

# Deep Sea Mosasaur in the Precious Metals Market

--Uncover China Chengtong Precious Metals (CCTPM)

China Bai

July 26, 2023

Key points: A piece of information leads to a shocking fact: China's annual consumption of silver has reached 8251 tons, apparent consumption has exceeded 20000 tons, annual silver production has exceeded 10000 tons, and imported silver ore and concentrate have reached 1.1 million tons. The import and export volume, production and consumption are all the number one in the world! The image of the Super Silver Empire begins to emerge.

Valet Asset Management reserves over 3000 tons of physical gold and over 10000 tons of physical silver for the private sector! Its business network covers all large gold and silver miners, refineries, silver processing plants, COMEX, LBMA, and TOCOM exchanges around the world. It has close long-term strategic cooperation relationships with LBMA Market maker, large bullion banks, CNEEC, aerospace, new energy, automobile, medicine, IT, military industry, and government agencies. A deep-sea mosasaur that secretly affects the global silver market is heading above the sea.

On July 20, 2023, a message from Shanghai Futures Exchange shocked the Chinese silver community. The exchange disclosed in the warehouse receipt report on the same day that the silver inventory of the Shanghai Futures Exchange increased by 187 tons, of which the China Gongmei Supply Chain warehouse increased by 182.944 tons. The increasing quantity is unprecedented in history.

白银 Silver Shanghai Futures Exchange		单位: 千克 kg	
地区 location	仓库 vaultes	期货	增减 change
上海 shanghai	中储吴淞	264990	-151
	外运华东虹桥	447530	0
	中工美供应链	624858	182944
	合计 sub total	1337378	182793
广东 guangdong	深圳威豹	225919	4280
总计 Total		1563297	187073

On July 25, 2023, another message from the Shanghai Gold Exchange once again shocked the PMs investment community. SGE disclosed in its weekly report that the inventory delivered 202.98 tons of silver in the same week. SGE is not obligated to disclose who took the silver and did not specify where the silver went.

### Shanghai Gold Exchange Vaults Weekly Report

上海黄金交易所指定仓库库存周报 单位：千克 kg

交割品种	上周库存	本周增减	本周库存
白银	2,148,345.00	-202,980.00	1,945,365.00

Silver

Last week

Change

This week

From July 7 to July 21

Issue 28, 2023

It is no coincidence that the quantity of goods released from SGE and the quantity of goods received from SFE are roughly the same at the same time. The key is, is the large amount of silver stored in China Gongmei Supply Chain coming out of SGE? What is the relationship between China Gongmei Supply Chain and SGE?

It's a long story, but this article tries to make the story as short and clear as possible.

#### **Born in a prestigious family, with noble lineage**

Before 1978, China was in the era of planned economy, and the government was responsible for the procurement and supply of all materials. The Ministry of Materials of the State Council is responsible for this task. The state implements a unified purchase and sales policy for precious metals such as gold, silver and others. Except for enterprises affiliated with the Ministry of Materials, other institutions, companies and individuals are not allowed to operate.

After the reform and open-door policy, the Chinese government gradually abandoned the Stalin way planned economy system and introduced the Western market economy mechanism. In 1993, during the institutional reform of the State Council, the Ministry of Materials was abolished and its affiliated enterprises were merged, forming China Chengtong Holdings Group Ltd. . The majority of the business of the Materials Department is inherited by Chengtong Holdings, including the precious metal supply chain.

After that, China Chengtong Holdings and a number of central enterprises such as national storage and transportation, logistics, railway, shipping and aviation join hands and set up China Logistics Group. This is the top giant in China's logistics industry. After the establishment of China Logistics Group, Chengtong PM Co., Ltd., formerly affiliated to China Chengtong Holdings, became its direct subsidiary. In short, the parent company of Chengtong Precious Metal Company is China Logistics Group, and China Logistics Group

is a central enterprise directly under the State Council. The bloodline of Chengtong PM Company originated from the former Ministry of Materials of the State Council during the planned economy era. The special historical background has backed Chengtong PM Company's unshakable leadership position in the Chinese PMs market.

### **Leading force in China's PMs market**

How impressive is the position of Chengtong PM? Just take a look below to understand:

Chengtong PM cooperated with the People's Bank of China and other top-degree units, to design and establish Shanghai Gold Exchange, and to lead the historical reform of silver from the planned economic system to the market-oriented system, to organize the listing of silver products, and participate in the design of silver contracts in Shanghai Futures Exchange. It is the founder and pioneer of China's silver market, as well as the maker of gold and silver trading rules and industrial policies.

