

Precious Metal Stock Review

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Messy Markets Are Tidying up

With a bank run in near full force in Greece and the country on the verge of exiting the Euro while still searching for a leader the world markets are reeling but gold and silver are finally catching a bid.

To say times are tumultuous is an understatement, but there are some signs of a bottom being near if you know what you're looking for, at least on a near-term basis.

Let's talk about those signs some more as we look at the precious metals charts.

But first, I am still working on doubling the swing trading portfolio from my May 1st offer which is that any subscriber will not see their subscription length actively begin until I double the swing trading account, so it's free until then.

It shouldn't take much longer so as an extra bonus, no matter if I double it Monday or not, everyone is free until the end of the month of May regardless.

[Feel free to join in on this awesome deal and learn much more in depth thoughts daily from yours truly.](#)

Metals review



Gold actually rose 0.60% this past week after seeing a total smashing the past couple weeks. Wednesday printed a Doji bar which is often a sign of a trend change to come and this bar was much more apparent on the GLD ETF chart which isn't shown here.

Sure enough gold dusted itself off and roared back some 70 points in 2 days.

Tuesday saw some good buying on volume in many gold shares which was the tipoff that the low was coming in on gold soon, and it did the next day.

I think I've called two bottoms in gold already this year and they haven't panned out.

I'm not quite ready to call another one but if this little U pattern continues and the price breaks out above the \$1,610 level then I can be pretty sure a bottom is in and then it will be once again time to look at the mining shares whom are at ridiculously oversold levels here now.

We also could say we now have a double bottom on a weekly chart with the first bottom coming in late 2011.

Speaking of the weekly chart, it is very bullish here with huge volume and closing the week very near the highs. This is a very good sign that the bottom is now in.

Volume in the futures market and the GLD ETF was very strong off the lows and is what we need to see at important bottom levels.

The week ahead will tell the tale though. There is a boatload of cash coming out of the stock market from wealthy large players who are opting for hard assets and gold will be one of them.

I talked last week about my thought that the markets were going to have a major move lower and we've had a good one so far but nothing compared to what will occur if, or when Greece leaves the Eurozone.

Although, are definitely signs that we are approaching a short-term bottom in the US markets and the fact that the major US trading firm called for people to short the market this past week is often a call to do the reverse.

We've got a Dow Theory sell signal in place right now but the game is so rigged and setup to take your money that I do not trust it, especially with a sell signal in place by the firm that is said to control so much of the market.

Last week I called for a move to at least the \$1,550 area and we got that so I'm getting more confident by the day that our new low for 2012 is in place.



Silver was down 1.42% this past week. Silver didn't put in a Doji bar as gold did but it usually follows gold and it did late this past week.

It was good to see the \$27 support level hold strongly as the \$26 level would have been next had it not held.

The next buy area on a technical basis is a move above \$29.

The futures volume was nice off the lows and so was the SLV volume. At critical areas we need heavy volume in order to confirm a move and that is what we saw in silver this past week. It looks like the low is in for now but I'd like to see \$29 bested before being more certain.



Platinum moved lower by 1.65% this past week but bounced off support I market on the chart last week. Great action all in all and a low looks to be in with a good degree of certainty now.

A move above \$1,475 would make a the possibility of the \$1,425 test a low and we should know this week if this is to be.

Volume was very nice off the lows in the futures market and decent in the PPLT ETF. It would have been nice to see more strength in the PPLT ETF and this raises some flags so we will see what the week brings.



Palladium was basically flat for the week having fallen only 0.01%.

Support at \$590 was tested and held even though I thought we'd see the \$570 area come in as support.

We've got another little U pattern here in palladium and the breakout would be a move above \$624 or so.

It's interesting to say the least to see a U pattern in gold, silver, platinum and palladium all at the same time. Very interesting indeed.

The US dollar has been on a tear and markets nor commodities like this as we've seen repeatedly over time.

The US dollar had risen some 14 days in a row which is a longer streak than we've seen in many years. 14 is a very important number in terms of cycles and forex is huge on technical jargon and sure enough the 14th day was the high so far.

If the US dollar continues back lower then we can expect a return to some semblance of normalcy as the markets and commodities should resume their uptrends. Is it any wonder the giant squid called for people to go short as the US dollar neared it's end run?

I think not!

