

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

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Get Him Away From The Greeks

It was another incredibly strong week for the US markets up until Friday when more confusion emerged out of Greece and US markets took a hit but still remain strong as many leading stocks were still up nicely for the day and that includes our swing trading positions.

I did decide to go to a cash position and book all our swing trading profits late Friday though, just because you never know what will happen over the weekend and the Greek mess seems to be once again able to move our markets so better safe than sorry.

You can never go broke taking profits and that's what we did and we can always buy back Monday if things are unaffected.

After this last week it puts our swing trading portfolio up a solid 110.92% to date in 2012.

And that's with missing a chunk of the iCompanies move this past week.

We had a nice position in it but took about a 50% profit in it in only one day. We would have done much better having held the position as it ended the week up about 450%. This would have done wonders to our swing trading gains in 2012 and made us up closer to 200%, but there is no point in crying over spilt milk, we'll just be on the lookout for the next great trade.

As for the metals they didn't do too much this past week but are getting some nice work done in the charts which will power them higher soon enough.

Let's take a look.

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Metals review



Gold slid a tiny 0.29% on the week but is building a perfect pattern to power much higher from here. Some could call it a cup and now we are building the handle or you could simply call it a bull flag pattern.

Either way doesn't really matter but what is most impressive is the fact that Friday's large move lower to the low end of the channel and the 21 day

moving average was bought heavily. The technical support area held and saw heavy volume push the price higher by the days end.

This tells me one thing only. Traders want gold much higher.

Once we breakout of this flag, and it should be in the next couple days, it's likely to push gold at least \$200 higher over the next six weeks or so.

The odd thing is that the GLD ETF did not see huge volume Friday as it is becoming more obvious that players don't trust the ETF and want futures contracts which can in theory be redeemed for physical gold.

The futures market is more of what matters in my view so I am quite confident we'll see a break higher any day as the futures indicate.



Silver slid only 0.31% this past week and continues to trade in this tight flat base which will soon propel silver much, much higher.

This move is going to be a rocket ship and I have a first class ticket! Do you?

It's far from to late to acquire as much physical silver as you possibly can and if that's not enough then you can try swing trading it as I am going to do when it moves.

Futures volume has been strong and steady as traders see this big move coming and are accumulating positions in anticipation.

Seeing the [CME reduce margins on most commodities](#) this past week will only add fuel to this fire, but once we do move higher we have to be ready for the CME to pull the old margin increase trick out of the bag as it will instantly move prices lower.

The SLV ETF saw volume taper off as the week progressed as there is really no point in owning an ETF when it's basing and volume told that tale to a tee. When we move though, we need increasing high volume.



Platinum gained 2.59% for the week as expected and ran into both horizontal resistance and the 200 day moving average where we'd have to expect a pause.

I'd normally say we need a few weeks of rest here to build a nice base before moving higher once again after such a large fast move and with such strong overhead resistance here.

Friday though, was impressive as support was briefly tested before the price moved sharply higher to the upper end of the weeks trading range. That is quite bullish.

Futures volume was pretty steady for the week and it didn't seem as if there was too much selling going on. We could well power straight up from here but it's really quite an unlikely move in terms of technical analysis.

The PPLT ETF saw a telltale volume spike Wednesday as resistance was hit and trading positions were sold. It looks like a temporary top on the PPLT chart to me.



Palladium slipped lower by 0.06% on the week after breaking out of its little bull flag pattern and running past the 200 day moving average resistance level only to fall back later in the week.

The chart has the look of rolling over now to me with high volume but the price going nowhere. I'm looking for a consolidation period here for now.

The PALL ETF volume isn't really saying much to me as it was decent on the top days then fell off precipitously Thursday and Friday as price dropped.

Fundamental Review

The big news on the week was that there wasn't much news!

Greece is back in the headlines and not wanting to make the required cuts in order to receive a bailout. This shouldn't really effect us or our markets much, but it does. I'm really hoping this doesn't bring back the market of the second half of 2011 as that was one of the worst trading environments I've ever seen.

The Bank of England announced a cash injection of 50 billion pounds into government bonds. The only problem is they don't have any money so they have to print it.

Sheese, that was easy. I saw a new porsche that would fill a vacant spot in my garage perfectly, unfortunately my printing press is still in the shop. Life truly isn't fair!

Maybe if they and other central banks increased interest rates they'd actually have some interest in their bonds, but until that day I guess they'll just have to buy their own with freshly printed money.

I really need that printing press back so I can subscribe to my service 10,000 times with newly printed money. Then I'd be getting that porsche!

We had two banks fail and join the short list of 2012's biggest losers. Banks are being downgraded around Europe at an astounding rate but not many have yet failed. This is likely to change.

Some US banks are basically settling for \$25 billion while admitting no wrong doing in the mortgage fiasco that screwed America royally. It just blows my mind that these criminals aren't seeing any jail-time. They know full well what they did and would not agree to pay a cent otherwise, but the broken justice system won't do a thing about it.

Try stealing a pack of gum from your local store and see how that goes for you. Then screw America and all will be fine.

It's sick and disgusting and something must be done.

Iran is now trying to pay for grain with gold and oil or really, anything! Tensions are high there and it's not being reported up to spec. I hope not, but fear serious conflict will arise in the region this year.

I see that gold futures are set to be launched on the Nasdaq in the not too distant future. Unfortunately these will be cash settled so there is zero

chance of ever actually seeing any gold. This is useless and not at all needed but it does speak volumes to the demand for gold trading instruments.

We all know that gold is attracting more and more attention and money and will only continue to do so and this trading vehicle will allow investors to think they are trading gold when trading it isn't the best way to go about it.

It's nothing but a distraction and attempt to keep gold prices down by minimizing investments in physical gold.

Owning physical gold and silver is the foundation a responsible portfolio must be built upon in my opinion in this period in history. Trading the metals is fine but it's not owning it.

Owning physical precious metals is your insurance.

Do not fall for the ETF or cash settled futures trick. Unless you can touch your coins in a short amount of time you likely don't own it.

I hope you're week was great and your year is going as well as ours is but if not [perhaps I can try and help](#).

Until next week take care and thank you for reading.

Warren Bevan

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