

Wizzen Trading

by Warren Bevan

Weakest Week of The Year

We had a very weak week in the precious metals and later on, the general markets and many stocks also broke down.

I've been patiently waiting for this move to come since the start of the year with a few good trades in between.

We're finally kicking off a correction here and are heavily into the market on a short basis. I have no trading position in gold or silver although I wanted to short GLD this week but it gapped lower on me and I rarely buy gaps either up or down.

I'm short some leading stocks who are desperately needing a little correction here.

I see a ratings agency downgraded the UK debt from AAA status late Friday evening after everything was closed up. I really could care less as with most other market participants.

The ratings agencies lost all their credibility with me in 2008 and the fact that they released these notes after markets Friday just solidifies this.

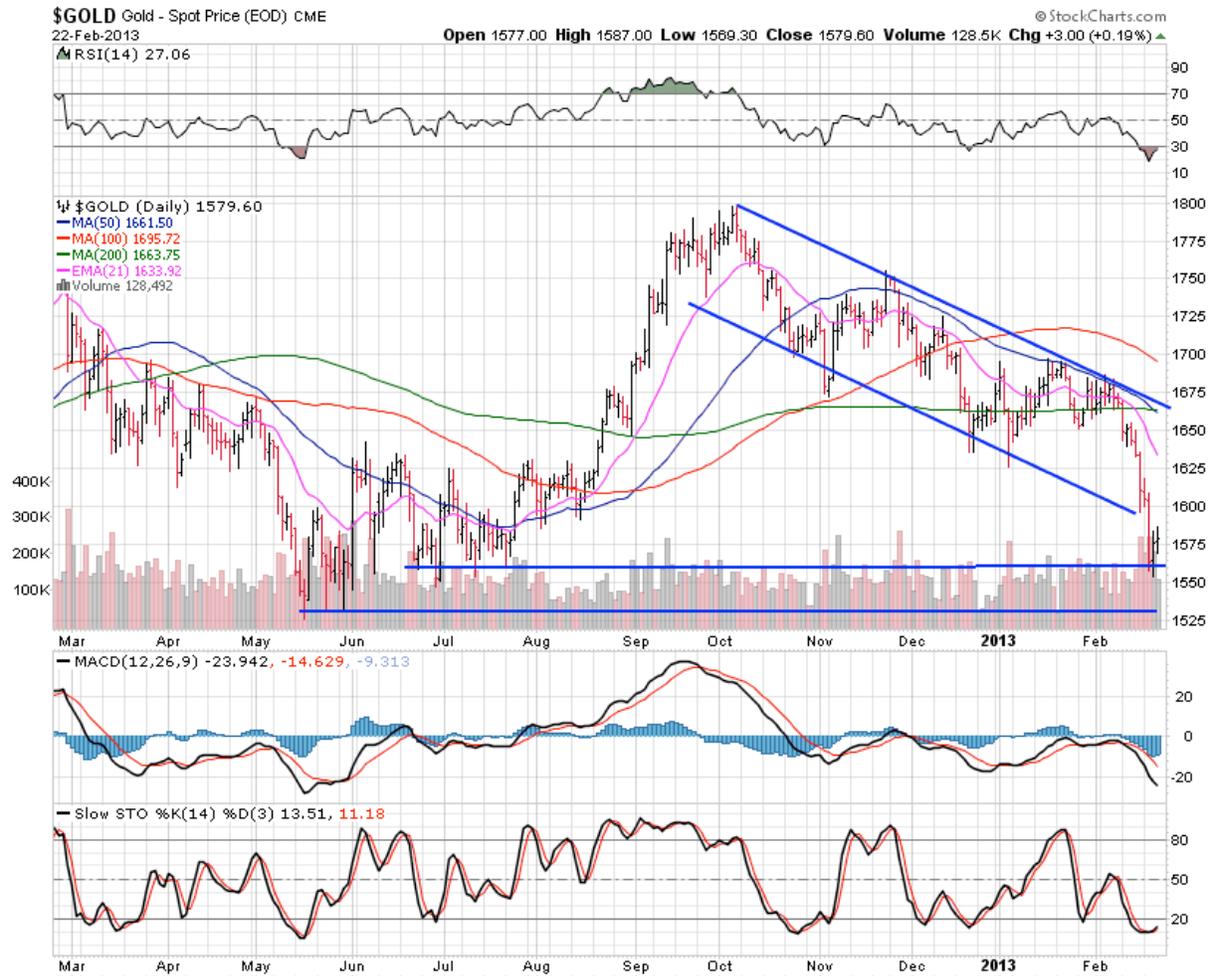
The game is rigged, there is no doubt, but you can read the rigging by reading charts carefully and understanding how to interpret them.

