

Precious Metal Stock Review

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December

The Santa Bottom

We're now in the thick of the holiday season and we have to expect a very quiet week to come but that doesn't mean we won't see some nice moves. The low volume coming in the week ahead facilitates much easier movement of stocks.

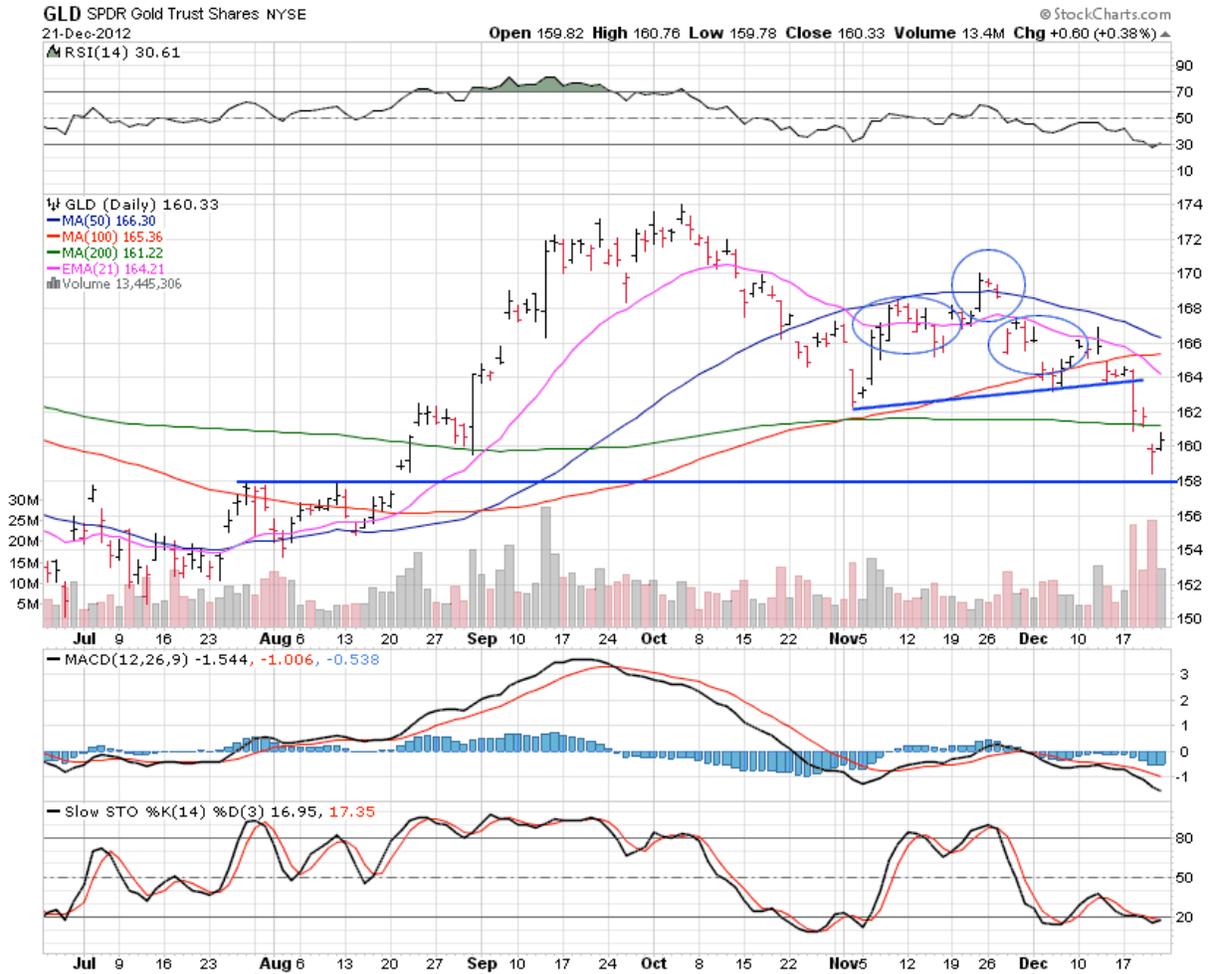
We had some great moves this past week and my thoughts on the precious metals came to fruition to a tee and now that the downside support areas have been hit we can look forward to less downside and a resumption of the uptrend in the new year.

