

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

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The Fear Factor

Life is busy these days. I'll be relatively brief today and there won't be a weekend letter next weekend.

This week I want to talk about fear before we get into the charts.

Fear is one of our greatest traits as human. Whether it be the fear before jumping from height off a bridge or boat or cliff. The fear of a big move to a far away place, or the fear of losing money.

Overcoming these fears in life can lead to one of the most satisfying aspects of life and ultimately lead to a much more fulfilling, exciting and satisfying life.

Learning to harness these fears is pivotal.

I know I was scared looking down from the bridge deck, up some 40 feet, down to the water, which was below 0 Celsius in Greenland, but I overcame those fears and jumped anyhow.

It ended up being fabulous as the thrill of the jump took away from the cold of the icy waters. It also brought upon myself and the other passenger who jumped from height some sort of minor celebrity among our cruising brethren and I met and came to know many more much better as a result.

I was also scared when moving out west to the big ski mountains the first time, and even more scared when I moved to Asia! But I held the fears in check and dealt with them. Those ended up being some of the fondest memories I hold dear.

Of course there are many more fears I've overcome, but time is limited.

I would be a sliver of the man I am today had I stayed home and lived my life in my box or comfort zone.

I still get scared today when I send out these weekend letter that it will be rejected. While the fear isn't as much as it was years ago when I began writing, it's still there and it ensures I do as well as I can on said date, and I fully admit sometimes I'm much better than other times still.

I'm still scared right now as I'm doing my final edit of this letter.

In reading it, I think it may be some of my best, most relevant work, but the websites who publish this may well disagree and it's them who have the final say.

Only time will tell as this either gets published on many sites, or maybe it's just going up on my site this week.

So what does this have to do with investing?

I get scared constantly when trading.

For example the big phone and computer maker, who reported earnings Thursday had a big move Friday. It rose and was rejected right at a Fibonacci level and even though the trend was higher, I had to harness my fears and take the other side and go short.

I did and covered some \$10 lower, only to watch the stock drop another \$10 or so to another Fibonacci level.

At that point the stock was off over \$20 from it's high and the easy trade would have been to follow the trend and go short, but I knew it was a significant support level [as did all my subscribers as I've been showing these levels almost every day for a couple weeks now.](#)

I went long and watched the level hold during a few tests and I was scared the whole time. I knew I had stops ready to go off and my losses would be limited, but then the stock began to move higher.

I watched as my profit began to grow and I started peeling off some profits into strength.

By the time I cashed in the last of my positions, they had turned from Some \$1.40 to over \$9 per options contract in only a couple hours. The mornings short trade was just as good too and would have been almost a 12 bagger had I held from full top where I got in to full low but I was out too early.

My fear of losing profits got the best of me and I left them on the table.

I'm scared all the time trading. Scared to lose money, scared to lose profits, scared to let it run a little more because "I know I'm right".

That brings me to the opposite of fear.

When I know I'm right, I lose the most money every single time, because I have no fear. I'm cocky and am smarter than the market, but then I go to bed a hell of a lot poorer and usually a bottle of wine shorter.

In short, my fears rewarded me because I respect them usually, and embrace them.

If you study charts and have decent technical analysis skills you should be able to find proper entry and exit point.

Then I sit around bored and watching and waiting for them to be hit.

Then, all of a sudden it's go time, and real.

My fear index goes from 0, to be a hero in no time and I have to embrace it and be a hero.

Deploy your capital as you had prepared and watch. If your stops are hit, so be it.

Most of the trading game is study and sitting around waiting for the trade to come to you but when it does, your emotions always come into play and I find the hardest trades which conjure up the most fear and doubt are often the best trades.

Learning to harness and use your fear is key. Everyone is different and we all have to go on our own inner journey to discover ourselves but once we do understand ourselves better and conquer our fears life gets better than you can imagine.

I'll never be perfect and I'll never know it all, I will always be learning about myself and investing and trading, but I'm not scared to be scared of the unknown, I embrace it....but it still scares me!

Let's check out the precious metals charts who are nothing to write home about this week.

