

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

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Correcting

The G20 meetings this weekend seem to have ended as they began. The two heavyweights are China and the US. The US says that China must let it's currency appreciate since they have such a large external surplus.

But why should China let it's currency rise?

They didn't create all these dollars that in turn are forcing other currencies to fall in value, nor did they directly force the US to incur such a deficit.

The fact is the US has already massive and still growing unfunded liabilities that it simply cannot fund in any way shape or form except by devaluing the home currency which unfortunately at the time was the major global unit of trade.

Got physical Gold and Silver yet?

Metals review



Gold slid 2.96% this past week and began it's much needed correction. Gold was trading with more and more volatility recently and it was simply too difficult to trade, but my view remains to hold physical positions, and try and trade ETF or other structured products along the way.

Now we wait until we see a good sign of a bottom before beginning to build up another trading position.

Gold broke below the 20 day moving average which sparked a further slide to test the uptrend line. So far that line has held, but I don't expect it too.

I would like to see this correction move lower to the 50 day moving average, and perhaps a spike below that level to briefly test the breakout level

at \$1,260 where the 100 day moving average is converging quickly, in order to really shake out the weak hands.

It's those times where you have to go against the heard and step up to the plate by putting your money where your mouth is. That is what I will be doing once again.

Gold always has this type of correction about halfway through it's big move higher and it generally lasts two weeks to a month or so. We are one week into the correction already, so it shouldn't be too long now until we see the bottom.

GLD ETF volume was heavy on the down days and light on the up days this past week. It's to be expected during consolidation or correction phases such as this one. There will be hints within the volume here that will help confirm the absolute bottom, but not yet.



Silver fell 4.20% last week in a needed move lower. It pierced the 20 day moving average on an intra-day basis Friday, but closed the week above it.

If the 20 day average falls then I expect a move to \$22, or using Fibonacci levels, (not shown) \$22.16.

Support lies every 1\$ below here. There is no strong support until the \$21 level where the 50 day moving average is and below that \$20.

Silver is so volatile that I expect a quick move lower soon and when the spike low occurs it will likely be a panic as Silver falls over \$1 during the day, but then rises and closes higher.

I can't wait to get back into my Silver trading positions, but I will wait. Until then, I'll just play with my physical silver holdings. They feel so nice in your hands!

The SLV ETF saw huge volume on the down days and weak volume on up days. In fact Thursday's move lower saw the highest volume day on the six month chart I am looking at!



Platinum slipped 1.24% on the week but looks poised to stay around these levels before resuming it's uptrend. The 20 day average is holding price so far on a closing basis and that is very positive. If we do see a move lower I doubt it would extend past \$1,650.

The PPLT ETF didn't see much volume for the week, except Tuesday as the price tanked. In fact volume declined on selling pressure Thursday and Friday which tells me the conviction of the bears is minimal.



Palladium slipped only 0.49% for the week and doesn't look too shabby at these levels. The 20 day average is holding up the price quite well here. The uptrend line is also keeping prices strong.

As I've been saying for several weeks now the \$600 level is a big, BIG hurdle for Palladium. I wouldn't mind another week or two below \$600 but I may not get my wish.

The PALL ETF had strong volume mid week but it declined moving into the weekend. It's telling me we're in a holding pattern here which could

persist, or it could change in a flash. For now there is no need to be trading Palladium.

Fundamental Review

It's a proven reality that government as we know them are highly inefficient and in certain cases a fraud that should have authorities jailed.

A stunning revelation came about this past week as a judge at the CFTC was said to have agreed early on in his career, to NEVER decide in the favour of investors. He's been on the job for twenty years now and his record supports the accusation.

To NOT BELIEVE that markets, and that includes Gold and Silver, are not biased and geared to make the little guys lose is simple ignorance. If anyone dares to discard this evidence and realize that it's systemic and pervasive, well good luck to you sir, but you're not going to do very well in this world.

The SEC is no better. How do you think Madoff got off for so long even as evidence was literally handed to them.

As much as it pains me, you just can't trust the system and have to take action yourself. Using technical analysis to trade works great and ignores the details that can make your head spin. That's what I like to do....while sitting on a pile of real Gold and Silver!

It too bad this other judge just came out with this now as he is retiring. Too little too late in my opinion. Doesn't anyone have any integrity anymore...never-mind, I already know the answer.

Just wait though, it gets even worse. The retiring judge who let this little secret out was said to have decided on cases while he was dealing with mental illness and alcoholism.

He even spent 21 days in a psychiatric ward!

God knows we all have times when we feel like we're a little crazy, but actually being admitted is nuts!

News like this makes me look less and less forward to doing this part of the weekly letter every week. It's just so disheartening.

Here is a short interview about the CFTC fraud being uncovered.

Anyhow, there were unlucky seven biggest losers this past week as the banks failed right on cue late Friday.

As the global currency war escalates South African has succumbed. The country has [opted out of trying to halt the rise of their currency, the Rand](#). This will not help the already ailing Gold producers in the country.

Tim Geithner vowed this past week that they will not devalue the US Dollar for export advantages. Is he for real?

The US Dollar has lost 97% of it's purchasing power since it's inception and there is only one way for it to go. Lower

Sure, it may rally from here but on balance it's heading lower, much lower over time and that's the principle reason I have been and am so keen on Gold.

Gold will not lose value over time as currencies worldwide are devalued whether is be by design, or the fact that that's what happens to fiat currencies.

Actually, the South African Central Bank governor, Gill Marcus said the country can't afford to act more aggressively. That's something I like to see, someone with a sense of reality, and responsibility. Weakening your currency by printing more only hurt the populous in the end.

South Korea announced they are buying more Gold. The country only holds 12 tonnes so far and it's not said just how much they would like to accumulate, but Central Banks have no issues paying this much for Gold, and neither should you. Just try to do it on pullbacks.

Let's end with a funny. The time before elections is widely known as silly season, and silly it's been. Here is the [latest clip from The rent is Too Damn High Party](#).

What a great party name!

Until next week take care and thank you for reading.

Warren Bevan

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