

# Precious Metal Stock Review

*Bridging Wealth Protection and Wealth Creation*

[www.preciousmetalstockreview.com](http://www.preciousmetalstockreview.com)  
4, 2010

September

## GLD Sham....WOW!

Ahhh, the curves life throws at you sometimes still amaze me!

I'd worked all summer in anticipation of taking a two week vacation...now. I was set to sail through the fabled Northwest Passage on a luxury icebreaker but six hours to the northern "port, if you can call it that, of Kugluktuk the ship ran aground on a large uncharted rock.

We toured around Edmonton awaiting news for a day, visiting the museum and art gallery. Alas, the news came in later that day and was bad. The ship could not free itself and the 16 day voyage was off.

Now it's apparent that all 2010 expeditions on that particular ship are canceled since it must undergo a rigorous inspection and possibly a repair process.

There are no ports equipped to handle a ship of that size anywhere near it's current location. It's going to be a long journey, hopefully not tow, to a port where the ship can be accommodated. I'm guessing either Vancouver or Halifax.

The passengers who were on the ship at the time were all ok and evacuated by the Canadian coast guard almost two days later.

I knew it would be a bit of a wild trip, hence the reason to go, but I never expected the waters were quite that uncharted. In fact the maps used are from 1997, the last time the area was vaguely charted.

Apparently Paul Allen is heading through the passage as I pen this missive too. Would have been fun to run into him on his luxury \$100+ million yacht, Octopus.

Maybe next year I'll get a vacation!

I did however take it pretty easy and enjoy some rays this past week but there are a few pressing things I'd like to bring to your attention, hence the unexpected letter.

The markets were strong on the week, but volume was low making the moves higher suspect. After the Labor Day long weekend we should begin to see volume pick back up and see where these markets really want to go.

Hurricane Earl is hitting here now so Let's get right into it before I lose my power!

## Metals review



The Iraqi war is winding down but the gold war is heating up. Gold rose 0.74% for the week and continues to March higher. It's got a steep uptrend line which can only last so long.

Right now the \$1,250 area is posing resistance as it should. The \$1,260 area will be tougher. It would be nice to see a base form here for at least several weeks but as I mentioned in previous letters, it seems as everyone in the mainstream is now bullish on Gold for it's usual fall rally. That makes me extremely nervous and ready to sell my trading positions.

Please read on for some vital information on the GLD ETF, which saw nice medium volume with higher days as Gold moved up, and lower as Gold consolidated it's gains.



Silver continued to soar and rose 4.09% for the week. It's uptrend line is absolutely ridiculously steep and very unsustainable. That cautionary note given, silver is notoriously volatile and erratic. Looking at the recent move, the long, strong resistance area at \$18.50 looks like nothing. Someone is pushing the tiny silver market higher, now. It can continue.

This move is long overdue and welcome by myself. For the next area of resistance you have to look back to the early 2008 period to see it's bull market to date all time high of just over \$21. That should be tested in very short order.

The SLV ETF has seen very strong volume on breakout move days higher which is exactly as it should be. Looking at the volume tells me this move is very sustainable for now.



Palladium continued its advance moving higher by 5.31% on the week. It continues to lead Platinum and has a stellar chart. Looks like the next stop will be the \$550 level which could very well be seen this week, but I'd prefer to see it retest support at \$520 and build a bit of a base before continuing its strong move higher.

One thing is sure, I wouldn't want to be short here.

The PALL ETF saw week volume as summer winds down. Having no volume to speak of as price shoots quickly higher makes me nervous, but I still would not be short yet.



Platinum rose by 1.70% for the week after bouncing off the lower end of this \$100 trading range. The 200 day moving average should pose some resistance here, but the upper limits of the trading range are all but guaranteed to be hit in the near future.

As summer winds down, so do vacations and I expect the upper limit at \$1,600 to be bested on this test likely. That is, unless the general equity markets fall apart. I am happy to be here to see the start of trading after labor day, as nice as the trip through the Northwest Passage would have been.

A slight pick-up in the PPLT ETF volume as Platinum moved higher late in the week is positive. But still, volume is very, very low so I can't read much into it.

# Fundamental Review

Ben Bernanke said recently that he wasn't as straightforward as he could have been when being questioned by congress on the failure of a major financial institution. So now this begs the question.

Is that a lie and will he be indicted like Roger Clemens?

Fat chance I'd guess. I couldn't write a stranger story.

There were no failed banks last weekend, nor this past weekend making it a stunning two weeks in a row that the FDIC boys and girls took off.