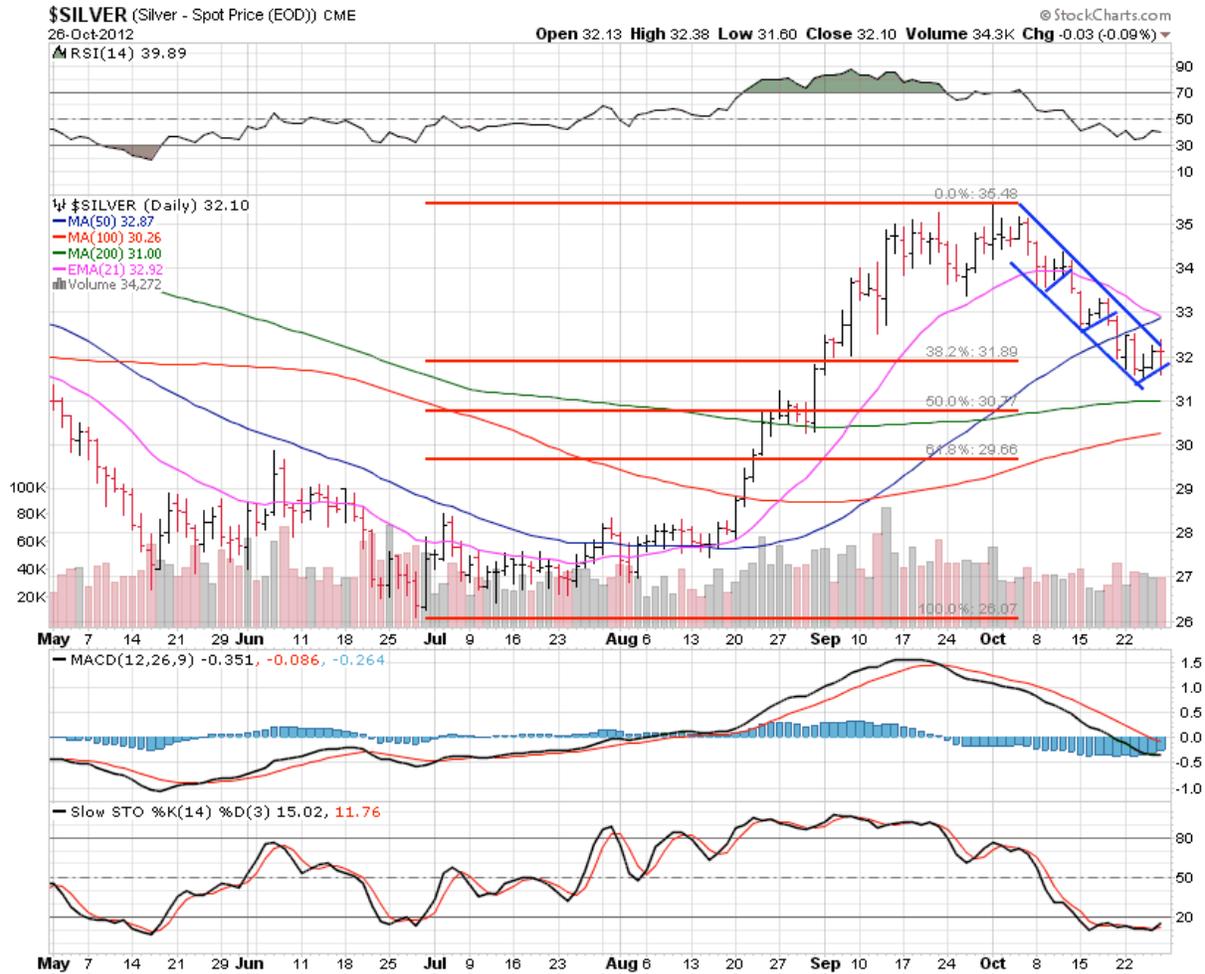
Metals review



Gold fell 0.59% for the week. Gold has a strong support level at the \$1,700 area with its uptrend line but it's forming yet another bear flag here which points to a test of the 100 and 200 day moving averages.

I'm not keen on calling a bottom here, nor do I feel the kind of fear that I tend to feel at turning points. A spike blowoff type of move lower to \$1,650 to shake out as many longs as possible would have my fear index saying buy most likely.

Until then I just watch the action.

