

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

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Memorable Charts

It's finally a long weekend in the US which means markets are closed Monday. The last thing anyone should be doing this weekend is working much and that includes myself for once.

So in that spirit today let's just cut to the chase and avoid the noise. I'm going to run through the daily and monthly charts only today and skip all the news.

As you know Europe's debt situation continues to deteriorate, unrest in the middle east is escalating, flooding is plaguing several parts of the Dominican Republic, US and Canada and the Japanese nuclear fiasco is far from over.

I didn't even make mention of the US spending crisis and insurmountable debt.

Once you boil it all down, the world is a mess in so many ways right now. The world didn't end last weekend as predicted, but it ain't pretty.

Charts really tell the whole story in the shortest amount of time, so being respectful of your precious time this long weekend, I'll do just that.

Metals review



Gold rose 1.61% for the week and looks good here. Clearing the resistance level at \$1,525 is a great way to head into the long weekend. The gold price has more or less stayed above the uptrend line that began in late January ever since.

So far this year gold looks like palladium did last year, it just kept rising steadily and holding its uptrend line. Adding to physical positions would be a wise thing to do near the uptrend line and that's where we are right now.

The GLD ETF saw strong volume early in the week but then it petered out going into the long weekend.

All in all, we're looking for a continued steady rise in gold which makes it a perfect asset to own, not trade.

We prefer to trade quick moving stocks that are breaking out from nicely formed patterns. One of which we took advantage of using options this past week and ended up almost doubling the swing trading account in only a few days.



Gold looks pretty good here on the 20 year monthly chart and this slow steady rise doesn't really look so slow on it. There is no reason to think that

gold will have a large correction looking at a chart with a technical point of view.

Even a move to \$1,400 would not look like much at all on this chart.

Stay long and strong, and if you're not long I suggest you do so soon, as gold will go much higher.

As always I think buying for the metal content, not historical content is the way to go. I firmly believe a heavy weighting of physical gold must be the basis of any portfolio worth it's salt today.



Silver rose a huge 8.36% for the week. It's not like we're breaking out to a huge degree or anything yet but this nice bounce is just what happens after such a massive fall as we've just seen.

I could see a range trade here between the \$40 resistance area and \$34 or \$36 on the downside working for a couple months or perhaps even through the whole summer as silver really should build some sort of base here.

But then again it doesn't take much money to move the silver market and interest in silver is increasing exponentially these days. There is no point in trying to predict markets, you just have to react and for now I'm not trying to trade this nor accumulate any more physical metal as we've got enough of that already.

If you are still building your physical allotment of silver I'd be doing it now while we're closet to the lower end of the range I mentioned above.

The SLV ETF saw quite weak volume this week, at least when looked at next to the massive volume of the past month. The volume tells me what I said above, silver is in a range and not yet ready to bust out into a trending move.



The monthly 20 year silver chart looks a bit scary. The major support level still lies way down at \$18.50. Do I think we test that level? Absolutely not. But crazier things have happened.

Testing this steep uptrend line recently is good although it wasn't all that much fun to watch. Actually, we had no trading positions on at the time and only held physical silver so it was actually pretty interesting and historic to watch it fall so quickly with machine gun style margin increases almost daily.

It will be fun to look at this chart in a few more years and see where we are. I suggest they'll be a 1 or 2 print in front of the other two numbers.



Platinum clawed up 1.64% for the week and is now threatening to break higher here above \$1,800.

I'm still wary of this head and shoulders pattern which could send platinum lower but it's close to breaking above the \$1,800 level which would be a bullish signal and end the bearish potential the head and shoulder pattern has here.

My stance in regards to platinum has shifted from bearish last week to mildly bullish this week.

The PPLT ETF volume wasn't great this past week at all and the extreme lack of volume Friday as the price tried to break higher makes me quite suspect.



For the most part the platinum chart going back to 1999 is pretty boring. A single channel with only two moves out of it has been the dominant pattern.

It's pretty simple looking at this chart. Try and buy near the lower end of the channel then just hang on until the channel is broken on the downside or look to take profits on a parabolic type of spike higher as we saw in 2008.



Palladium rose 3.49% on the week in choppy trading action. The direction is still up but some resistance should be expected around the 100 day average and downtrend line around \$780.

Volume in the PALL ETF was very weak for the week.

I'm not too keen on this chart at this time as we should see a range between \$700 and \$780 until it breaks out on the upside.



The monthly chart of palladium is a wild one but it's forming a triangle here which should be resolved higher by the end of the summer by the looks of it.

I'll leave you with that for the week.

Please be safe and enjoy your well deserved long weekend, I know I will.

Warren Bevan

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