk@cnbc.com; antitrust.complaints@usdoj.gov
Subject: JS Kim Uncovers Four Parallel Markets for Gold: Asia Futures, NY Futures, Physical Bullion, Physical Coins | The Underground Investor

---

http://www.theundergroundinvestor.com/2008/10/four-parallel-markets-for-gold-in-the-same-world-asia-futures-ny-futures-physical-bullion-physical-coins/

These graphs seem to point to visual evidence of manipulation by traders in New York that are using the futures markets not to hedge production, but to manipulate prices to make enormous profits in a very short period of time. I realize that the volume of contracts moved in New York futures markets for gold and silver is far more substantial then the volume of contracts moved in Hong Kong, but still, this still does not explain many anomalies for me, including the following:

(1) Why has gold consistently been valued higher in Asian markets and significantly higher on multiple days (to the tune of $20, $30, and even $40+ an ounce higher) in Asia all throughout this correction that started on July 15th? So far, I have not been able to find any other commodity, other than silver, that behaves like this. I have not found huge discrepancies in any other commodity where a commodity is consistently valued 2% to 4% higher in Asia than in other regions of the world.

(2) Should not gold have the same approximate value in Asia than it has in New York? Why would gold consistently be $10 – $100 more valuable in Asia than in New York? As American firms (from what I understand) are allowed to trade in Asian markets, do not these huge arbitrage opportunities allow firms to earn illicit profits in the ranges of tens to hundreds of millions of dollars daily? And because gold prices consistently swing $30 to $60 an ounce in price from the high in Asia to the low in New York, are there American banks or investment firms that are using these price anomalies to enter and exit short futures contracts the same day?