

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

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Land Of The Rising Sun

It was an interesting week with US markets looking strong briefly, only to show us failed breakouts and then reverse hard along with many leading stocks. Oil was hit hard and the related equities followed.

Many oil stocks had super looking charts and broke out only to reverse, leaving traders either quick, or dead.

The gold shares unbelievably dropped en mass as well. It's just hard to imagine how they can get any cheaper, yet they are.

This is an historic buying opportunity right now. While the low for the miners may not be today, or next week, we are close and these prices will richly reward those with the patience and tenacity to hold through this period and doubly so those who add to existing positions or buy new ones.

On the bright side I love going short leading stocks and can make some fast money during times like these.

In that vein, this past week I decided to give something a try.

I know how hard it is these days for everyone but the 1%.

To be frank, business is slow as a result so I decided to throw a little goodwill out there.

On May 1st I offered current subscribers a free extension onto their current membership for as long as it takes me to double the swing trading account.

I am offering this deal to any new members regardless of how long you subscribe for.

So far I'm up nearly 40% so we've got a ways to go which means you too can make some money alongside myself as I give real-time trading alerts for the swing trading portfolio.

I just want everyone to be happy and prosper and I know many people who've made a hefty bit this past week following me.

I really am trying to help as many people as I can but I can't do it for free, but I'm doing it for as close to free as I can!

This also gives access to miners and dividend stocks I hold and the dividend stocks themselves pay from 7% to 16% so at the very least you can see which stable stocks I am holding for income if that's something your situation is calling for.

Well, that's enough shameless promotion for today but I really don't think you'll find a better deal out there anywhere.

[You can find out more details here if you'd like.](#)

I'm using a larger format charts from now on so you can see better the action I mention. I hope the change suits you.

Metals review



Gold fell 1.25% this past week in what was a tough week that had the look of heading lower until Friday. Friday saw a key reversal back above support after gold broke it's important uptrend line around the \$1,640 level.

So far gold's low I called here last week is holding but I was quite worried heading into Friday.

The shares are a different story altogether and I'll talk about them after I show all the precious metal charts.

If all goes well we should remain in this large triangle pattern for no longer than another week and hopefully head higher after that.

The 21, 50 and 100 day moving averages are very near the upper resistance level of the triangle so it's going to take a massive push to clear those levels.

I do still think the low is in for gold but we remain in wait and see mode until we see some positive high volume action higher.

Volume was quite strong in the futures market especially approaching the end of the week and then on Friday as the price held key support.

The GLD ETF only saw heavy volume Thursday and Friday as traders went short Thursday in a large way only to be stopped out Friday which saw strong volume as a result.

Gold has no direction for the moment but that is most likely to be resolved this week.



Silver slipped 3.20% on the week and also tried and failed to break below key support at \$30 which is encouraging. The silver chart is quite similar to that of gold which means we're still in wait and see mode.

Strong resistance above is seen at the downtrend line and 21 day moving average with the 50 and 100 day very close to the \$32 level which will act as further resistance if we can clear \$31.

We should expect to see some sort of break in the coming week and hopefully that is higher.

Volume was heavy on the lows in the futures market as the battle raged on. So far it's being supported, which bodes well for a move higher soon. The same type of volume was seen in the SLV also as \$29 was defended and attacked repeatedly.



Platinum dropped 2.96% this past week and looks ready for some more downside. Chart support is weak until under \$1,450 so I drew in some Fibonacci levels which often times work well in this type of move lower.

This move lower has been relentless and strong and is in all likelihood going to take us lower to the 61% retracement level at \$1,496 at the least.

Volume is strong on down days and there is no sign of a bottom being in yet for the futures market nor in the PPLT ETF.



Palladium fell 3.75% this past week after having moved above the downtrend line on heavy volume only to see volume peter out at the moving averages which tells you the item in question is not yet ready for primetime.

Now it appears we're heading to the uptrend line which lies just above \$640.

Volume in the PALL ETF and futures confirms we're heading lower as it's strong on moves lower at the moment.

To sum it all up gold and silver are looking to hang on here and possibly move higher soon while platinum and palladium are set for lower prices still.