Next weekend I'll issue some longer-term precious metals charts which is always important to look at to help block out the noise that is the daily action.

Let's do something a little different this week and show the ETF charts since that is the trading vehicle to use and it's what I show subscribers everyday and also the charts do show different tales since they trade less hours than the physical commodity.

I will keep this holiday edition pretty short so, you're welcome!

Metals review



The GLD ETF fell 2.32% this past week right on cue. I've been lucky enough to have been nailing so many calls lately and gold has been no exception.

[I alerted subscribers to the head and shoulder pattern that formed and is highlighted with circles here.](#)

I also talked about the gap left back in mid-August. Gaps are often filled before uptrends resume, especially in gold it seems.

The funny thing was that the measured move lower from the head and shoulders pattern matched up to the gap fill area exactly at \$158.

It always fascinates me how that works, but work it did and we came within a whisker of touching \$158 before seeing price reverse on very heavy volume and close the day back near it's highs.

I'm sure you've noticed how I've changed from less of a fundamental basis over the years to a much more technical stance as my skills are constantly improving. It's a never ending process.

It just works, not every-time but enough for it to now rule my life and views to a large degree.

Technical analysis has saved my butt on many occasions and adapting to different timeframes as the market dictates almost always ensures there are ways to make money.

Now I'd have to be looking for some sort of base to form between \$164 and \$160 for a couple weeks or so before we can see a trending move higher begin.

Although I'm constantly pointing out reversal bars to subscribers such as we saw in GLD Thursday. You can almost always squeeze a couple days or so out of a reversal bar like that but you have to take profits quickly, but they can be substantial.



The SLV ETF dropped a hefty 6.96% this past week and followed gold lower nicely and right on cue.

The chart doesn't look quite as good as that of gold here in terms of having put in a bottom.

Personally I'd like to see the August gap at \$28 filled over the next few days.

We just have to watch the action but that \$28 area looks likely in the short-term.

As always, please don't shoot the messenger. I'm just telling you what the charts are showing me and sometimes I'm right.

It's not my fault but if you have trouble accepting the reality that everything moves up and down within a major trend then perhaps this isn't the game for you.

I know many who expect things to rise daily and just can't seem to accept anything else. There is no point putting blame on anything or anyone really since when we do see a longer trend of almost daily price rises that only means we are nearing the end of a large trend higher.

2012 has been a super year in reality even though we haven't risen much.

A nice base has formed in 2012 which will show us higher prices in 2013 and taking a quick look at a longer term chart I am seeing the start of a cup and handle pattern that looks to be set to breakout in about 3 years, but more on that next week when I do my annual long-term chart review. Stay tuned for that one!



The platinum ETF fell 4.82% this past week and I was way off base on this call.

I'd thought the triangle pattern would lead to lower prices but I'm always biased to the bullish side when it comes to precious metals even though this pattern is notorious for its unpredictability.

The false breakout was the tipoff last week and we broke below the uptrend line at the \$157 level which could have been the start of a nice quick short position.

Now we see the \$150 level as support but if that fails then \$147.50 is next and perhaps even a test of the gap from August at \$142.50 but that is a long ways away so let's focus on the action here at \$150 for now.

I have no idea if a low is in here or not and can only watch for now.



The PALL ETF fell 3.56% this past week and I mentioned the past two weeks or more that the top area here at \$69 on this chart or \$700 on the palladium chart was an area to be taking profits, not getting long.

I mentioned last week that ideally we'd see a handle form here with some consolidation. That is what's taking place here so far.

This handle, or downtrending channel shouldn't go any lower and shouldn't last much longer if it's to be true. A move above \$68 on this chart is the first buy point with the second coming above recent highs just above \$69.

I want to wish you and yours a wonderful holiday season. It's not the material gifts that count it's the time together.

Enjoy the whole week to come and keep an eye out for next weeks yearly chart review that will take a poke at foretelling what 2013 will bring.

[And a big thank you to you for reading and subscribers for so much more. If it weren't for every single one of you, I'd not be doing this in a public forum.](#)

Warren Bevan.

Please [sign up to receive my free weekly letter](#) along with any relevant info or articles I write, and if you like what I have to say then [consider subscribing to our daily updates and trading alerts.](#)

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