

# Precious Metal Stock Review

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## Silver Slam–Epic Fail

It's the thick of summer now and I'm trying to take it pretty easy this weekend and perhaps another weekend or two while the warm weather is here. The good news about that is that there is so much focus on the debt ceiling debates that you'd hardly know anything else is going on anyhow.

It's all political childish games though and the debt ceiling will be raised at the last minute and the speech will be a good one.

I can see it now Obama will say something akin to; "We averted a crisis of the deepest magnitude that would have cut the worldwide economy to the bone"

I'm not making fun of Obama in particular as anyone in his shoes would be doing the exact same thing. Politics bug me, at least when the politicians lie, delay and pander to the corporatocracy.

On to more fun topics, the US stock markets are holding up very well and continues to build a super pattern which should send us much higher over the rest of the summer.

We've been very busy this summer as the markets and leading stocks are doing great and [we've been doing better than I could have imagined](#).

That's why I'm taking the weekends a bit easy since I am having a hard time taking an afternoon off here or there during the week.

Let's move into the charts and wrap this up as quickly as possible.

## Metals review



The S&P 500 has printed a cup and handle pattern and broke out Thursday on massive volume. We should see this move higher continue, but then again we've seen many pattern failures in this index this year so far so you have to always be ready to react to a change.



Gold only rose 0.59% for the week but it's building a beautiful continuation pattern here in the form of a bull flag. Gold had a nice \$100 move so far in July and it needs a little time to rest which it is doing nicely.

This flag should be resolved higher very soon, perhaps even Monday. If you're trying to trade gold then the buy area is new all-time highs, but gold does move slow so trading it isn't really my cup of tea.

As for buying physical gold I've always advocated buying on weakness and this isn't necessarily weakness here but as I said above it's looking ready to move much higher from this base area so it should be ok to buy some here.

Even allocating a portion every month to buy is good or try and wait a few months and buy while a small sale is going on.

The GLD ETF saw heavier down volume than up in this pattern which is not great and could be a prelude to this pattern failure and we should soon find this out.

I'm definitely leaning towards the bullish side with gold right now especially with more drama imminent over the debt ceiling. There is also good reason to believe that once the debt limit is raised gold will be hit initially giving investors a great chance to snap up some more cheap gold.



Silver rose 2.64% this past week even in the face of seeing a blatant massive manipulation attempt. [We've traded silver in the past with some great successes](#) but it's been a while now.

I tell subscribers it's just not worth trying to trade that often since it can drop so quickly that I can hardly put in a sell order let alone send one to subscribers as well before the price is several dollars lower.

This past week we saw a sale of 250 million ounces of silver in 1 minute. This is equivalent to 30% of the worlds yearly production. Even the Comex warehouses only have about 100 million ounces in storage.

If you think someone would dump that much silver on the market at once for any other reason than to knock silver down then good luck to you. Nobody even has that much silver to sell, it was all a paper game which worked for the short-term.

The point is as always. Buy the physical silver and don't worry about it. It will be much much higher and in the hundreds of dollars before this fiasco is through.

If you want something to trade, trade the [high-beta leading momentum stocks as we do](#) with a portion of our wealth. With those you have a much better chance as they behave how they should and aren't such an important bellwether economically so they're left alone for the most part.

The SLV volume was pretty solid for the week with slight increases in volume on down days. If this were a leading stock I'd say, "look out", as this is a signal that it's heading lower but with silver you have much less chance of it moving how it should and the momentum seems to be pushing silver higher for now.



Platinum rose 2.46% for the week in a sweet move into resistance. I mentioned last week that there wasn't much to stop it from moving up to the \$1,800 area where the downtrend line is at this moment.

Now we have to wait and see if platinum has the strength to move higher here or if it needs to rest before surpassing \$1,800 once again.

The PPLT ETF volume was nothing to write home about and certainly isn't telling me we have the strength to blast thorough \$1,800 here yet but in reality we need to see massive volume on a move and hold above \$1,800. Then we'll know this move is most likely for real.



Palladium rose 3.39% for the week and remained within this symmetrical triangle pattern. These patterns don't really have a bullish or bearish bias but once the price moves out one way or another then that is the time to jump on board. But if the pattern breakout fails then sell right away and keep your losses small.

As simple as that sounds it's a very difficult thing to do. Nobody likes being wrong, but to be a success trader you have to know your going to be wrong often, the good thing is you can make yourself right just by selling and taking a small loss early on.

The PALL ETF didn't see much volume whatsoever as is normal in a pattern building phase generally. We need to see big volume on a break one way or another.

Well I'm off to the beach with a good book and some good old friends who are in town.

Enjoy the summer for what it is, especially if you live in the areas where snow is common for a good part of the year.

Until next week take care and thank you for reading.

Warren Bevan

In my free, nearly weekly newsletter I include many links and charts which cannot always be viewed through sites which publish my work. If you are having difficulties viewing them please sign up in the left margin for free at <http://www.preciousmetalstockreview.com/> or send an email to [warren@preciousmetalstockreview.com](mailto:warren@preciousmetalstockreview.com) with "subscribe" as the subject and receive the newsletter directly in your inbox, links and all. If you would like to subscribe and see what my portfolio consists of please see [here](#).

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