The company's silver supply chain takes everything from upstream to downstream. Its customers include all large gold miners, silver miners, refineries, China Gold Coin Corporation, China Mint Corporation, China Banknote Printing Corporation, major state-owned banks, Sinopec, military enterprises, government agencies, etc. The industry is distributed with electrical alloys (the largest silver user), photovoltaic silver paste, electronic components, banknote printing, aerospace, 5G, IT chips, automobiles, high speed rail, pharmaceuticals, welding consumables, targets, and investments. The famous Chinese Silver Panda is their product. The company proudly claims that new fighters, new radars, electromagnetic ejection aircraft carriers, Shenzhou spacecraft, China Tiangong space station, etc., all have their products and materials.

Another strength of the company is its possession of **the only designated delivery vault** on the Shanghai Gold Exchange!

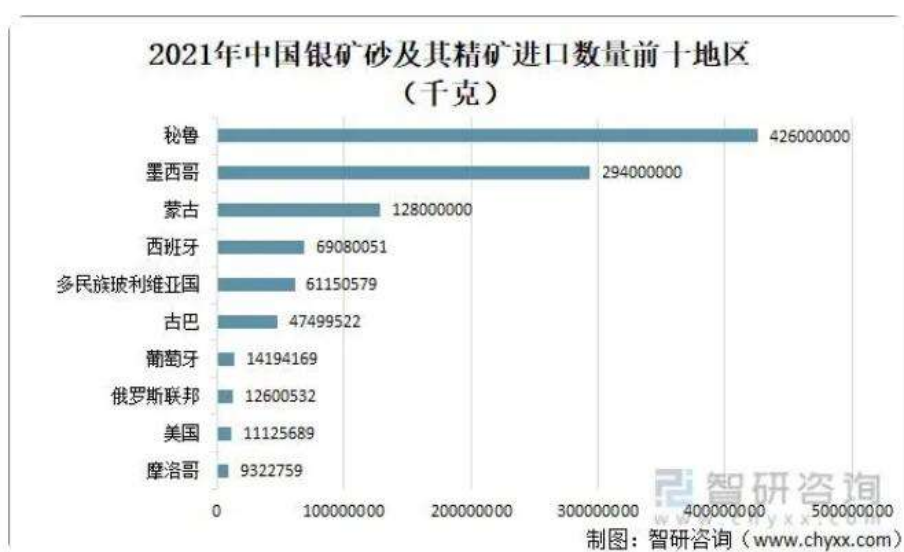


China Gongmei Supply Chain is a subsidiary of Chengtong PM, mainly engaged in warehousing, transportation, delivery and other businesses. At this point, we understand the question at the beginning of this article, why the decrease in the SGE silver vault and the roughly equal increase in silver inventory on SFE. Because it is the only delivery vault designated by SGE. At SFE, it is the largest silver vault. Only it can transport silver from SGE to SFE.

The company not only purchases and sells directly to miners and silver using enterprises, but also creates a reverse supply chain and acts as an agent for customer's import and export business, including importing silver ore and concentrate to domestic refineries, exporting silver from refineries to countries such as Japan, importing silver slurry and intermediate products to domestic enterprises, and exporting various silver final products to Europe and America. The quantity is unprecedented. Chengtong PM is both a supplier, agent, and service provider. In one sentence, take it all!

The following figure is based on import statistics released by China Customs:

2021年中国银矿砂及其精矿进口数量前十地区



资料来源: 中国海关

Ranking of the top ten countries and regions for China's imported silver ore sand and concentrate in 2021. The first is Peru, the second is Mexico, the third is Mongolia, and the United States ranks ninth. In 2021, a total of 1.1 million tons were imported.

### Deep sea Mosasaur that secretly affects the international silver market

Chengtong PM is the largest importer and exporter of silver in China. The following is the business relationship diagram displayed on the official website:

## 海外渠道：

公司出口服务网络分布广泛，包括：香港、台湾、韩国、日本、欧洲、美国等地区。



The company's official website directly indicates the overseas procurement channels for gold and silver:



Note that the company purchases gold and silver from COMEX, TOCOM, and LBMA overseas. At the same time, the company said that it has a long-term close strategic cooperation relationship with major international banks such as international gold and silver mining enterprises, Standard Chartered Bank, ANZ Bank, LBMA Market maker, Heraeus, etc. There has long been a rumor that China buys gold and silver from the international market through European and American agents. The information disclosed on the official website of Chengtong PM shows that such a rumor is well founded. European and American bullion banks and LBMA Market maker are very interested in such a big customer. After obtaining a procurement contract, they will try their best to suppress market prices, buy spot goods and deliver products to Chinese companies. The lower the purchase cost, the greater the price difference obtained. This is the safest stable income of European and American banks and Market maker. Chengtong PM also said that "reducing purchasing costs through financial means, better serves physical enterprises". In the market, we often see COMEX suddenly plummeting, and then LBMA will have a large purchase order to enter. Joining these scattered images together into a complete picture is unbelievable!

