

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

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Revelations

What a fantastic week for those in the camp who've known that all was not as it seemed in the Silver market. I delve a bit more into it later, but there are a few widely quoted "personalities" who have so much egg on their face now that it will take weeks or months to get every last crack clean.

In general, the markets didn't do a heck of a lot this past week, but the precious metals markets seem to have now resumed their upwards trajectory with nary a real correction which means I'm not positioned trading wise as of yet, but that should change over the next few trading days.

Both the US elections and a major Fed meeting are taking place this coming week and I expect markets and metals to be volatile one way or the other. I think being cautious as these events unfold is the right approach.

But I've been wrong before.

Metals review



Gold rose and unexpected by myself 2.26% this past week. It seems things are not as they used to be. A correction that could be counted on as sharp and violent is simply not taking place this leg higher in Gold's secular bull market.

You'd think I must be a bit unnerved as my trading positions were exited some time back, at a nice profit mind you. But no. I'm quite happy actually as this near non-existent correction means Gold is trading much more powerful now than in the past.

Investors want it, and they are not waiting for the big moves lower. They are scared of the path economies are on and need a safe place to park some cash.

We certainly could see a move lower, but Gold did break it's flag pattern Friday which would target the \$1,580 or so level in around a month and a half...just in time for Santa Clause.

Gold has cleared the resistance level at \$1,355 and is now looking to surpass all-time highs again, at just above \$1,380.

The GLD ETF volume for the week was mediocre with slight ticks up later in the week, but Friday's breakout did not see a big volume increase. Normally this would be bearish, and it may be. But the story is getting out, that you really do need physical Gold, not a supposedly physically backed product.

My view remains to trade ETF's, and sit tight on your physical position.

Once again I ask you, how many people do you know who own even one Gold coin?

I get anecdotal emails of this every day and I can tell you when someone brings a coin into work for the fun of it, the reactions are priceless! Try it.

Try it with Silver too, the reactions are usually something like "That's it? It's only worth \$25. Maybe I should get some!"

Gold still remains cheap in the big picture, even if we correct hard next week.



Holy smokes!!! How about Silver this week! There is much to get into which I will in the fundamental section below, so let's start with this stunning chart.

Silver got up and went higher 6.23% for the week, half of which came on Friday alone. The revelations (talked about below) have been a long time coming and have woken the silver dragon which looks headed much higher, quickly.

As with Gold, Silver broke it's flag pattern which is much more defined here in Silver. This chart is powerful and measuring the move takes us to about the \$30 level in about a month.

However on the way to \$30 the level slightly above \$25 dating back to the very early 80's should act as slight resistance. After that it's all but clear sailing all the way to \$50.

I'm not saying this will happen in a couple months, but it could as the now now more accepted public fundamental are in the open. I've said before that Silver has a lot of catching up to do when compared to Gold. If it were to have broken it's all-time high to the same magnitude as Gold has done, it should be above \$80.

The SLV had strong, but not explosive volume for the week with the most coming on Friday's breakout. The ETF's may be becoming more and more irrelevant as investors realize buying the real deal is the way to go.



Palladium ripped higher by 6.58% on the week and left the important \$600 level in the dust. It's broken out and is now on it's way to much higher levels. It should over time again surpass the \$1,000 mark. And it will do it much more quickly than Gold did from the \$600 level.

Palladium is near the upper end of it's uptrend channel now and could slow it's ascent for a short time, but perhaps not. Commodities remain in a powerful move higher, easily seen by looking at the CRB index, which keeps hitting new recent highs after new recent highs.

The PALL ETF saw strong volume with the highest day of the week being Thursday, not Friday's large move higher which is slightly suspect.

Everything points to higher prices here and now though.



Platinum rose a small, but constructive 1.67% for the week as it works its way through this high level chart pattern. There was no breakout in Platinum as the other three metals I cover here left it behind.

It's only a matter of time now though until it breaks above this little triangle or wedge and heads towards resistance at \$1,770. Once that level is cleared it will be heading towards its all-time highs at \$2,300.

As the great Jim Rogers said many years ago, commodities are the place to be invested. Obviously, he remains right for the foreseeable future, which in my eyes is at least five years, and likely at least double that.

The PPLT ETF saw quite weak volume except for the mid-week down day. Low volume in the consolidation pattern is great, and what I like to see before the next leg higher. Basically it means nobody wants to sell it here.

Fundamental Review

Well let's not beat around the bush any longer and get right into the [bombshell news](#) issued this past week by CFTC commissioner Bart Chilton. In regards to Silver he said; *"There have been fraudulent efforts to persuade and deviously control that price,"*

[Here is a video interview](#) between the perennial bear John Nadler, and the bull David Morgan. It's a must hear.

I do not understand why Jon and several others remain such bears on the precious metals prices and continue to refute any allegations of nefarious trading.

It takes the most courage to admit you were wrong, but it is the only way to earn or regain respect. Heck, I'm wrong all the time and have no problem admitting it, as long as I cut my losses relatively quickly it's no big deal.

Laughter is the best medicine, even if it's at yourself.

The following day [a lawsuit was issued](#) against the obvious perpetrators of the price controlling scheme. It's obvious because these entities control the largest amount of Silver in the futures market where this fraud occurs.

I don't have much to say other than, it's about time. The admission speaks for itself.

