

Wizzen Trading

by Warren Bevan

At Least Platinum Looks Good

It's certainly a challenging time still for gold and silver but the long-term reasons for holding physical gold remain in place.

I hold them to protect my purchasing power in this time of worldwide government overspending. All other reasons stem from this central theme as currencies are being debased on a global scale.

That said, it does look like we are heading into a period of general bull market conditions which should see stocks and markets soar and the precious metals may remainder pressure as a result.

The markets were pretty choppy all week and I mostly sat in cash waiting until Friday when some fast movers moved and I took advantage of it as [I was highlighting these buy areas all week for subscribers.](#)

It's now two Friday's in a row that were great days. I could get used to just working one day a week but that's not how it works usually, unfortunately.

Let's take a look a the precious metals charts but gold and silver are nothing special still and an avoid unless you're very skilled and quick and just looking to pick up small moves. This is not my type of trade so I'll just watch.

It's so important to be able to sit and wait for the right setups. Saving mental and real capital is key to long-term success and getting chopped up and stopped out of trades constantly does add up.

In my experience it's much easier to observe and catch up on homework or other such tasks than to try and trade small moves.

And yes. I did learnt this the hard way....a few times!

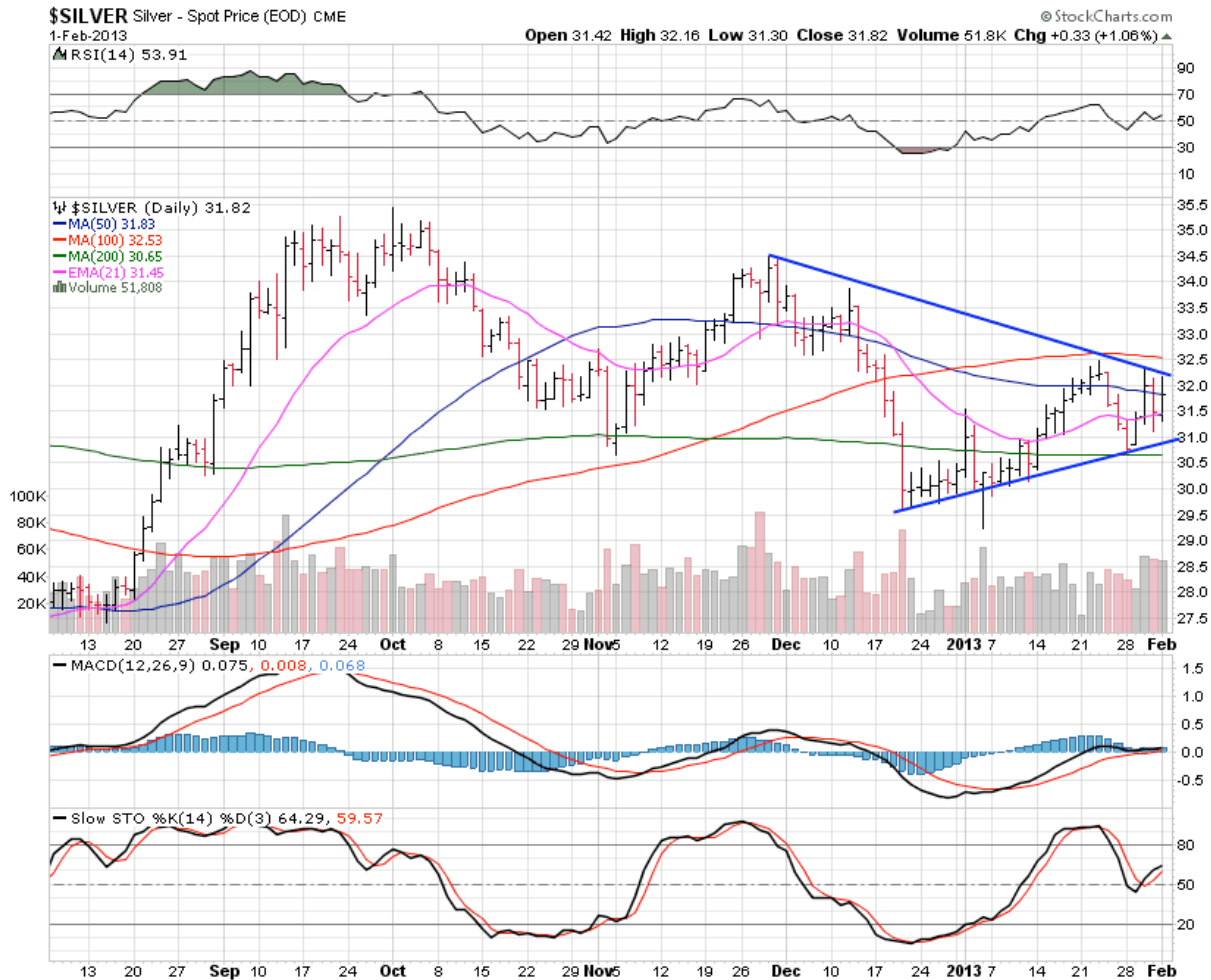


Gold was all but flat having risen only 0.53% this past week. We're still in this bearish downtrend channel and looking to test the lower end under \$1,620. A signal that we are ready to go there would be a close under the 200 day moving average at \$1,664 and a break of the uptrend line right there at \$1,660.