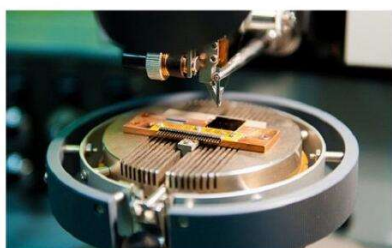
The strategy proposed by Chengtong PM is: "Long order quantity, single transaction pricing, locked inventory, and guaranteed sales". The meaning is to sign a long-term procurement contract with European and American agents, agreeing on the total amount of procurement; afterwards, sign a single procurement contract based on the specific situation of each period, and agree on a single price. Lock physical inventory with long

orders and price with short orders. In the hands of European and American Market maker, this strategy has become one after another sudden upward or downward daily K-charts.

The above figure also reveals a secret that Chengtong PM has all procurement business in SGE, while there is no procurement business in SFE. This is the reason why SGE wants to transfer silver from its inventory to the vaults of SFE, with the aim of meeting the silver demands of domestic customers.

### **The front-line captain in the cutting-edge research of new materials for precious metals**

If you think that Chengtong PM is just a supply chain, being the big boss is enough, it's wrong. Chengtong PM also engages in research on precious metal materials. While everyone is focused on seeking alternatives, they are researching how to use precious metals to produce new high-end alloy materials.

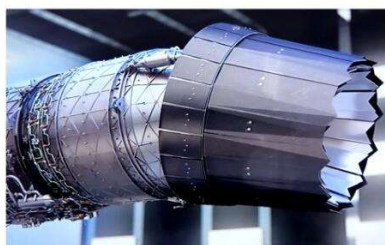


#### **技术对接：**

发挥国内科研院所及国家重点实验室的技术积累、新材料创新及重要专利优势，支持生产加工企业的产品升级。

#### **产业升级：**

面向中国制造2025，贵金属新材料研发生产需要全面升级，为芯片、航天航空、5G等领域提供先进工业原料。



The DC motor power technology of Chinese submarines (without transmission shafts) and the high-energy new batteries required for the DC electromagnetic ejection technology of China's new aircraft carriers, new radars, new space shuttles (which have been in operation for many years but have not been officially released), and orbitless subways all have precious metal new materials playing a crucial role. Silver has become a truly strategic resource.

### **China's Second Reserve**

Chengtong PM also engages in investment and asset management, known as the second treasury after the People's Bank of China.

According to information disclosed on its official website, it currently stores 3000 tons of gold and over 10000 tons of silver on behalf of Chinese private customers! If adding the

company's silver inventory on SGE and SFE's silver vaults has exceeded 13000 tons! The data disclosed here is the first time we have obtained data on private gold and silver reserves, and it is only a small part of China's huge private gold and silver reserves. Even

## 投资管理:

诚通贵金属联合国内外重点行业协会，利用集团现货电子交易平台、共同建立贵金属现货投资平台，为客户提供白银、铂金及其它品种的投资服务。



## 库存管理:

在大量的客户群的基础上，为客户提供商品资产的增值管理服务。

国内民间贵金属持有量：黄金超过3000吨，白银超过10000吨。

so, it's amazing!

Chengtong PM is a terrifying silver mosasaur. It is hidden deep in the ocean of precious metals, and little is known about it from the outside world. However, it affects the market through its huge throughput, with China net importing approximately 5000 tons of silver annually and buying millions of tons of silver ore sand and concentrate, which no major European or American institution can ignore. The big institutions performing on COMEX and LBMA platforms are likely to be their puppets, and the real matchmaker is Chengtong PM which dominates the entire supply chain of physical silver supply and demand in China, and extends its tentacles to the financial chain, industrial chain, and technology chain. Its business network covers major silver mining areas and the two largest silver trading markets worldwide.

Its biggest feature is: as long as there is silver, take it all!



**Conclusion:** This is a vast silver empire. But the larger the net, the easier it is to expose weaknesses and uncontrollable events. The silver reserves are becoming less and less. If there is a shortage of raw materials in Mexico or Peru, if the geopolitical deterioration leads to the interruption of high-end silver slurry imports, if the risk hedging outbreak leads to a large number of funds flowing into the market, if..., it will make this huge supply chain suffer a major shock, and affect the international silver market, causing great turbulence in the market and out of control of prices. As a result, the silver crisis erupts in an all-round way!

The depletion of silver deposits is a scientific proposition, therefore, the silver crisis is inevitable.

**Reference:** The above data are from  
the official website of the State Council of China  
the National Bureau of Statistics of China  
China Customs  
the official website of China Chengtong Holdings Co., Ltd.,  
the official website of Chengtong PMs Co., Ltd. [www.cctpgm.com](http://www.cctpgm.com)  
the official website of Shanghai Gold Exchange  
the official website of Shanghai Futures Exchange