Actually, come to think about it, I would like to once again thank the perpetrators for holding Silver and Gold lower for so long. It's allowed myself

and so many individuals and [subscribers](#) to accumulate physical product at far lower prices than we should have been allowed to, for far too long.

Unfortunately, it appears we will all have to pay up, and pay up significantly for our next purchases.

Thank you very, very much from the bottom of my heart, bank account and vault ;)

Larry Kotlikoff said recently that the [US government debt is in fact \\$200 trillion](#), or 840% of current GDP rather than the underreported number issued by the government of \$13.5 trillion or 60% of GDP. Now THAT is scary, and just in time for Halloween!

He echoes something I've said many a times, the US is bankrupt.

A report was released last week which includes a short video. It states that [US unemployment is actually 17.5%, and 22% in California](#).

It's also emerged from the shadows that the [US hid losses from the great bailout](#) of the huge insurer. Apparently the US Treasury hid \$40 billion in taxpayers losses which were discovered after they abandoned their fairytale method of valuing investments earlier this month. The original lie was that taxpayers only lost \$5 billion, still a hefty sum.

If you still believe Government numbers, stats and reports to be accurate, give your head a shake. Not to be rude or disrespectful, but seriously, wake up!

Santa's not real, nor is the Easter Bunny or Tooth Fairy.

The game is rigged and the only way to survive and prosper is to accept and understand this and use it to your advantage. It's your choice. Be ignorant, stubborn and broke, or wise, skeptical and rich.

Sorry for being so brutally honest, but it is what it is, and there is no point in me sugar coating anything for you.

Can you handle the truth?

I wish I could value my investments as the US government has. It would be all roses and chocolate covered strawberries then!

But the reality is I have losses all the time, but as long as the winners outpace the losses and I keep the losses relatively small, it all works out.

It's still my plan and method to have a large percentage of my wealth in physical metals and a portion of the rest I trade. I use options, ETF's, and

stocks to try and grow that. I trade anything. From the big tech companies to Oil indexes to Gold and silver indexes. I don't care, as long as I think it has a chance to grow the trading portfolio.

You can get [real-time updates](#) on the trades I do make which have a reasonable chance to work out, and we even get the odd huge gainer. Well over 100% in a short amount of time even. But whether you [subscribe to my daily morning updates and real-time trades](#) or not, you should be holding and still buying physical metals.

On the subject of trading, more and more stocks have weekly options now in addition to the traditional monthly ones. Prices would always seem to be pegged to a certain strike price as options expiration approached maximizing the option sellers gains.

It was very evident Friday that this is now occurring every Friday as the weekly options expire. It's just one more of the many, many little intricacies to watch out for when trading options.

You can easily find a list of the weekly options available at the CBOE website or by simply looking at option chains for any stock you are interested in trading.

While this is certainly an extra pain in the butt, it can be used to your advantage by trading intra-day nearer options expiration. Or even selling options.

Last week I brought the farcical article to your attention where Timmy Geithner was so adamant about not devaluing the US Dollar. In sharp contrast this week the Chinese Commerce Minister said [the US dollar printing is "out of control"](#). And this coming week we have the QE 2 announcements. I can't wait to hear what other creditor nations to the US have to say after this announcement.

I won't get into the devices on planes which arrive on US soil late Friday other than to say, if they were discovered in Dubai, why didn't they deal with them there? Obama said he became aware of the "threat" on Thursday evening.

Why was the plane allowed to continue to the US?

What if they were bombs and exploded over US soil with some kind of chemical agent being released or any scenario like that.

It could be a practice run by terrorists. It could be a ploy by the current powers who can now say. Look at the job we just did to protect America. Vote for us!

I don't know and won't spend any more time on this issue, but so far to me it's really an event that was handled poorly. Something definitely smells fishy, IMHO.

The IMF [sold more of their allotted 400 tonne](#) Gold sale in September. They sold 32.3 tonnes, which is 1.04 million oz, with 320,000 going to Bangladesh. It's not been disclosed who the rest went to. This arouses my suspicions, but I haven't a clue as to why they don't say where the Gold went. Maybe they sold it back to themselves!

This is something that should be done elsewhere in the world and especially in the US. [Vietnam has stopped banks from selling customers Gold](#) and using the funds for loans or other self-serving purposes. It should be illegal everywhere for the bank to loan out something a customer has deposited with them. After all, you let the bank hold something to keep it safe, secure and there.

There will come a day when the customers demand their Gold, and if it's gone there will be hell to pay. Vietnam realizes this. So do other countries. Sadly, they don't care.

When it comes down to it, the issue will be settled in cash. You must have physical possession or as close to it as possible of your metals or else you likely don't actually have them. Also, if a bank sells your Gold it adds to supply in turn keeping prices lower, or letting them rise more slowly which should not be your goal.

Well that's it for this week, I hope you have a great, happy and safe Halloween and I'll [leave you with this incredibly cute, hilarious video of some little kids fighting Zombies](#) like their live actually did depend on it.

Until next week take care and thank you for reading.

Warren Bevan

In my free, nearly weekly newsletter I include many links and charts which cannot always be viewed through sites which publish my work. If you are having difficulties viewing them please sign up in the left margin for free at <http://www.preciousmetalstockreview.com/> or send an email to warren@preciousmetalstockreview.com with "subscribe" as the subject and receive the newsletter directly in your inbox, links and all. If you would like to subscribe and see what my portfolio consists of please see [here](#).

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