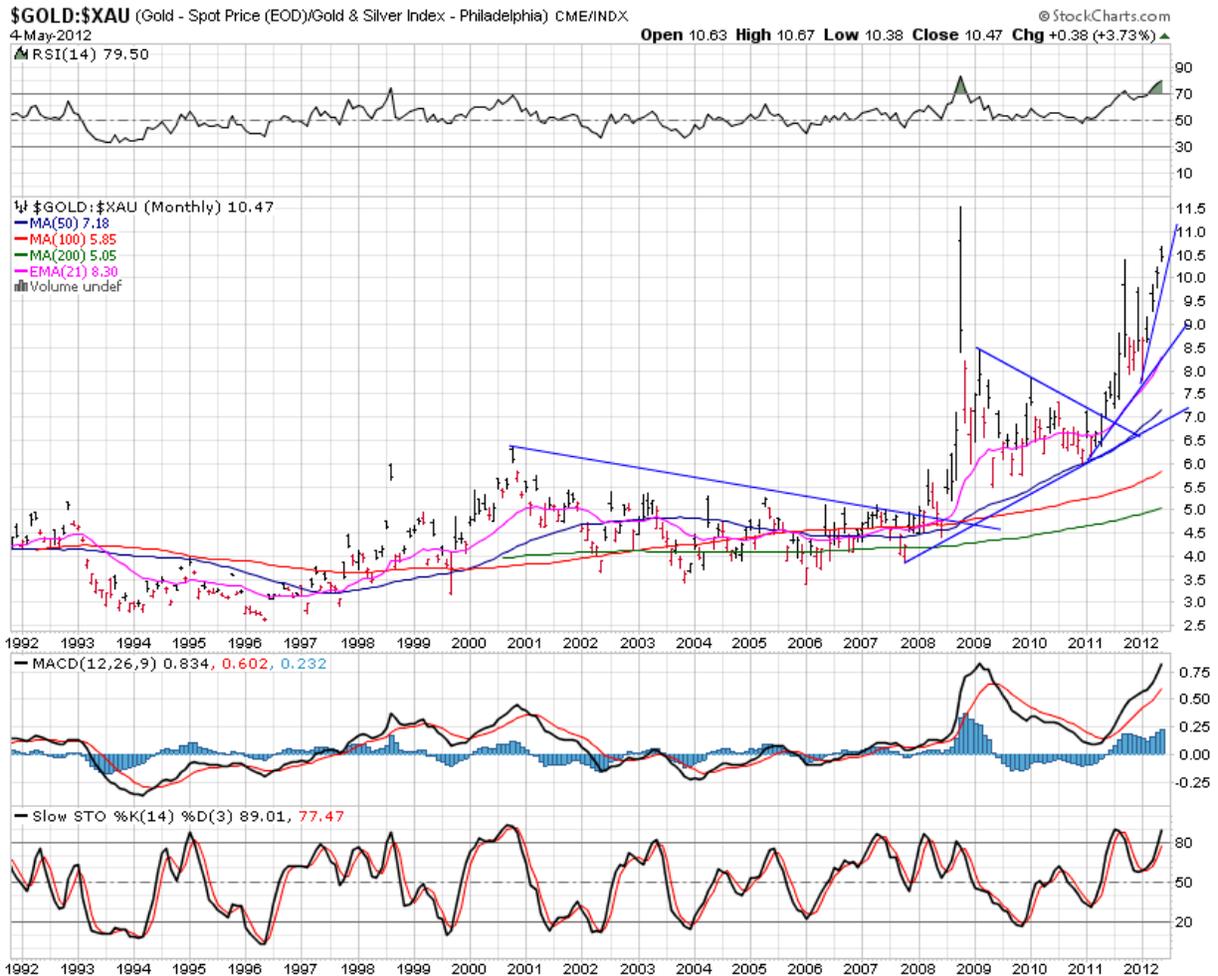
Fundamental Review

While gold and silver are in a basing process, the shares continue to be hit and it's very surprising to me. It seems like a capitulation move, and honestly it's one I did not expect.

I know many long suffering mining investors just can't take it anymore and are selling out at large losses just so they can sleep again. I truly feel their pain and sympathize.

It is no fun at all and really hasn't been any fun for 80% of the past decade as the shares have lagged the physical metal for the most part.

I really think we have to be very near a low though. Many of the companies I and [subscribers](#) own are super companies and they have no business selling at these prices.



While I do look at the XAU to gold ratio, for today let's reverse it as it's easier to see chart breakouts. The late 2008 breakout saw an insanely cheap ratio when it comes to shares and gold.

We're approaching this level once again and while this is a monthly chart, anyone whose done any amount of technical analysis can clearly see this is running into a parabolic top which will soon reach it's peak.

It's looking like a double top is on the horizon and it could come at any time at all.

Then look for a spectacular crash in this ratio which means the shares should finally catch up to gold.



Another very important ratio is that of gold to the Canadian Venture Exchange which is much more broad-based and representative of the whole mining sector, rather than just the large caps.

As is evidenced by the 2011 spike, things can get worse but the fact remains that picking exact tops and bottoms is a fools game and is a rare occurrence for most people. We are in a heavy buy area where we will see fortunes made. Not overnight in most cases, but this is as clear a buy area as you can possibly get.

While I can't tell anyone what to do, I urge you to be patient and not overreact, look away for a few months or so and if you're so inclined, add

existing positions here or soon and pick up your favourites who are on your shopping list.

I know as well as anyone that times are tough and money is tight.

Many writers are struggling with low number and slower business as investors and the general public are just getting by let alone having extra money to put at risk.

That's why I decided to give everyone a chance to try and make some money for free in the offer I mentioned at the beginning. I know that style of trading doesn't work for everyone but I am telling you, when I'm on my game I am very, very good and can make huge gains in very short amounts of time.

I am on my game at the moment.

That's not saying I'm perfect, I'm far from it and have had some harsh lessons and losses in the past and likely will again in the future although I'm constantly improving and fine tuning risk management strategies to allow maximum upside while reducing downside risk.

I'll leave it on that note and skip news and developments for this past week since there weren't that many and I think time is much better spent on trying to focus on making some quick money as well as finding the right mining company for you.

Have a great weekend and remember, it's always darkest before dawn.

Warren Bevan

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