

Wizzen Trading

by Warren Bevan

Chinese New Year Pulls Bid

We had a very quiet week all in all in terms of the markets and most stocks with some moving well but many failing their moves higher.

The volume absolutely dried up this past week with Chinese New Year in full swing as I warned about last weekend.

Gold and silver were absolutely hammered back to strong support levels as a result of no Chinese buying. It's no fun, but it's great if you are a bargain hunter with gold and silver on sale here now.

In fact, I took a small position in a gold ETF late Friday as a low looks to be in here now but only time will tell. In this type of market I had to take a small position and not risk much.

We've got a long weekend so I won't really find out if I'm right or not until Tuesday.

If you're squeamish at all then don't continue reading. The precious metals charts are bloody!



Gold was slammed 3.43% this past week. It sure feels like it was more than that thought.

Last week I talked about the triangle within the large descending channel. It looked ready to break higher but with the Chinese on holiday I warned that their lack of buying could see gold fall.

Gold never hit the buy point and broke it's uptrend line and 200 day moving average and never looked back.

Now we're at the very low end of the large descending channel which should mark a low. Using 15 minute charts Friday I saw a low put in and was trading around that. There are a lot of sign that a low is now in and with the Chinese coming back into the market this coming week we will soon see.

If you're looking for some physical gold, now looks to be a great time to lock in prices and if you want to trade it I'd say only use smaller positions for the time being.

This coming week I'd like to see us form a bit of a steep U type of pattern and head back towards \$1,660 where the 200 day average is sitting.

My trade is looking for a quick profit and I will be booking it quickly as this chart will take some time to rebuild now and the real breakout which will present a longer-term trading opportunity will not be here until we break out of this large descending channel.

This can change as the chart evolves but so far that's what I'm seeing.

For daily details on my thoughts which have been pretty accurate in gold, silver and many other stocks and the general markets [consider signing up for my Daily Trade Ideas.](#)



Silver took the brunt of the smash falling 5.12% on the week. The \$30 area is support for now and although we did close a little below that level we should at least see some consolidation here before we can get a better idea if this is the low or not.

Silver did not snap back nearly as well as gold did so I am not risking a trade in it here.

The volume was strong on the push lower which is never good but it is what it is for now.

Some may come up with lots of reasons for gold and silver being hit but the fact is the charts said to do nothing until gold and silver broke one way or the other. Charts talk to me and I listen.

Sometimes they tell me to sit and much less frequently they tell me to buy or sell.



Platinum could not shrug off the weakness in gold and slipped 2.08% on the week. I warned subscribers that the chart was getting pretty sloppy and that is always a sell signal. I recommended taking profits into strength mid-week and that ended up being the right thing to do.

Always, and especially in this type of choppy market, you have to take partial or total profits into strength.