I generally avoid shorting gold and I will again here.

Now we just observe the action and wait for some sort of bottom signal or setup to consider a long position.

There are much easier ways to make money today than trading gold in my view.



Silver had a respectable week rising 1.86% but it's not at all looking like it wants to go higher here to me.

Silver has a good sized triangle pattern here and a move out of it either ways could be either bought or shorted.

The \$31 level is showing it's head again here as it's a major support level. A move under \$31 will see a quick move to at least \$30 on the downside.

It's no fun when we have no trend and we don't in gold and silver but we can't control the markets so we have to accept that and look for better trading opportunities.

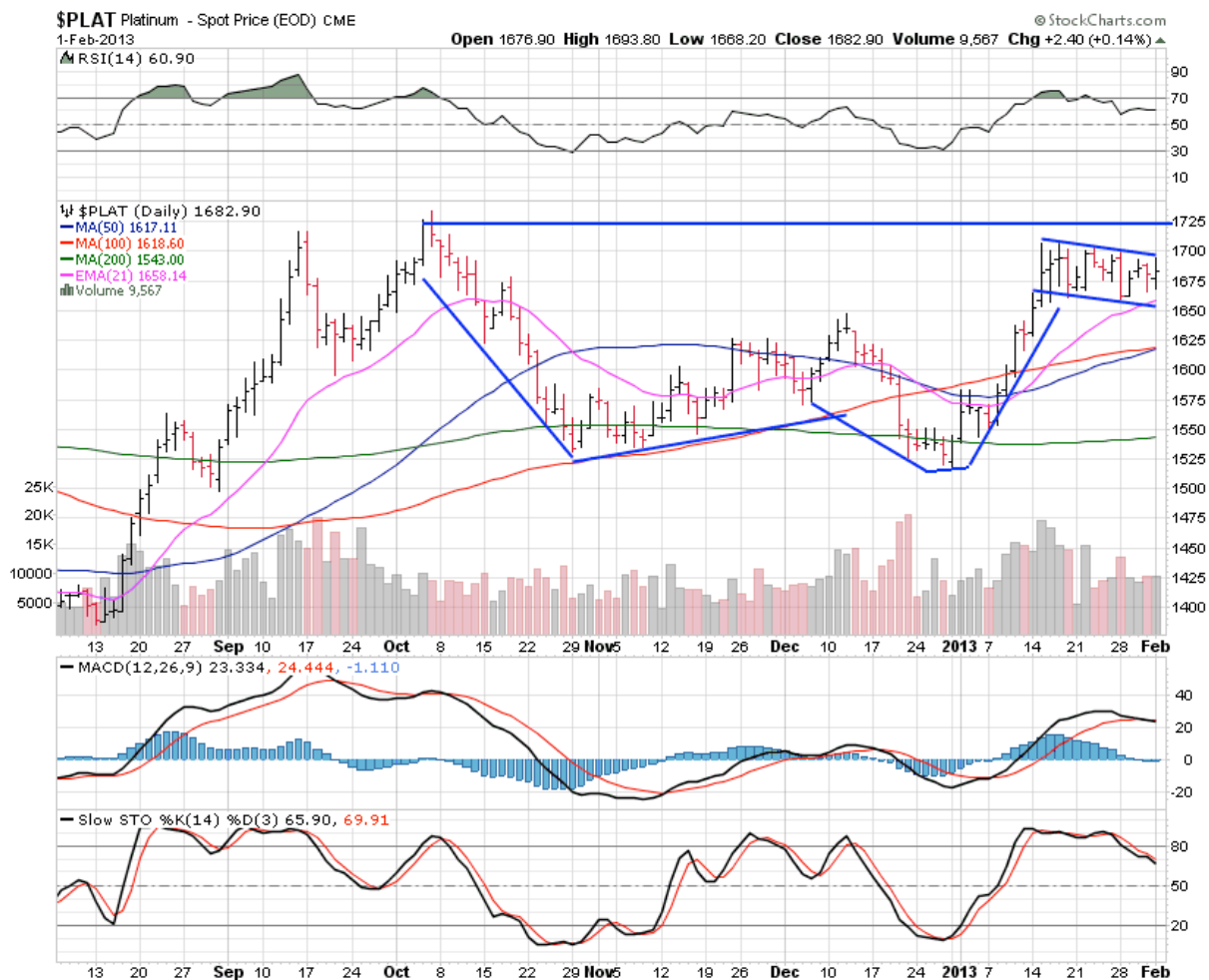
I get emails sometimes from people wanting me to show them buy points in the precious metals. I can't just make them up and won't try to pretend to. They will come in time.

And to that point I don't understand why people have such an emotional attachment to only trading the precious metals. I personally don't care if I am trading a large tech company, an oil company, gold or anything else as long as it has a good setup and I can make a good return on it.

