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Suicide, Blackmail and Stealth Gold Buying

The markets in general just couldn't eek out a seventh week of gains. However they didn't lose much and are holding up surprisingly well in the face of worse and worse news, for now.

The DOW lost a paltry 0.69% , the S&P fell 0.40% and the Nasdaq was the lone gainer rising 1.27% for the week. Up in the warmer great, soon to be green north, the TSX gained 0.98% while the junior and exploration heavy Venture exchange beat even the Nasdaq rising 1.78%. The real story on the week was the S&P TSX Gold Index which shot up 11.85%. Very nice to see in the [portfolio](#) I must say.

Metals review



Gold closed out the week with nice gains on both Thursday and Friday. Gold took out the important line at \$900 and actually closed out the week above \$912. There is a massive reverse head and shoulders pattern with the neckline just above \$1,000 on this weekly chart. If the downtrend from February can be bested then we should see a good trending move up to at least the \$950, \$960 area. The potential to test \$1,000 is there as well and whether

or not it happens this time or not I think when we do test it we are headed to at least \$1,200.

RSI has turned up and is above 50. All moving averages are heading higher although the 50 day is almost flat. The 50 day MA has shown a good entry level recently and is holding up nicely as support. It also coincides with the up-trend which began in October 2008.

MACD is flat but looks to be about to hook up and provide a buy signal. Slow STO is also about to show a buy signal and by Friday's close should have done that. While the Slow STO is not at oversold levels it is in the middle of its range leaving much room for gold to move up easily from here.



Silver also had a good finish to the week closing very near the \$13 mark. Silver remains very cheap in real terms and on this weekly chart. The late October up-trend is intact and provided a very good bounce this past week. The price has been range-bound between the 200 day moving average and the 50 day MA. Silver is very close to taking out the February downtrend and could do it very soon. A breach there would likely see a rise to at least \$14. RSI is above 50 and trending higher. The moving averages are slight higher with the exception of the 50 day MA. MACD is at 0 and flat. It could go either way but likely higher with Friday's strong move up. Slow STO is bearish an dead centre in it's range. It looks to me like we will be seeing higher silver prices continue.



Platinum remains in it's up-trend channel on this weekly chart. \$1,100 looks to be good support while a clash with the 200 day and 50 day moving averages is coming closer. I expect platinum to take some time to work above these moving averages for good. At least a few weeks worth of range trading between \$1,270 and \$1,100 is what I am looking for unless something major occurs.

RSI is above 50 but heading lower. MACD is moving towards positive territory with the momentum oscillator already there but flat. Slow STO is in overbought territory and should blow off some of the steam if a range trade is indeed what occurs.



Palladium was pretty flat on the week moving only about \$10 up and down. It is solidly above \$200 now and the \$230 is a big resistance point that is taking some work. If that can be beaten the downtrending 50 day moving average is the next target and it should be easily achieved.

Investment demand for both platinum and palladium are still strong and getting stronger while production is shrinking as well. Although the industrial demand is down investment demand could pick up that slack.

RSI is back above 50 on this weekly chart and looks ready to stay up there. The moving averages are mixed with the 50 day MA coming closer to the price and will surely spark a battle as they meet. MACD is close to positive ground while momentum is flat and in the plus already. Slow STO just flashed a sell signal from overbought levels. I am looking for some consolidation here before the \$230 can be left in the dust for good.

FundaMetals Review

The soon to come stress test results will apparently be harder on regional banks due to loans being looked at much more closely than other troubled assets which are the majority of the problem. A former treasury official says about the stress tests; it *“penalizes those banks that are more involved in traditional banking, which frankly have been performing better in recent months,”*. He compares losses in loan portfolios at 5% to the less tested complex securities which have lost 30% to 40%.

The stress test results will reportedly be given to banks on April 24th. When the general public get the results, or even if we do, is up in the air as far as I am concerned especially if the results are bad, which they will be if they are truthful. Several people have been calling me on my seemingly pessimistic writings lately. I honestly try and be optimistic, but it's difficult with the lies and manipulations that are so pervasive today.