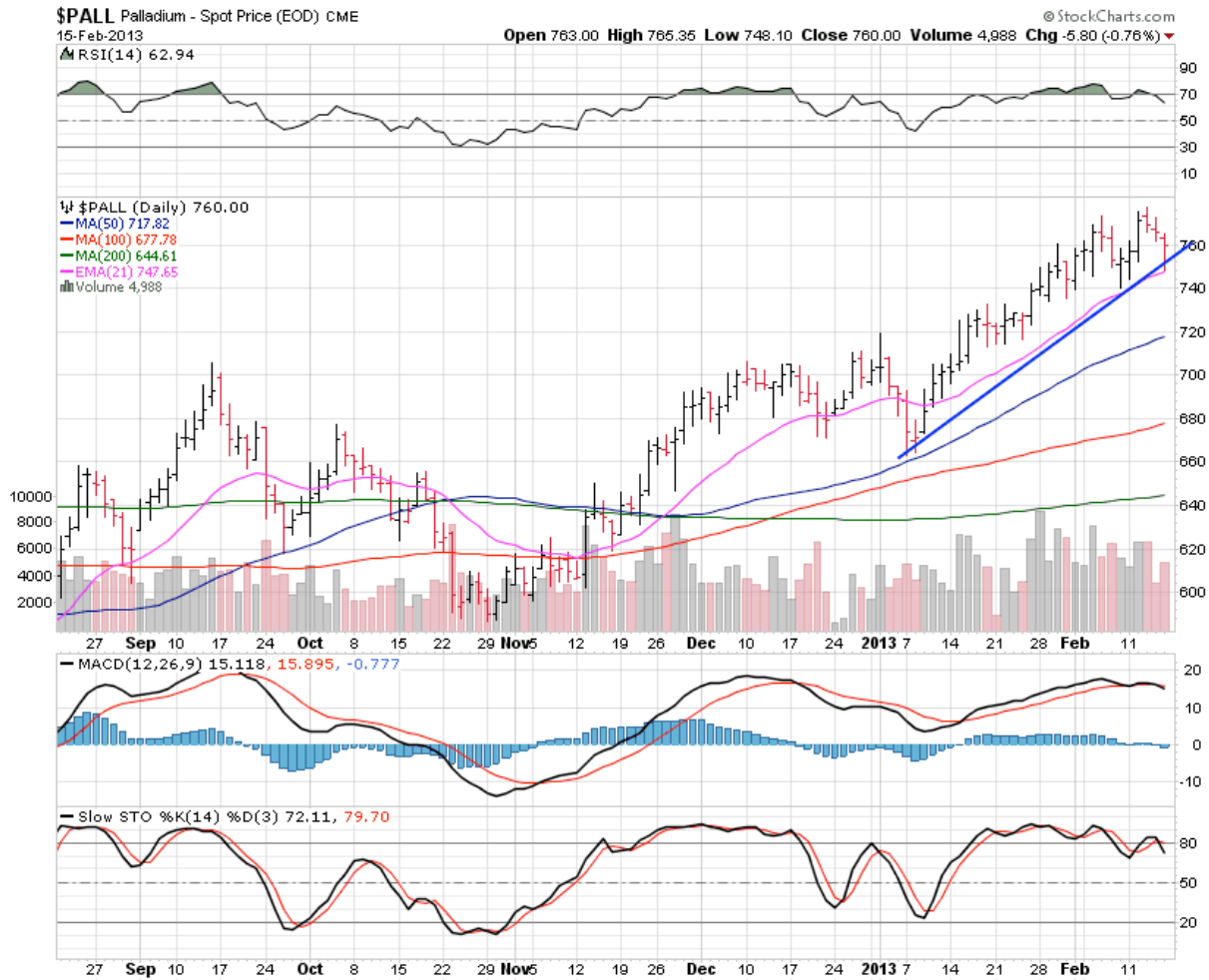
While this market is tough there are ways to make some money, albeit, not huge gains but smaller ones while being quick and employing tight stops at the breakout levels.

The bull flag in platinum only ended up working for a few days as is so typical of today's type of moves.

The market is a game, have no illusions, it is a game and it's designed to take your money. We've got to constantly adapt and interpret what type of market we're in and adapt our style to it. Right now taking profits quickly on the way up, or down, is key to survival.

There are times when you can let your imagination run and envision that new Ferrari in the driveway but now it's best to focus on taking quick profits and minimizing any wrong trades with small losses.

If you can do that then you'll quickly wake up one day with enough cash to buy that Ferrari after-all. Discipling and understanding your emotions and tendencies will get you there more quickly than you can imagine.



Palladium help up much better than the other precious metals this past week actually rising 0.89%.

So far the 21 day moving average is the buy point and it's an easy trade since you can buy right there and have stops even pennies lower.

It does have a double top in place now but we really have to drop below the 21 day moving average to confirm that.

Although palladium held up extremely well it's hard to get in here since chances are it won't move too quickly to the upside with the other precious metals so weak.

Markets are closed this coming in the U.S. Monday so that means a long weekend!!

Enjoy the long weekend and have a great week going forward and thank you very much for reading.

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Warren

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