

# Precious Metal Stock Review

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## Dirty Old Tricks

All in all it was a great week. Markets rebounded nicely and shrugged off higher oil prices and put in very good performances. Bottoms seem to be in, in nearly every market I watch, Egypt's being one exception but after being closed for so long it did hold up very well in my view.

The bag of dirty old tricks was pulled out late in the week though in regards to silver, as the CME raised margin rates on futures. That exact moment has marked short-term tops in silver and gold every single time in the last six months. It appears that is the case once again.

But these are just that. Short-term tops. Gold and silver are likely to feel some more pressure but it will be very short lived. I suggest you look for technical levels which have held during short-term corrections in the recent past and look at those as buy areas.

Still, the Japanese situation is not under control and it's thought that radioactive water is leaking into the ocean. New earthquakes hit in Asia but this time they were land locked near Chang Mai and into Myanmar. They are bad no doubt, and caused widespread devastation, but they could have been worse.

Unrest is spreading throughout the Middle East in what is now an epidemic spreading very quickly from country to country. There have been some serious cases of genocide in Syria told of, and many other atrocities.

The two big questions I have are.

Where will it stop.

And, are we going to enforce no-fly zones and enforce protective military action in every country that sees similar circumstances to what is occurring in Libya.

As to where it will stop I have no idea.

As to where we draw the line on no-fly zones and the like. I used to think it was a good idea for the no-fly zone, and that we were far too slow in imposing it. Now I'm not so sure. Are we effectively going to go to war against the whole region? Can we?

And the animosity created would not be worth it in my opinion. It's akin to poking at a hornets nest now and we're sure to be stung.

## Metals review



Gold ended the week pretty flat having risen only 0.79%. It didn't quite breakout yet, but it's very close and we should see limited downside here, perhaps to test the uptrend line around \$1,410 before we power through all-time highs and beyond \$1,500.

For now we remain stalled, but not for long.

Right now gold is building a reverse head and shoulders pattern which should power gold higher by about \$80 to the \$1,520 area before we see a setback below \$1,500.

The GLD ETF saw Thursday's volume the highest for the week as the CME raised margins on silver which also knocked gold lower. So far the price is holding strong and volume was also quite strong on Friday as gold held it's

ground, but recent peaks have coincided closely with margin increases so I'll have to give it a few more days to see if it is the case this time as well.



Silver rose 5.83% on the week. The dirty tricks continued as the CME increased margins Thursday and that looks like it was the top for now. Many highs have been marked by the exact moment margins are increased recently and this time looks no different.

I have a very good idea where silver will see support and then begin moving higher again back into highs, but that information has to be reserved for subscribers.

I do expect some short-term downside in the coming week.

As should be expected Thursday's margin increases sparked very high volume in the SLV ETF. This marked the highest level for the week but as silver held it's ground well Friday, we also saw quite heavy volume.



Platinum rose 1.63% for the week. It's chart is a mess though with no pattern or real solid trend as of yet. Platinum is struggling get above it's 100 day moving average for the moment and that is actually a good thing.

I hope to see a bit of a base or pattern build here over the next week or so beneath the 100 day moving average, then we could move higher with much more solid conviction.

The PPLT ETF volume was pretty low every day in the week telling me nobody is stepping in much either way for now.



Palladium rose 2.63% for the week and is working it's way back up. A bottom does appear to be in. Right now we are seeing it struggle to move above the 21 day and 100 day moving averages which are at the same level.

Ideally I'd be happiest to see a stall here and a little drop to make a higher low before we break above those two moving averages and put in a higher high. I am looking for the higher high to occur at the upper fibonacci level at \$791.

PALL ETF volume was pretty tame for the week. There is no conviction yet. If we do see a higher low put it then we should begin to see volume pick back up again as a low will be much more secure.

## Fundamental Review

The Canadian government fell this past week and an election will be held early May. A great waste of taxpayer money if you ask me. No party really is much different from the other in my humble opinion. I just try and steer clear of politics in general and try and focus on making money.

This comes on the same day that the lead role in the Libyan fiasco is handed to Canada. Interesting.

A former programmer who basically helped design market rigging programs who then stole the code has been sentenced to eight years in prison. The company he stole the code from has been said many times to basically control the US government, and it's hard to argue in many respects. Don't mess with the man behind the curtain!

And how about the story of poor Charlie Engle. Apparently he "lied" on two mortgages. That's right. He did something literally millions of Americans did during the housing heyday. What about those who allowed this to happen?

He stated his mortgage broker knew he didn't make as much as he stated but let it slip as it was just how things were being done at the time.

I only wish the law could clamp down as hard on others who deserve much more time with such speed and efficiency. The fraud was obvious to everyone especially the top brass. Those who made absolute killing and profited from the mortgage fraud should be prosecuted. The irony of the whole situation is that taxpayers are footing the bill.

Could it get any more backwards?