It's all a big game that takes years and years to master and it's one which will never be perfected but taking the important pieces of the puzzle and assembling them properly can often make the picture clear enough to make some money, and that's why we're all here and what it's all about.

Fundamental Review

The big news for the week was the Facebook IPO. All in all it was very overhyped and lacklustre in the end, however the trading was absolutely astonishing early on in the day and then again very near the close.

I captured a video from my screen which included the 1 minute chart and a level 2 quote stream and it was flying by. I tried to do this the last few minutes into the close as the battle being waged at \$38 was unlike anything I've ever seen. The print was flat at \$38.00 and then the odd tick up to \$38.01.

If the stocks would have moved even 1 penny below the \$38 level then every single share would have been underwater and the sell orders would have come in so fast and furious that there is no telling where the stock would have ended.

Earlier in the day the \$38 level was also defended heavily. I know the underwriters were buying heavy there and would not allow a tick below, but it seemed as if they had some help from The Nasdaq as it just seemed like a 37 print would not be allowed to hit the tape even once.

This action is highly irregular as levels are always violated and it's the action after that that dictates the next move but in this case it was not to be.

This was the clearest and most public admission of manipulation I've ever seen as they even said on CNBC that the level was being defended and bought by the underwriters but it was quite obvious to anyone watching beforehand that that was the case.

The bulls and bears were sending huge orders through and it was truly a sight to behold. This lasted for several minutes before the close until my brain caught up with the reality of the situation and I quickly got the video recording process ready to go.

In the end, the bulls won the war and the bid moved off the \$38 level a bit and the intensity calmed just as I began recording. I still did capture some amazing action and [you can watch the short video here](#). Sorry about the lack of commentary, I was pretty awestruck and usually don't ramble much anyhow.

I've been doing more of these intraday videos for free as well and posting them through my twitter and stock-tweets feed so follow me there for full access to my market and stock specific thoughts in a timely manner. You can follow at iTraderz or Warren Bevan.

Ok, enough about Facebook, but I have to say Monday will be very interesting.

We saw only one bank fail this past week and it's only the second one in all of May! In fact only two banks have failed since the surge back on April 27th when we saw 5 banks join the 2012 list of biggest losers.

[Turkish gold imports to Iran soared in March](#) to 9 tonnes or \$480 million. It's unclear just why this is so, but it is clear that it has to do with major embargoes and sanctions being enforced on Iran. Gold is money and is being bought by Iran, traded for goods by Iran, or more likely, both.

South Africa has [loosened its tax grip on miners recently](#). Finally the country has done something right! The country has lowered rates from 43% to 34% now and this will greatly aid the current miners and also encourage new growth, although there are countless other hurdles to overcome. I am still not at all interested in any company operating in the jurisdiction, but this is certainly a good start.

Most countries are tightening regulation and increasing taxes, which in my view hurt the sector. If taxes were lower, investment would be easier, creating more jobs which are desperately needed.

I can't turn on the news here or open the local paper any-day these days without seeing massive cuts to government sectors or large increases in nearly everything from vehicle registration to burning permits.

It's truly getting out of hand and it's all caused by too much debt and not dealing with the issues at hand, rather the debt is just kicked down the roadway a little bit.

Let recession happen, they are good and they clean out the bad.

Markets are on a precipice at the moment and could tank much further and very quickly no matter how oversold we think they are for the time being

and I plan on fully taking advantage of it if they do. But I'm also ready to get long if they rip higher.

In 2008 I wasn't setup or focused and skilled enough to take advantage of down markets, but I am now and to be honest [I've made some of my best money in corrective phases](#).

I'm still not wishing or hoping for a crash but if we get one, the money will be rolling in, in a very big way.

In stark contrast to South Africa, [Ghana is imposing rules to now collect royalties monthly](#) rather than quarterly, but worse than the extra paperwork and hassle is that they are raising the corporate tax to 35% from 25% and imposing a 10% windfall tax and reducing capital spending write-downs.

This is more like what is occurring worldwide and it makes investing in mining companies increasingly difficult as the price of gold fluctuates wildly making it difficult to project and make consistent earnings. I assure you countries are much more quick and apt to increase taxes and regulations than they are to reduce them. It's a tough, tough sector to make money in still today.

Well I'm going to get out of the office and enjoy some sunshine and refresh my brain.

I wish you a great weekend and prosperous week ahead.

Warren Bevan

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