Today you need every advantage you can get to succeed and filling my brain with news and propaganda is not on my list of things to do.

Let's check out the charts who are ugly in the precious metals realm and beyond.

It's going to take some time to rebuild here and bottom fishing is only for the quick and skilled.

Have patience with your physical gold and silver positions. They will do well in time.



Gold fell another 1.95% this past week and blew through the large descending channel on huge volume. It was not a pretty site but it happens. The chart is now at support at the \$1,550 area. If this level fails we will see \$1,525.

To me it looks like we've got a low in but that can change. I'd be ok buying physical gold here for now but I'd not go all in.

If you're trading I'd be careful and quick. If you can't get out quickly or change your mind then this gold market is no place to be.

Thinking really big picture we could see a retracement to around \$1,450 as the ultimate low This is using the great Fibonacci retracement tool that works more times than I can count.

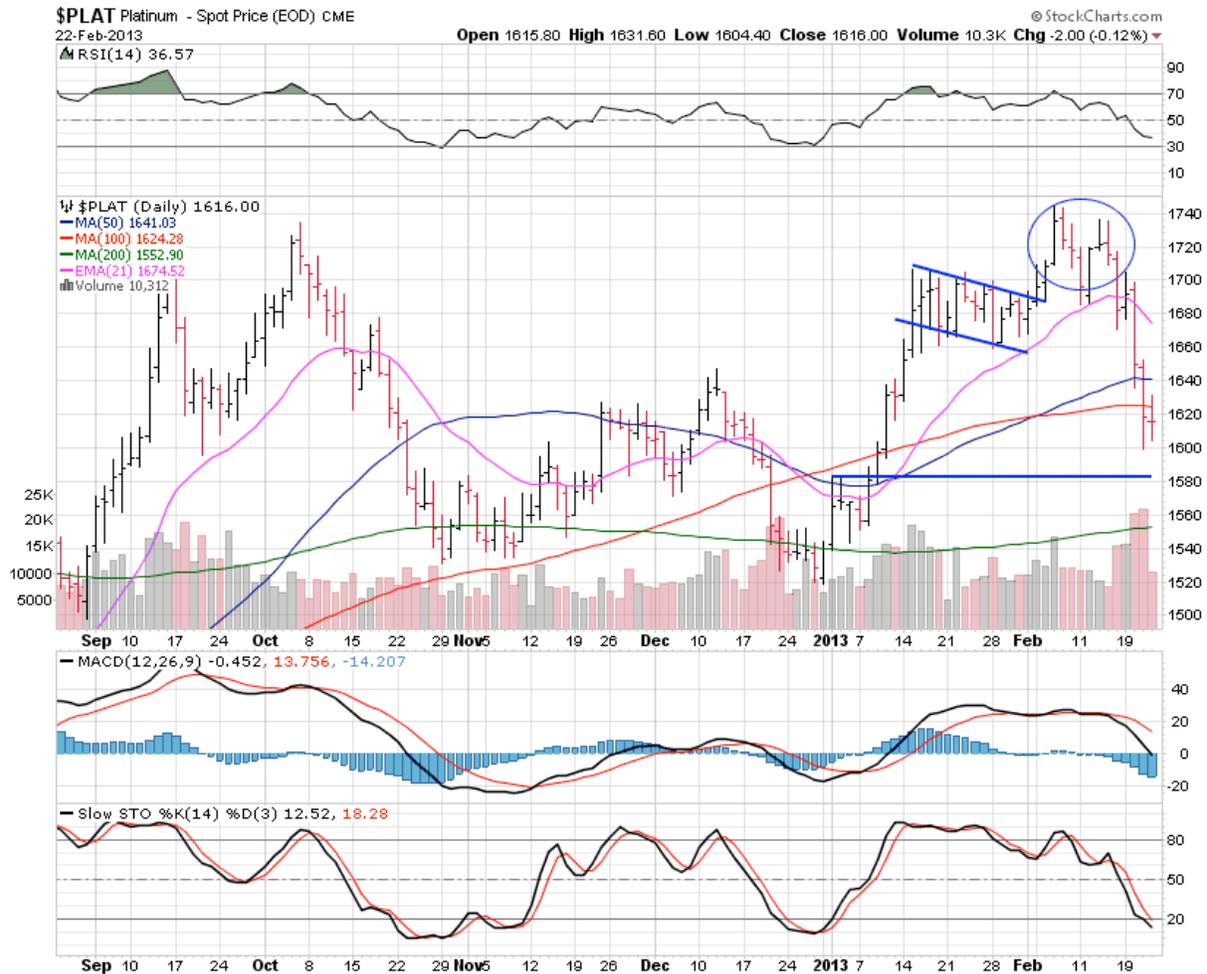


Silver fell further, knocking 3.76% off its price-tag this past week. This area right at \$28 is looking good as support although the chart could use a spike below this level to really wash out the weak hands.