UK households are facing the largest income decrease since the 1970's as inflation picks up. I'm glad this isn't occurring in the US. Inflation has ticked up to 4.4%, well above the 2% target in the UK and also above the forecast of 4.2%.

Oh wait. Nearly everything you buy is going up in price. Is your wage going up to compensate? I didn't think so.

Actually it looks like things are that bad as a report was just issued stating that US household wealth has declined by 23% over the past two years.

Ouch. That sure is a kick below the belt just as we are being told everything is getting better.

I know personally that [following our investment strategy](#) and our beliefs/facts we've done much better than a 23% increase over the last year alone, let alone the past two years. I won't ramble on about [our investing/trading strategies](#) as I do that often enough here, but they basically consist of physical metals, dividends, miners and swing trading.

It's all ok though now since Federal Reserve Chairman Ben Bernanke is going to [address the nation on a quarterly basis](#) from here on out to fill our ears with more lies. If that makes you feel better then may god have mercy on your soul.

To cap it off a banker recently said he has a [solution to help the European Union return to a more competitive stance](#). He said the public needs to work harder for less money and half the benefits. Obviously he nor his banker cronies would be subjected to these suggestions. After all, he came up with the idea!

I had my biggest laugh of the week [reading Jim Sinclair's website](#) when he posted a comment from a reader who sums up the situation pretty clearly.

*Regarding the March 15th FOMC statement:*

*"The recent increases in the prices of energy and other commodities are currently putting upward pressure on inflation."*

*The Committee is also of the opinion that wet sidewalks are the cause of rain.*

In what I see as a funny twist, the Portuguese parliament [rejected the socialist party's austerity measures](#). The Prime Minister has said he will resign if the measures are rejected by parliament.

I find this a bit amusing as [the country is on the verge of default, collapse or bankruptcy](#). Whatever you want to call it. It's all the same.

I liken this to my bank telling me I have to sell my Lotus and stop my monthly trips to Vegas and move into an apartment since I cannot afford to sustain my lifestyle since my income is only \$3,000 per month and I spend \$12,000. My house, bought for \$2.3 million is only now worth \$1.3 million, but there is still no interested buyers.

I tell my bank no. I reject your notion. Just loan me more money! Or better yet why don't you take \$1 a month from all your other accounts and put

it into mine. Nobody would really notice and I could buy that Ferrari I've been looking at lately.

I don't live in a million dollar home, nor do I drive a Lotus, although I'd like to. I try and live relatively frugally and save, in real money, physical gold and silver rather than run up debts and live unsustainably.

Individuals have to live within their means or fail, it's the same with governments, they will fail.

I don't know what's wrong with these officials. Do they live their personal lives in the same manner they run the government?

They'll likely be bailed out whether they want to or not as a default will not be allowed to occur. But that money will be printed as well and not come from savings, making the situation that much worse for everybody.

The country has to suck it up now or pay a much higher price later.

We saw only one bank fail this week and join the [2011 list of biggest losers](#). I'm quite surprised we are seeing so few banks fail this year so far. It may change.

Iran has apparently [been buying gold](#) in secret. I bet that's the case in many, many other countries. The cable reported the Bank of England in 2006 observing Iran's buying as they were diversifying into gold "as a means of protecting its reserves from the risk of seizure".

Sure enough, later in the week it was reported that [Tehran has also been buying large amounts of gold](#) over the past decade. Good luck proving this, but I wouldn't bet against it and would actually be shocked to learn this assertion is false.

Funny enough [Muammer Gaddafi has a stash of 143.8 tonnes of the gold](#) stuff and it's in his country, not in a depository in the US like so many other countries gold. It's hard to freeze gold, but easy to freeze bank accounts.

So does this mean the boys in Iran, Tehran and Libya are smarter than US economic figureheads?

No. The US ones know what gold is and what it stands for, they just lie to the public about the virtues of gold.

A large US investment bank was charged a few years ago for [charging clients fees to store their physical metals](#), while they actually didn't have any metals. They settled in the end rather than admit guilt.

A new lawsuit has been brought against a [different US investment bank](#) as of late. I bet you a dollar it will end the same way and the clients won't see their physical metals either.

I've said it a hundred times before, if you can't access your physical metals in a relatively short amount of time and without jumping through many hoops, chances are you don't actually have any physical metals.

Panama is [repealing their mining law](#) which allows foreign governments to invest in mines in the country. Contracts currently in place will not be effected but this is an interesting twist. I wonder if sovereign wealth funds will be lumped into the new exclusions. If not then the point is mute.

Here is an [excellent, thoughtful article](#) on who the real terrorists are in the US and world at large when compared to Bernard Von NotHaus who has recently been convicted and faces up to 15 years in prison.

I've been extraordinarily busy lately and haven't had much time to find any funnies for you, but I did see one of the coolest planes I've ever seen recently which involved the [rescue of a downed pilot in Libya](#).

It's an [MV-22 Osprey](#). A mix between a helicopter and an airplane. Simply amazing.

Until next week take care and thank you for reading.

Warren Bevan

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