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I didn't get the chance to finish this weeks letter on the weekend but I wanted to share with you what I did manage hammer out since it is still relevant. Some parts have been deleted which are not relevant and the length is short. I hope you are enjoying your summer and are ready for the surge ahead.

From my experience this is the time to be investing when the general public is asleep and the big money trend setting hedge funds are moving into the precious metals space as they are now.

Metals review



Gold gained 1.5% on the week and is showing great strength by holding between the \$940 and \$950 area. I can feel the tension in this market tightening. It's going to either move explosively lower soon, or continue it's strained chop higher until the chains of sub \$1,000 are broken and gold is set free to run to the \$1,300 plateau.

Every week for the last couple months at least, the interest in gold investing by the public has continued to fall. It's amazing to me that the institutional investors are moving into gold in greater and greater numbers nearly weekly while the public just sits around not believing gold can move above, let alone stay above, the \$1,000 mark.

Unfortunately that's how markets work, nobody pays attention when they should. The smart and highly profitable hedge funds who have recently bought gold is the sign that things are close to getting crazy for a sustained amount of time. Contrary to what many have been led to believe the economic crisis is not over. There is more bad, and worse news coming and the spin can't last forever although they have done a great job at spinning poor earning recently into a positive somehow.

As I show later just because the nominal value of an index rises does not mean you are richer. [Physical gold and silver and their stocks](#) will however both protect and grow your hard earned wealth.



Silver continues to March slowly higher and gained 3.73% on the week.

The 100 day moving average helped slow silver's ascent recently. It is now turning higher as the price marches towards the 50 day moving average.

RSI is at 56 leaving lots of room on the upside. The moving averages are higher except the 50 day which is about to weather an assault from the price. MACD is bullish but below 0 with momentum in positive territory.

Slow STO is overbought and will likely come down as silver hit the 50 day moving average before consolidating and blowing off some overbought readings. The downtrend has been broken convincingly now, but resistance at \$13.90, and \$14.50 will not be blown through easily in my view.



Platinum gained 1.3% on the week and broke it's downtrend lines late in the week. The 50 day moving average was also bested several times and looks

to be an area where the price could hang around for another week before it moves back into the up-trend channel.

RSI is at 55 and heading higher along with the three moving averages, all very positive. MACD is bullish and below 0 with the momentum oscillator heading to 10 pretty soon. Slow STO is now into overnight territory leading me to believe we will likely see a range trade between \$1,150 and \$1,200 for another week or two before the metal moves back into it's up-trend channel.



Palladium gained an impressive 4.69% on the week and remains near the middle of it's up-trend channel. There is not much to say about this well

behaved metal. Everything is looking very bullish, although a short term correction or consolidation looks to be in order.



The Dow had a grand week rising 3.99% while ignoring any whiff of bad earnings news or forecasts for future earnings. It's as if nothing ever happened. The index is right back where it began the year, and getting there was no small feat.

Where from here is the question now. If the up-trend can push the price above here and stay there for a few days then the 10,000 level will surely be surpassed. As hard as it is to justify this rise, the only thing you can do is follow it, albeit cautiously.



The S&P rose 4.13% for the week leaving the early 2009 level in the dust. This index is much more representative of the major companies as a while than the Dow which has been rebalanced and had some rules changes take effect which have had the effect of pushing the index up higher than otherwise would have occurred.

From here if the index can rise above 1,000 there is nothing but air until the 1,200 level. It looks as if that level won't be too far off, perhaps even before the summer's end. The S&P year to date, has risen 7.6% while the dollar has fallen 11%. So nominal gains are being seen, however purchasing power of the US dollar has gone down.

The rise in gas prices for your car being the simplest example of this. This price rise will not be seen in all aspects of your life but as happened for

most of this new century price increases are creeping back into our lives and will increase as inflation takes hold.



The Nasdaq weathered some bad earnings from the Tech giants of our world but still managed a 4.21% gain. Can't argue with the tape, unless you look at fundamentals, which I do. Maybe one day they will have a sister index which trades on fundamental news, while the current index can continue to trade on spin.



The US dollar has lost over 11% year to date from it's peak giving a false sense of increased wealth to investors. Don't fall for it.

Fundamentals Review

I didn't get the chance to fill in this section and really the news was quite quiet so I won't until next week.

This time of year the berries and cherries and salmon are all ripening and running hard in my neck of the woods. It's always a busy time as we gather and preserve as much free, fresh, wild food as we can for the coming winter. No matter how much money we could spend, we could not get food as fresh and healthy as this, so our family, every year, takes the time and puts in the work to reduce our dependence on the machine that feeds. It's a lot of work entailing late hot nights in the kitchen, up trees, or on the river but well worth it once done.

I hope you are fortunate enough to be able to go back to your roots in the same way as we can. It's a great, grounding experience that gets us away from the day to day grind and back, albeit short-lived, to what is truly important. Family, and food!

While washing or filleting or canning we've been listening to an inspirational old song that has been brought back to life recently. Thanks to Ed Steer over at Casey's for posting this incredible cappella version in his daily rant. I've listened to it at least once a day since, and the head of the household much more so on the big speakers upstairs. If you've got a great sounding speaker set-up on your computer as I do, I recommend waiting until the house is vacated and then crank it. The link is here http://www.youtube.com/watch?v=yjbpwlqp5Qw&feature=player_embedded

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 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](#).

Until next week take care and thank you for reading.

Warren Bevan

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