

# Precious Metal Stock Review

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## Life Happens

I took last weekend off and a friend and I headed out to the wilds of Cape Breton, Canada, to enjoy our dual sport motorcycles and some camping.

The plan was to have no plan and go where the road took us. We were set with compact camping gear and the tools that hopefully weren't going to be needed to get us through our 4 day ride.

It began with a proper soaking as we disembarked the ferry onto the mainland. It wouldn't be an adventure ride if we weren't soaked would it?

We made it to a small town in the middle of nowhere as the sun was falling and we filled our bellies with some grub, grabbed some wine and found a prohibitively expensive campsite in the middle of town. Hardly the type of campsite we'd imagined but it was what it was, at least for the first night.

Friday we rode some fun side roads, ATV and snowmobile trails all the way to Cape Breton only getting lost a few times. This was more like it.

We talked to some locals at a little coffee shop and picked our way up the coast before congregating with a few more locals who told us a direction to head to cross some mountains into the inner wilds and to a lake that was supposed to be awesome to camp on. It was.

I was a bit miffed to see the Europeans basically say they will bail out the banks as this made markets and stocks soar. Thank god for trailing stops who kept me whole.

We ended upon Lake Ainslie tucked into the last campsite right on the rocky beach that was as perfect as perfect could be.

We moseyed back along the lake on a twisty road to load up on beers and something to throw on the campfire that night. We ate, we drank and laughed merrily with the tight nit local crowd.

There so happened to be a little pancake and ham breakfast at the community hall the next morning, which often happens in these small, close, local communities.

Full, off we went to grab a new tire for my quickly disappearing front tire before the shops closed for the long weekend.

We took mountain dirt roads and got lost a few times before making the run on the highway the last half hour to Sydney where we had a room booked for the night and a tire waiting.

After checking in I started on the tire while my friend grabbed a couple brews to help with the change. If you've never changed a motorcycle tire before, you should know know that a beer for the job is mandatory.

As things would happen I pinched the tube while changing tires. This led to series of unfortunate events.

We had at least three methods to patch the hole and our option of buying a new tube was gone as the only motorcycle shop in town was now closed for the long Canada Day weekend and the boys were out of town as we found out from some friends of theirs (got to love small towns!).

We patched my tire about 4 times (I was losing count) and that means I'd had at least four beers!

We called it a night and enjoyed a nice shower, dinner and some local music.

We awoke to a flat tire, of course. We patched it and filled it enough to hobble to the gas station. We pumped it up to seat the tire and it held!

We started off down the highway towards the wilds we were eager to return to, nervous but optimistic.

I noticed my friends rear beginning to slid back and forth and thought he may just be leaning a bit on the boring highway, he wasn't.

It ended up he picked up a nail!

What are the chances right?

We found a semi-shaded area and ripped his rear tire off and began the process only to glance over at my bike who was now sporting another flat front tire.

Long story short, we spent the afternoon on the side of the highway in sweltering heat changing his tire twice and my tire once.

We ended up finding a decent campsite not far away and ended the day with only about 20km on the odometer. Hardly the exciting day we were expecting and we were much more tired now as a result of the work and pounding sun.

Now we had only one day of the trip left and a long drive home to look forward to on the highway if our tires held.

We awoke to full tires but were still nervous.

After packing and loading the bikes we hit the road and found some beautiful back roads through mountains and along the stunning Bras d'Or lake.

It wasn't so bad and our tires were holding, although my new front was out of balance and gave my handle bars a heavy wobble around the 60km/h speed. Luckily I never really drive that slow!

As luck would have it we ran into some extremely heavy thundershowers and with that came the rain.

I don't really recall being that wet in a long time, expect perhaps the last shower I took back at the hotel room, but alas, I had no riding gear on then.

The rain stopped and then we were cold. We persevered on and the sun emerged and after about an hour I could feel that I was drying out and warming up nicely and we were only about 5 km from the refuge of the ferry!

As luck would have it we ran into a localized cloud which dumped on us and soaked us again.

This was turning out to be quite the nightmare but at least we were only about an hour drive from home after we took the 1 1/2 ferry ride.

We made it home battered but safe, and learned to never leave home without fresh tubes, ever!

What's the point of all this except to allow me to write a bit creatively?

As prepared as you can be, things can deteriorate quicker than expected. And while you may have the knowledge and ability and have the tools to fix it, the fix may not always work.

But you can't give up. The only true failures in this world are those who've given up.

We felt like giving up at times, but then what?

Life is the same.

If you give in who will take care of you?

Certainly not the government.

If you never give up, you can never truly fail.

You must think for yourself after studying history and current scenarios.

Gold and silver and especially the shares have given me ample opportunity and the desire to give in so far in 2012 but the main reasons to own them remain constant even though paper prices have been openly depressed and suppressed to discourage us.

Don't give in and don't give up.

Today's prices are mere fractions of what they will become in the years ahead.

Don't go on margin, just buy what you can afford and you'll be amazed in time.

With that being said let's look at the bigger picture with gold and silver weekly charts this week.

