

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

www.preciousmetalstockreview.com
2012

June 2,

Voluptuous Volatility

I really don't have much to bring your way this week beyond charts.

Fundamentally Europe is still in serious trouble but in no real worse shape than most other developed economies, but for the moment Europe remains in the spotlight.

Markets took a tumble this week as I mentioned was likely last weekend and gold and silver are holding up very well as I also mentioned was likely last weekend, in fact, gold is breaking out nicely now to the chagrin of recent gold deserters!

With that being said, the tremendous volatility we're seeing is presenting numerous great trading opportunities and we are still trying to double the swing trading account so my offer is still valid.

Subscribe today and your subscription duration won't actually begin until the swing account is doubled from the May 1st print.

Volatility is sexy. Whether markets move up or down you can make money. As long as they move there is a trade, but there are times when there is no trend. That time is not now as the trend is solidly lower and the trend is definitely your friend!

Embrace it!

Metals review



Gold roared out of nowhere at a key time to end the week up some 3.12%. This was done in a short 4 day trading week with all the gains coming Friday with gold up nearly \$60. We don't see moves like this in gold often and this one seemingly came out of the blue.

Friday's move higher was essential.

Thursday was the last day of May and I always spend time going over monthly long-term charts at month ends.

I posted the monthly gold chart for subscribers Friday morning and said it needed to regain it's footing above the \$1,600 area as that is a major level on the monthly chart with an uptrend line and downtrend line converging there now.

I often talk about how gold trades the opposite of how it should on a technical basis many times and this big move lower below support on a monthly chart was a large sell signal.

I said gold needed to get back above the trend-line and soon. I meant a few days to a week not a day, but a day was all it took.

We barely got out of that one in one piece as major sellers were on the brink of emerging!

Let's look back to the daily chart posted above.

The little triangle was resolved nicely to the upside Friday in a large way. Now we are dealing with the large downtrend line at \$1,640 and the 50 day moving average at \$1,625.

It wouldn't surprise me to see gold rest here for a couple days before showing us a nice follow through day higher with strong volume. However, if this is a major breakout then Monday morning we should see a follow through right away and another decently large day higher.

I am pretty sure that gold has definitely put in a low now. I was talking to [subscribers](#) Wednesday after gold was down heavy to support at recent lows before rebounding hard later in the day.

That was a bullish sign that buyers were there waiting to buy and I wondered aloud if they were to just sit there and defend that level around \$1,540 or if they would step up and continue to buy higher.

We got our answer Friday in a big way!

We are on our way to new all-time highs now as far as I can see but it will take some time.

The correction in gold and gold shares did what it was designed to do, shake out as many people as possible.

How many people do you know who couldn't stand the heat?

The market is a big game and you just have to learn the rules and understand how it's played. Then you can prosper and not worry during large corrections as we've just seen.

Volume in both the gold futures and GLD ETF were perfect. Strong volume on the push off support Wednesday followed by a massive volume day Friday is very bullish action. We need to see large volume continue at major levels and I'm watching and covering it daily for [subscribers](#).



Silver only rose 0.43% this past week. I thought last week that silver looked ready to lead gold, that is obviously not the case as silver is not even breaking out of it's little wedge pattern here while gold is on fire!

Silver's next major level is right here at the \$28.71 area where the 21 day moving average and the upper level in this wedge are converging.

I'm surprised we're not moving more along with gold here but I'll take it.

Volume in the SLV ETF and futures was good and solid on Friday's move higher which is what I like to see. Chances are silver will continue higher behind gold now but the gold chart is in much more bullish shape for the time being.



Platinum fell 0.03% this past week even in the face of a strong move Friday riding the coattails of gold.

We saw a solid move off lows Friday and it broke the downtrend line as well as the horizontal resistance now turned support at \$1,430.

Platinum looks great for higher prices here as long as it remains above \$1,430.

As to be expected Friday's large move higher saw massive volume in the futures market and strong, but not overwhelming volume in the PPLT ETF markets. I'd liked to have seen very heavy volume on both charts and the fact that I didn't has me a little cautious here.



Palladium rose 4.16% this week in what was the largest gain of all the precious metals for the week.

The chart itself though is not all that bullish for the time being. In order for me to turn bullish here we'd need to see a move out of this flat base here above the \$620 level with conviction/volume.

For now we are basically rangebound between \$620 and \$590 or so.

Volume is a little sloppy on both the PALL ETF and futures. For now it doesn't really matter but when we move one way or another, volume will be key.

I'm going to cut this letter off here and get out and enjoy the sunshine!

I suggest you do the same if the gods are blessing you with the sun today!

Have a great weekend and even better week ahead.

There is money to me made when markets fall, and definitely money to be made in gold and silver and the shares whom are doing splendidly after a long dark winter.

It was indeed darkest before the dawn.

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](#).

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](#).

If you found this information useful, or informative please pass it on to your friends or family.

Free Service

The free weekly newsletter “Precious Metal Stock Review” does not purport to be a financial recommendation service, nor do we profess to be a professional advisement service. Any action taken as a result of reading “Precious Metal Stock Review” is solely the responsibility of the reader. We recommend seeking professional financial advice and performing your own due diligence before acting on any information received through “Precious Metal Stock Review”.

*To unsubscribe send an email to newsletter@preciousmetalstockreview.com with “unsubscribe” in the subject line.