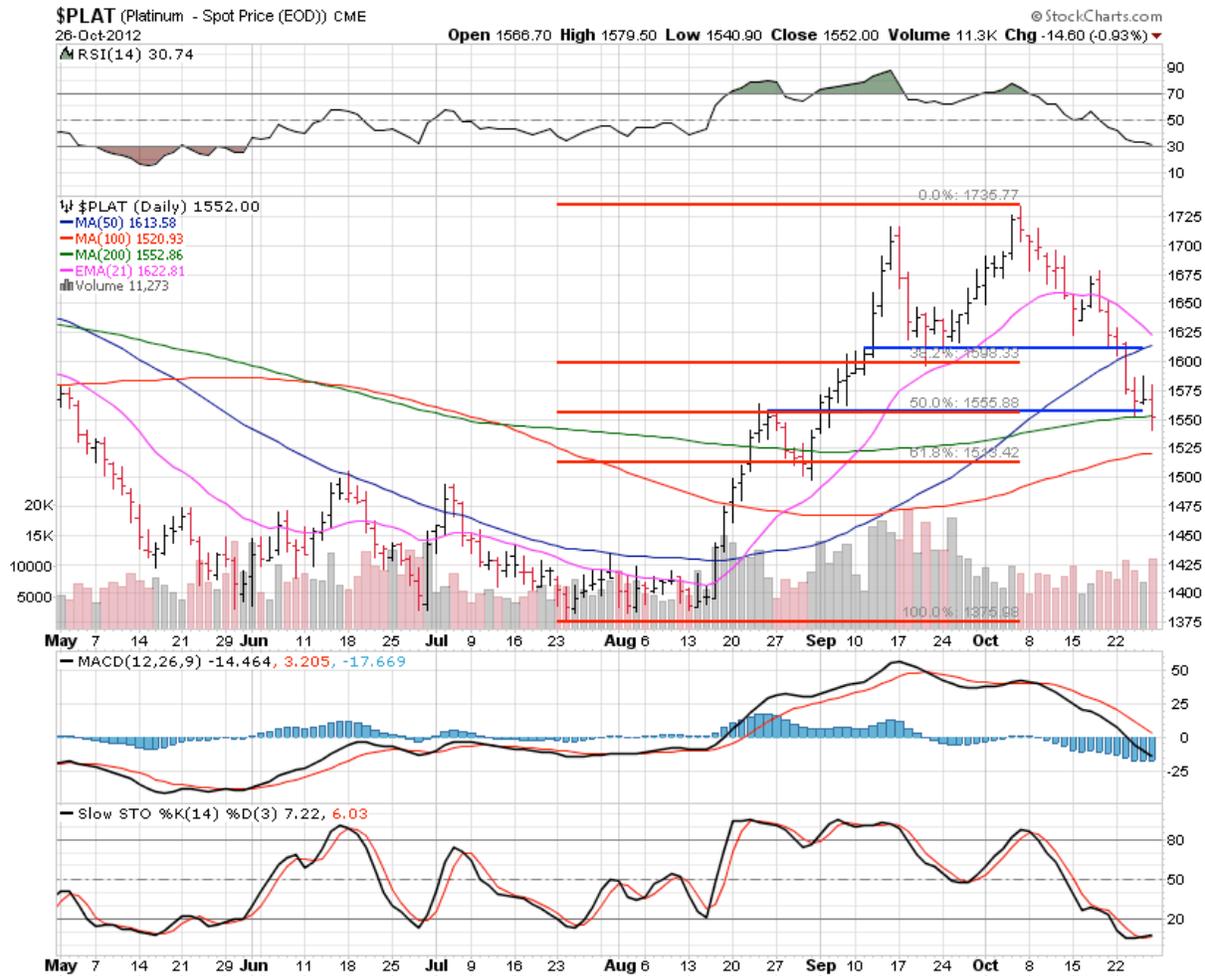


Silver fell only 0.05% this past week. I don't think it's correction is through yet.

I think we head to the 200 day at \$31 and possibly an overshoot to the downside to really bring in the fear near the \$30 area where the 100 day moving average sits for now.

It's got a pretty well defined bear flag here now, as does gold, and we could see a larger move lower this week.

I'm just watching the action as I've got my physical position and there are much better trading vehicles out there as I detailed above.



Platinum fell 4.39% to its 200 day moving average as I suggested was highly likely.

It overshot a little to the downside and could well move down another \$25 to the 100 day average and the 61% Fibonacci level.

Right now we're finding good support here at the 200 day moving average and the 50% Fibonacci level. It's funny how those work often times.

Platinum is definitely probing for a low here but I'm not too sure if it's yet in.



Palladium fell 4.47% for the week. It's tested and held strong support from back in July but it's building a bear flag here now.

I'd love to say it looks to have bottomed but I don't yet see that sign.

Thank you for reading and good luck in this volatile but very profitable market!

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Warren Bevan.

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