To me it looks like we are setting up a little bear flag here which could take a few more days to resolve before we spike under \$28 and put in the ultimate low for this corrective move.

I was thinking of selling a few coins this past week since I can guarantee you that would be the low tick!

I didn't sell any though, maybe this coming week.



Platinum fell hard and saw 3.92% evaporate over the last week.

Two weeks ago I talked about the great looking bull flag which worked for a trade but then I highlighted mid-week to subscribers the loose, sloppy action which is always a sell signal and circled in the chart above.

As far as I know everyone listened and thank god for that.

Once things start to behave poorly you've got to be able to identify it and be objective.

Put the Ferrari dreams out of your mind and deal with reality.

The stock market is a game and you've got to play it well and objectively.

If you're looking to be right all the time and park money in one stock and expect great things, you've got another thing coming to you.

In order to succeed, I believe you've got to study hard, have hard and fast rules and follow your trading strategy and stops. No exceptions.

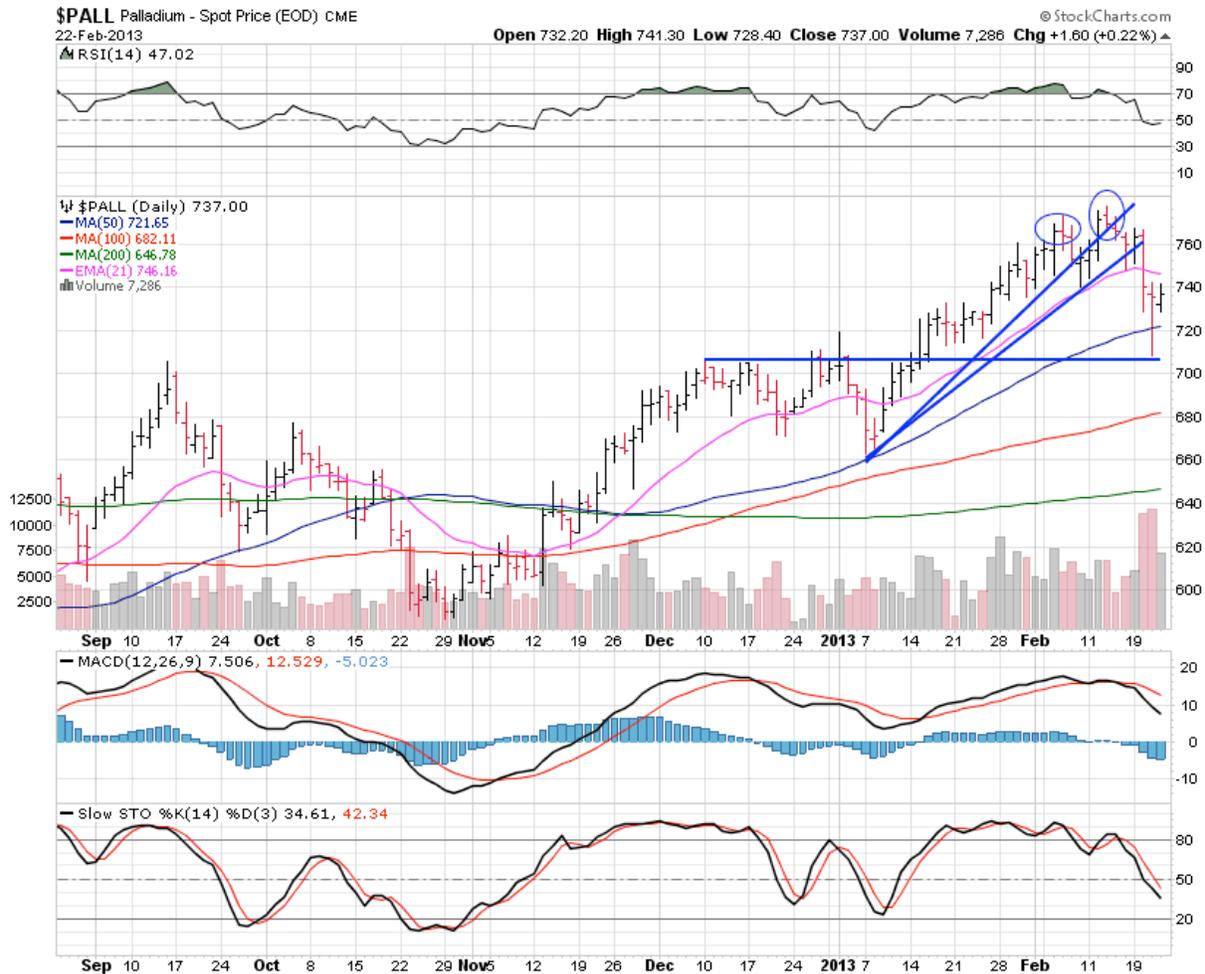
Anytime I let stops run a little further it bites me.

