

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

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Number Of The Beast

I didn't get the chance to get to the free weekend letter this weekend and I apologize, but in my defence it is summer and the sunny days have been few and far between this year so with family and friends home I couldn't resist taking some rest.

On the bright side we've got much more information today after having traded and seen some truly spectacular moves.

It's a rare day to see the S&P 500 or any other index down over 6%, and just as rare to see gold rise more than 2% in a single day.

I've heard a lot of guff about gold over the weekend even in my slightly removed state. Some are saying gold cannot be viewed as a safe haven if it's going to move 50 or 60 points in a day. That is the most ridiculous statement I've heard in a week or less!

Right now a \$50 move in gold today was not even 3%. That's really nothing and as long as the major trend remains higher, then that's the way we go. Simple.

Don't try and confuse things, as fiat paper is losing it's allure worldwide now at an accelerating rate, that much is clear, and gold will move into it's true role as money as it has countless times throughout the history of man.

This time is NOT different.

A [superb interview was held with Jim Rickards](#) this morning which brought up some great points and is a must watch. The chap that was on with him interjected and said that there is no intrinsic value for gold. He went on to

say, it's not a producing asset and that it's only advantage is that it takes away the problem of printing or creating money.

BINGO!!!

That is it and he says it so nonchalantly that it seems he doesn't grasp what he just said. That is the reason you need gold or another store of wealth behind a currency.

Each and every time a currency has evolved to lose it's backing, the politicians and bankers have lost control and ended up destroying the currency with inflation.

It's simple. It happens every single time and that time is now for our generation.

It just goes to show how still today, people don't understand, or have been untaught, gold's role. Gold is money and is a store of wealth and accountability, more importantly.

There is so much I need to get into this week but I just don't have that kind of time at all. The ratings agencies are looking hard at major powers and their credit ratings but as I've said in the past, these downgrades are far too late.

There is no way out.

That being said we still do enjoy swing trading a portion of our wealth that is not in physical precious metals, mining stocks or hefty paying dividend stocks.

I get so many questions and requests for more details on swing trading but I simply cannot do it as it's unfair to [subscribers](#).

We've been on an incredible role this summer though, after having more than doubled the swing trading account in late June and most of July we went to cash before deploying about 60% into three short positions last Wednesday.

As you know the markets haven't done well since and we've been extremely lucky to have been in some stocks that tanked hard and we took the last of our profits today during waves of weakness.

I know it's hard to believe but using relatively safe option strategies we are up 56% since Wednesday. Only four days in the markets.

We're back to cash again and are waiting for the next setups. I'm honestly in a bit of shock over our good fortune and [subscribers](#) are fascinated, to put it mildly.

Now the real problem comes when we simply can't keep up these types of returns!

The bar has been set high and expectations are through the roof, but I'll try my best!

That's all I can say about that in this public forum so let's move onto a few charts only this evening as I've got lots of work to do for private [subscribers](#), but I do feel obliged to keep you free readers in the loop as well so I'll put in a few extra hours for you now.

Metals review



The S&P is one ugly duck but I wouldn't be shorting anything here. In fact we covered all our swing trades today as I mentioned above. We're very VERY oversold here and we closed on support tonight on extremely heavy volume.

Quite often when a market or stock closes on it's low on heavy volume it is a sign of a short-term bottom in my experience, especially after a prior large drop, but time will tell on that front.

One thing I noticed on purely non-technical terms was the percentage of the decline today. We closed down 6.66%. Recall the low in 2008 was 666.

I know, I'm so devilish!

It wouldn't be a surprise if it's a signal that a bottom is in for now.

I'm not really much for conspiracies, but they are interesting and usually contain some grains of truth but the fact is that signals are always there if you know what to look for.

Last week I told [subscribers](#) something had to be up behind the scenes. I had no idea really, but reading the charts and watching the price action told me that something was brewing somewhere.

In fact I was raving about our super profits on Friday with people and saying we have to take some profits here and not get greedy but as I watched the charts I told [subscribers](#) that I want to take profits so badly, but I just couldn't as the charts told me not to in absolute terms.

Sure enough after the market closed the US debt rating was downgraded.

Markets totally fascinate me and charts even more-so. It always amazes me to look at charts and see the action before an event. There are always signs beforehand if you are looking for them with an open mind and not having already made up your mind.



Gold is moving higher on heavy volume as investors want it. It's trading in a steep uptrend channel and looks about to break higher out of it.

Generally, when a channel is in place and the price moves up and out of the channel it's a sign of an impending reversal. At the same time, your best guess is as good as mine as to what happens in the stock markets around the world and if this crisis continues to spread which would send gold higher still.

Gold can continue much much higher here as it's not a stock, it's money.

Trading it is tough but owning it is easy.



Silver had a false breakout last week and we had a swing trading position on at the time and we got caught and had to take a loss as happens in this business. When silver falls it falls fast and because of that I prefer to just hold physical silver and not trade it very often.

Now we're building a symmetrical triangle pattern here and it's likely to be resolved higher in the next few days. We're really seeing a nice pattern build and a break above the downtrend line would be a solid buy point.

I could easily see silver move up to test the \$50 in short order in the very near future.

Well, again, I apologize for skipping the weekend letter and I hope this short recap does it for you this week.

I wish I could spend more time writing this for you tonight but there is far too much else on my plate for tonight so until next weekend, [or tomorrow morning if join us and become a subscriber](#), please be careful trying to trade this market, and buy physical gold and silver while you still can!

Warren Bevan

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