

Precious Metal Stock Review

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Traders Got Robbed

The week was dominated by strong markets and stocks but the main focus was the huge gold and silver smashing which was obviously a successful attempt to take prices down. It was manipulation plain and simple.

Whether the SEC looks into this or not remains to be seen but it would not take them more than 5 minutes to prove this was a manipulation effort. The problem is that it was their bosses who did it!

Nothing will come of this and the gold and silver bull markets are strongly intact with this latest effort only affecting traders, including our recent trading positions in gold and silver. It happens I suppose, but it was theft.

Someone literally came and took money from our trading account within the blink of an eye.

It was theft plain and simple but it's ok because our physical positions profits are far outweighing these small little crumbs the scumbags took from us this past week.

As a trader I'm pretty peeved with the blatant theft, but as a precious metals accumulator it's just a gift.

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Metals review



Gold only fell 3.51% this past week but Wednesday was one to put in the history books.

I've rarely ever seen anything drop so fast and violently before. Gold was down \$40 then nearly \$100 in only a few short minutes. While I'm very happy and content with my physical gold and silver holdings I've voiced my opinions on trading gold and silver before and those opinions aren't great.

I do fall into the GATA camp in as far as I believe gold is a manipulated market to a degree. I don't think it's manipulated daily and the goal is only to slow the ascent of gold as there is no way to stop it's ascent.

Wednesday was manipulation plain and simple. With some 31 tonnes of gold coming onto the market to be sold in minutes there was no way that gold could repel the assault.

Not a single person I or traders I know or have ever known would sell their position in such a manner. The goal is to maximize profit so when you have a large position you let some go into strength gradually as to not disrupt the market. It makes no sense, or in this case dollars, to dump a huge position in a market that you know cannot handle it unless you are trying to move the market lower.

Every single person who watches and trades markets knew that gold was breaking out and that the pattern it just broke was pointing to much higher prices so a large seller would be foolish to sell at the start of the move that was likely to take gold above \$2,000 within three months.

Gold was manipulated and that's a fact.

Holding the metal itself though, I could care less, but when trading it's a real pain and we did incur losses as a result. Maybe one day a class action suit will be brought but against who specifically it's hard to prove at the moment.

Now gold is damaged on the chart quite bad and we will see what the new week brings. Chances are pretty good that we can climb back into the breakout area but we won't have the same amount of traders pushing it higher unless we can build another nice pattern from which to move up from and that takes time.

Also many traders were burned pretty hard on Wednesday and will think twice about trading gold again when you can make better money trading leading high-beta stocks who move so much more predictably.

If there is an good news to take away from this last week it's that gold did hold above the 100 day moving average.

Both the GLD ETF and futures markets saw insane volume Wednesday as the initial huge sell order sparked stop loss order and sparked algorithm trades into action which exacerbated the move all the way to the 10 day moving average.

They won this battle but they are not winning the war as they are retreating strategically.



Silver only slid 1.35% on the week surprisingly but followed gold down hard Wednesday. We did see our profits evaporate for the most part quickly Wednesday but since we bought at the exact proper breakout level we ended the day still up pretty nicely.

Silver held the key \$34 level which was a breakout area and now is home to a solid uptrend line.

Volume was heavy on Wednesday as would be expected in both the SLV ETF and the silver futures market. This, after superb volume on the breakout higher in both markets early on in the week before the planned takedown.



Platinum dropped 1.19% this past week as a result of the gold takedown. It's not looking bad at all though and actually looks very bullish here.

Platinum is holding the 200 day moving average well and forming a bull flag pattern which should soon lead to a breakout as we move towards the \$1,800 level.

I like platinum and palladium much better than gold and silver at times since they aren't hit as hard by the powers that be, although they do at times move in the same direction, the volatility is generally much more manageable.

Volume in both the ETF and futures market saw huge volume Wednesday which kind of threw a wrench in the spokes for the rest of the week.

The next buy point would be breakout of this flag around \$1,700 on increasing volume.



Palladium rose 0.26% this past week in stark contrast to the other precious metals. Palladium has a little reverse head and shoulders pattern here now and should be ready to break higher out of this week.

Palladium is holding the 21 day and 200 day moving averages nicely here as the 200 is about to turn up once again.

Palladium would be a great buy on a break above \$735 with strong volume.

Futures volume was heavy until the end of the week while the ETF volume was actually quite light all week but did have a little spike mid-week.

I'm very impressed with the action in palladium here now and it should be the most stable one in 2012 by the looks of things early on but because of that it likely won't be the one with the highest returns, I think silver will take that title in 2012.

Fundamental Review

Warren Buffet once again this past week reiterated his disdain for gold. He says gold is a speculation, not an investment. He is far smarter than that and actually owned a huge amount of physical silver near the beginning of the decade but that is another story altogether which ended up seeing his silver being sold for a nice profit to fund the new SLV ETF at the time it opened, but that is still unconfirmed but the only possible explanation.

Warren owns a huge insurance agency and knows full well about the devaluation of paper currencies including the US Dollar. If anyone should understand that physical gold is a form of insurance against paper currency devaluation it's Warren.

In recent years it's become more and more obvious that Warren Buffet has become a shill for the government and big corporations and he is just trying to talk gold down for the powers that be who do not want gold to soar. That's it, plain and simple.

Ignore Mr. Buffet when he talks about gold

While the gold smash-down was blamed on Ben Bernanke squashing hopes of further QE, earlier in the day the ECB injected €530 billion into the banking system. The US does not dictate what gold does, it's a worldwide market and the facts are that massive QE is still going on.

It's all smoke and mirrors and double-talk. From my perch, the fundamentals for gold and silver are well intact. Currencies are still being debased and governments still have a massive debt and spending problem.

Until that is solved I'll be a heavy precious metals bull and think everyone else should be too.

Iran says they have no issue [accepting gold as a means of payment](#) to avoid the stringent sanction being imposed on them for their oil or other goods. What else can we expect them to do? They need and want to sell their goods and they will do whatever it takes to do so. It just so happens that gold is a much better swap than paper currencies or even more likely computer entries.

We only saw [one bank fail this past week](#), late on Friday evening as usual.

The large and rich Las Cristinas gold mine in Venezuela is [now said to be developed jointly with a Chinese company](#). The mine has a storied history including supposed curses and it has been for any company trying to work on it to date as the small Canadian company who developed the project saw Venezuela nationalize the mine after all the hard work had been done and before mining began.

Here is a fun video where [Ron Paul has his way with Ben Bernanke](#). Ron makes some great points regarding the debasement of currencies over the years and makes a great case for physical gold and silver as a result.

In my opinion the biggest joke in the auto industry is the Volt and now it appears I'm not the only one as the company [has to halt production for five full weeks](#) as a result of lack of demand leading to an oversupply issue.

Don't worry about your gold and silver, they are fine and in fact on sale so do what I do during big flash sales...BUY!

Have a great weekend and week ahead, and thank you so much for reading. Things can only get better from here!

Warren Bevan

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