Why does it matter what label something has as long as it can make you money?

That said, I do hold physical gold and silver as my security blanket but they really aren't making me any money these days, it's the leading stocks that are my bread and butter in terms of earnings.

I am not a gold bug, I just want some insurance and protection in terms of purchasing power.



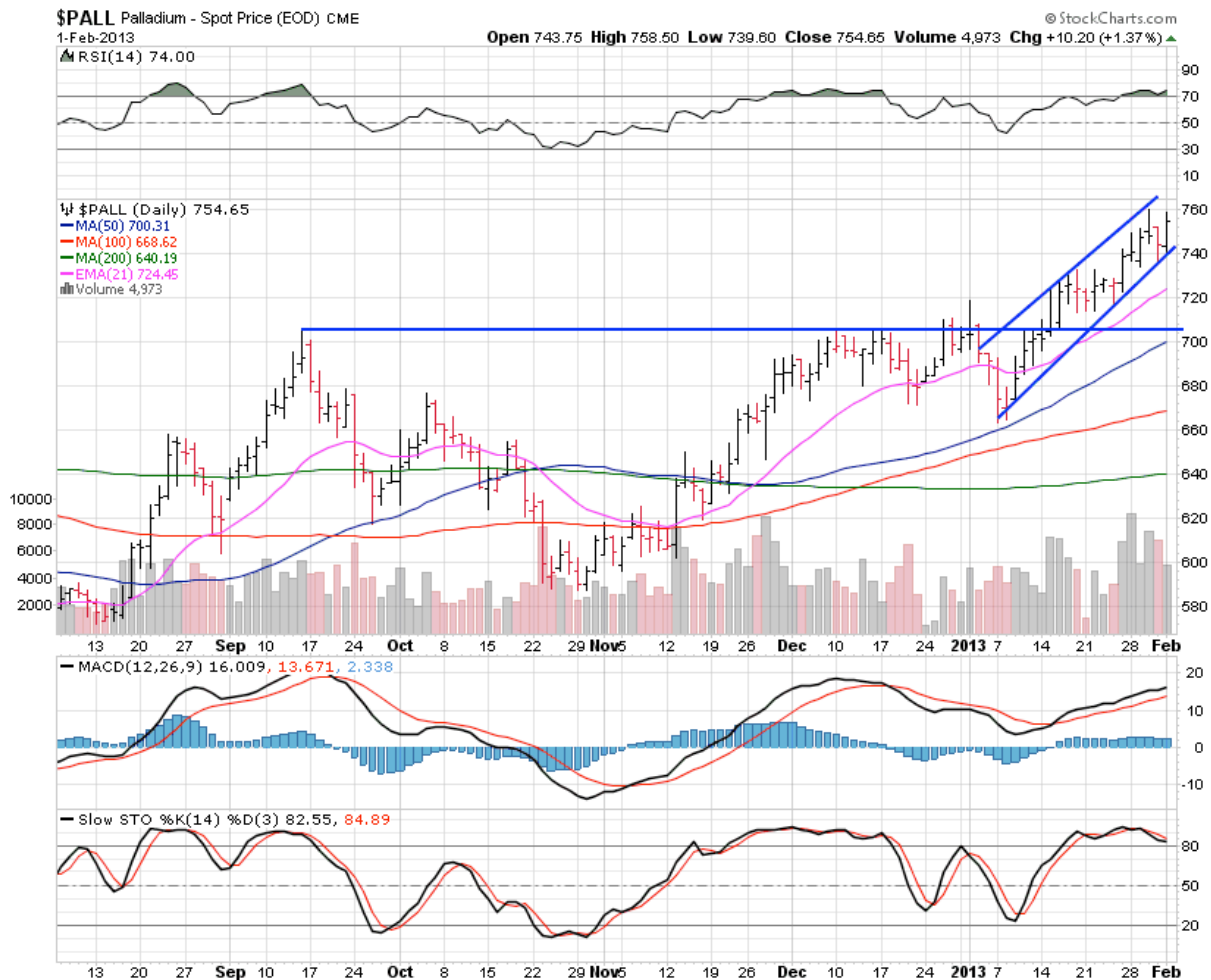
Platinum fell 0.54% for the week but looks great here for higher prices now.

It's got a wacky type of cup and handle or almost a W pattern here and this handle or bull flag is just right.

The bull flag is nice and tight and should move now, like Monday!

If I do take a trade in this position I'll be using the PPLT ETF.

I have highlighted this in my trade ideas for subscribers this coming Monday so you're on an equal playing field with them in this case.



Palladium rose another 2.12% this past week and is in fine form after breaking free from the \$700 area I've been talking about in these free weekend letters since December 2012.

The buy point has long passed now some \$60 ago and platinum now is the setup to keep an eye on.

All in all palladium has great action and is looking for higher prices still from here.

To my eye it looks like a move to \$800 is a given and it should happen relatively quickly. Perhaps within a moth or so.

Enjoy your super Superbowl weekend. I plan on indulging in far too much food.

Thank you for reading. I hope it adds some value to your investing and trading thoughts.

Warren

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