I've learned many lessons on multiple occasions and will continue to but overall things work out.

I know most of you read and subscribe for precious metals thoughts but the reality is that there is much better and easier money to be made in other stocks. Stocks with earnings and earnings growth. Stocks in demand by large institutions.

This is where you really make the money.

Of course I still have all my gold and silver and think it's still a prudent insurance policy for the ongoing currency kerfuffle but as I've made more and more trading leading stocks my overall weighting in physical gold and silver has diminished significantly and I do not yet plan on adding to that horde.



Palladium fell 3.03% on the week. It really had no chance with everything else falling hard. A small double top was put in and it was a pretty easy sell signal once it broke its secondary uptrend line.

The strong horizontal support level just above \$700 should hold and that area could be bought using tight stops just below. There is no doubt this will take some time to repair but I think we are in the early stages of repair.

When we see such huge corrections so quickly occur it usually takes 6 to 8 weeks to repair the charts and setup a proper buys so please have patience.

I talk to subscribers often about the virtue of sitting most of the time on cash or in our high paying dividend stocks and just waiting for the really good setups. If you can literally do nothing but trade a few times a year you'll be so amazed how much money you can make.

While it sounds so simple, it is the hardest thing to do.

We're all human and want action all the time. It's a major flaw in humanity. I'm getting better and better at sitting and I don't take nearly as much flack as I used to for it.

Subscribers are coming around to my way of thinking to enjoy life, study and work on yourself most of the time, always keeping an eye on the markets and stocks but doing little.

Life really can be great if you can keep a good feel for the markets without doing anything and just enjoy life. Then when we see good setups we can pounce hard and heavy.

Using selected options and only trading a few times a year you can literally make hundreds of percent on your portfolio in a year. Of course no two years are the same. Some years may be busier than others, just as some months are slow and others are fast.

To sum it up and end this weekend letter. Life is a marathon, not a sprint.

Take your time. Study past moves and be ready for future move.

Enjoy yourself, improve yourself and love yourself.

The money will come.

The smarter and less you trade, the quicker the money will come. This is one of the great lessons I've learnt over the years.

Life is rarely like the movies and neither is trading.

Right now I'm heavily short stocks and the market as they are breaking down.

This is really only the second time I've been heavy into the markets this year and so far the gains are spectacular. Well over 300% in only a few days.

For sure we did get a little lucky but as they say. There is no such thing as luck, only preparation meeting opportunity.

[If you'd like to join me in my journey I'd appreciate it greatly. I love to help.](#)

Have a great weekend and really think about what I've said above. It really does make sense but is so difficult to do.

Warren

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