The Senate is trying to sneak, as they usually do, a bill through which is hidden within a much larger bill. They are basically trying to give themselves the power to shut off the internet in a national emergency. I recall the Iranian elections not so long ago when the same thing occurred. Where do you live? What type of country do you want to live in? George Orwell's 1984 rings truer every week.

It still does not compute in my mind why so many bills are passed at once to begin with. In reality every bill is a totally separate issue. If it was the case that every bill had to be scrutinized individually, we would live within a far less complex web of rules. I dare say, it would be a much better world.

The media's controlling interests control most of the world in reality and having them be able to take this step is just too much, but I'm sure it will happen. And who's to say what a national emergency is in the first place?

If, god forbid, a 911 event were to occur again why would the internet be shut down? This bill basically gives the US government and their keepers power to shut down any part of the internet they don't like at any time for any reason. And if they don't have a reason they can make one up since you won't be able to verify it on the internet. Be prepared to say goodbye to your favourite sites where you go for truths.

The ECB held interest rates steady at 1% and reiterated their stance that they will issue UNLIMITED one-week, one-month and three-month funding until early 2011. Catch that word?

Unlimited is not a word I like to hear used by central bankers when they talk about basically printing money.

The amazing unfolding [story of the trapped Chilean miners](#) looks like, it will have a happy ending as they now can supply them with essential foods and liquids through a small drill hole. My thoughts are certainly with them still though.

It's estimated to take up to four months for a new shaft to reach them. That's a long time to be in a cave basically. They'll need to work on their tans once they resurface, albeit slowly.

I talked in the last letter two weeks ago about the supposed disappearing oil. It was just too hard to believe that most of the oil spilled could have simply disappeared, and if it had then what was all the stink about in the first place, and why ban off-shore drilling?

It all just seemed a bit too cozy for my liking. As it turns out, one of the scientists who was part of this government, obviously fictitious, "report" has now rescinded, and [said 3/4 of the oil is still out there](#). I don't know what tactics the government used in the first place to get this guy to sign off on this "report", but this obviously poor attempt to lie by the US government is disgusting.

In my view nobody really knows how much oil is out there, or where it is, at least their not admitting it. Everyone says oil floats so it would be easy to spot. Sure yes, light sweet crude oil or refined oil does float but the heavier type of oil coming from this specific well contains many other minerals and particles which would not float.

Certainly some would float but the majority of the oil would remain attached to heavier particles and be moving somewhere in the gulf largely undetected. The worst has yet to come in my view, I hope to god I'm wrong, but pretending everything is ok is wrong. I won't be eating any shrimp for a while, I assure you of that.

Now we hear [another oil rig has seen a fire](#). Details are sketchy as to be expected and I hope to god this one doesn't sink. It is being reported that a mile long 100 ft wide sheen of oil was seen emanating from the rig though. Perhaps it's another leak.

The waters fine folks! Enjoy your Labor Day long weekend in the Gulf!

This next rant is the real reason I decided to get this letter out rather than take the weekend off, and also why it's so important to get this out to as many people as possible rather than just [subscribers](#).

Jason Toussaint did [an interview with Canada's business channel](#) recently. It's a must watch interview, where he looks like a deer in headlights, with

tonnes of little interesting tidbits, but what is most important is his post, and his holdings.

Jason is the “Managing Director of Exchange Traded Gold (ETG), the World Gold Council's global initiative designed to promote and develop the gold Exchange Traded Fund (ETF) and Exchange Traded Commodity (ETC) market.”

Jason states at the end of the interview when asked what he holds that; “I have some physical (gold) and I also own some gold mining shares”.

Well after that interview where he touts the fully backed allocated state of the GLD ETF shares, you'd suspect he meant GLD shares when he said “physical”.

Thanks to the GATA ladies and gentlemen, who don't miss much, for pointing me in the right direction.

Jason does not hold GLD shares. He own the real physical gold, the kind I say every single week you must hold. Trade the GLD ETF, and own the real deal.

Neither Jason, nor any other officer or director of the World Gold Council (WGC) nor the GLD ETF itself OWN ANY SHARES IN THE ETF!

Would you invest in a company where NOT A SINGLE employee owns a single share of the company?

Neither would I.

Think about it, but that shouldn't take long. Then run out and buy more physical metals!

Billionaire Thomas Kaplan is investing heavily in Gold as well as select miners. I've said it before and will say it again. Follow the money!

Well, it's really storming hard here now and it's just a matter of time until the power goes out so I'm going to take a nice drive out to the beach and see what this thing is all about.

Enjoy your long weekend. It's the calm before the storm, so to speak.

Warren

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