## Metals review

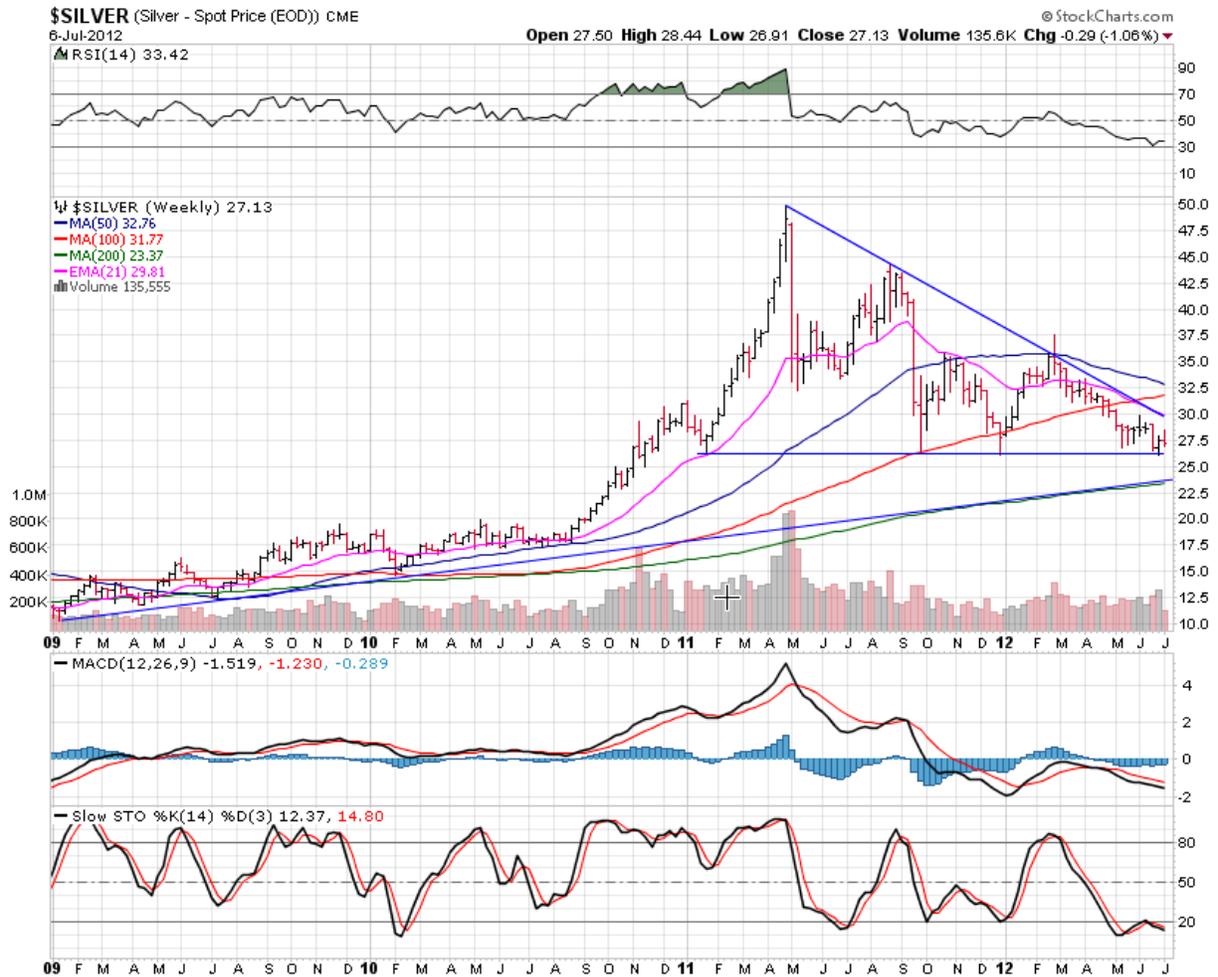


Gold was off some 0.78% for the week as it builds a tight bottom pattern here in this larger wedge pattern.

The long standing uptrend line is intact here and a bottom is nicely building. We could easily see the rest of the summer and into the fall vacillating between the uptrend and downtrend lines between about \$1,580 and \$1,700.

Gold will be much much higher and a breakout of massive proportions looks to be coming this fall.

Markets don't move straight up, or straight down. We have to embrace this sideways corrective base building time as it will lead to large moves.



Silver fell 1.06% this past week. Silver is also in a larger wedge type of pattern of triangle here. Silver looks as if it is nearing the end of this pattern unlike gold who has some time to go.

Silver could well lead gold in the next move higher here.

On the flip side, silver is a tough one to trade and predict and it could well give the old tree one last huge shake and touch the large support level at the uptrend line around \$24.

Nobody knows for sure but I can easily see a quick move lower before the true trend emerges once again, and that trend is higher.

2012 may well end up being the year of the flat (tire) but it happens and we just have to deal with it as best we can. Don't give up on the precious metals or you will miss the ride of your life in the years ahead.

With that, I hope you enjoyed your easy week with the July 4<sup>th</sup> holiday and I know many took half the week or even the whole week off.

Both I and the markets will be back in full swing this week and I hope you will join me in our constant quest for profits.

Warren Bevan

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