Behind the scenes things are much worse than you or I could imagine. I am told much more from the apparent suicide of a CFO than a whole years worth of make believe SEC documents or press releases.

It's being reported that banks may need an additional \$1 trillion after the results of the stress tests are released. So let me get this straight. Banks are releasing spectacular earnings, but they still need Federal assistance. How does that make any sense? Bank stocks have been rallying, obviously falsely if they still require additional funds. It's hard to be optimistic or take the talking heads at their word when such oxymoron's exist.

ETF Securities have seen an unprecedented rise in participation. A 400% rise in the first quarter of 2009 alone and the physical 100% allocated gold backed fund saw an increase of 370% in their physical holdings during the first quarter of 2009 over the last quarter of 2008. Silver was even more spectacular rising 480% this quarter over last and platinum rising 82% over the same period.

You'd think the price of gold and silver would be up more as stories like this are commonplace today. I recommend looking into what GATA (Gold Anti-Trust Action Committee) has to say on this front for a more in depth, yet to be proven wrong explanation.

While many believe GATA's information and evidence to be conspiratorial, it should be easier every week for the average Joe six pack to at least consider their evidence. After all, if I told you the US government threatened to disband the board of a major bank unless they merged with a broken broker you would have called me conspiratorial too.

Lo and behold that is exactly what has happened. I highly recommend reading this letter for a detailed look into the blackmail that occurred. From this letter and to peak your interest the bank in question said; their *“attempt to exit the merger came to a halt on December 21, 2008. That day, Lewis informed Secretary Paulson that the Bank*

still wanted to exit the merger agreement. According to Lewis, Secretary Paulson then advised Lewis that, if the Bank invoked the MAC, its management and Board would be replaced". If I were foolish enough to have been a shareholder at that time I'd have called my lawyer already. There will be massive lawsuits against both the government and the institutions involved. To cave into blackmail from our elected or appointed officials is wrong when the shareholders were and are being hurt. As a CEO shareholders are the ones you are accountable to, at least that is the theory.

At least ten private capital raising were conducted by my count over the past couple of weeks alone. None were by major mining companies all were smaller mostly non-producing companies who do have a defined deposit, are near a construction decision and most importantly have room to expand the resource in a politically safe environment.

Russia has now [launched](#) both platinum and palladium futures markets in addition to recently launched gold and silver futures trading. It will be interesting to see if many contracts are taken for delivery or if the usual practice of trading them remains.

A new development out of Indonesia [reports](#) that a plan to allow underground mining in the mineral rich countries protected forests are moving forward. Surface mining is prohibited in the forests and will remain so. There will be a lot of opposition to this I am sure. It is a rich and fragile ecosystem I've had the pleasure to travel through and I would hate to see any lasting or major changes as a result. Today's underground mining techniques are very good and leave a minimal impact on the environment generally. The minerals in this area are staggering so it will be an area to watch in the future for major exploration success.

Miners in Zimbabwe continue to [reopen](#) mines since the smart decision by government officials to allow the metals to be sold in currencies other than the worthless currency of Zimbabwe. The country once produced 2,400 kg of gold per month which is a far cry from last years total production of only 3,072 kg.

In late is an article that is of utmost importance. It's been speculated that the Chinese have been increasing their gold reserves slowly and steadily over the years. It was [confirmed](#) that they have indeed been doing just that since 2003. Their holdings are now up to 1,054 tons. Up 454 tons from the widely published figure of 600 tons. Still, this new figure only accounts for 1.6% of China's total reserves. Now China is ranked fifth largest in terms of their gold reserves. I expect them to continue to accumulate quietly and in another few years we will get another jump in the figure. One Chinese official says he would like to see total reserves of 5,000 tons eventually.

If you've got half an hour and feel like reading a gripping and very enlightening tale of the real Dubai please see [this](#) link.

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Until next week take care and thank you for reading.

Warren Bevan

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