

Wizzen Trading

by Warren Bevan

Flash Point

Last week I outlined a very bearish larger picture for the precious metals. I haven't seen anything to change that view occur this past week with the exception of palladium.

All we are doing now is building a base which should resolve lower. I expect gold and silver to move lower Monday.

We are definitely reaching a flash point here in the precious metals with bulls going all out with their rhetoric. Many say take a stand and hold strong here but the fact is that if we have a large correction there will be a lot of unhappy campers out there.

There are ways to hedge your physical position and I'm looking to do that and detail it for subscribers if we do take a drop here.

Let's take a look at what I see this weekend. I remind you that I am certainly not always right, I just say what I see.



Gold was flat in the end for the past week falling only 0.03%. All gold did this week was build the triangle pattern that is now set to move lower, now.

And by now I mean Monday. I will be taking a short which is rare but I am going to do it.

I tried my best to put a low in for gold and silver this past week by selling some physical gold and silver. I don't think it worked.

I hope to buy it and even more back lower with proceeds from shorting some ETF's.

A move under \$1,550 will unfortunately see me go short.

I hate to do it since I'm "in love" with gold and silver of the physical sort but as I say here often, this game is about making money and as long as It's legal, I'll do it!



Silver actually rose this last week floating higher by 1.35% but still it's looking very bearish to me here. I'll be looking to short a leveraged silver ETF if SLV gets below \$27.50.

Again, I hate to do it but I've got to pay the bills!

This could be one of the best money making trades of the year since silver is set to drop pretty good here. [Of course subscribers get daily access to my thoughts on any positions I've got on and they are well aware of what I'm going to do before I do it.](#)

There has been some heavy activity in the January \$40 strike calls the past couple days which is interesting to me. Some heavy bets have been made that silver will jump higher by January. The chart doesn't tell me that and that trumps all in my view but if we do breakout higher out of this triangle then my views of lower prices could be wrong.

I honestly hope I am wrong here. I really, really do.

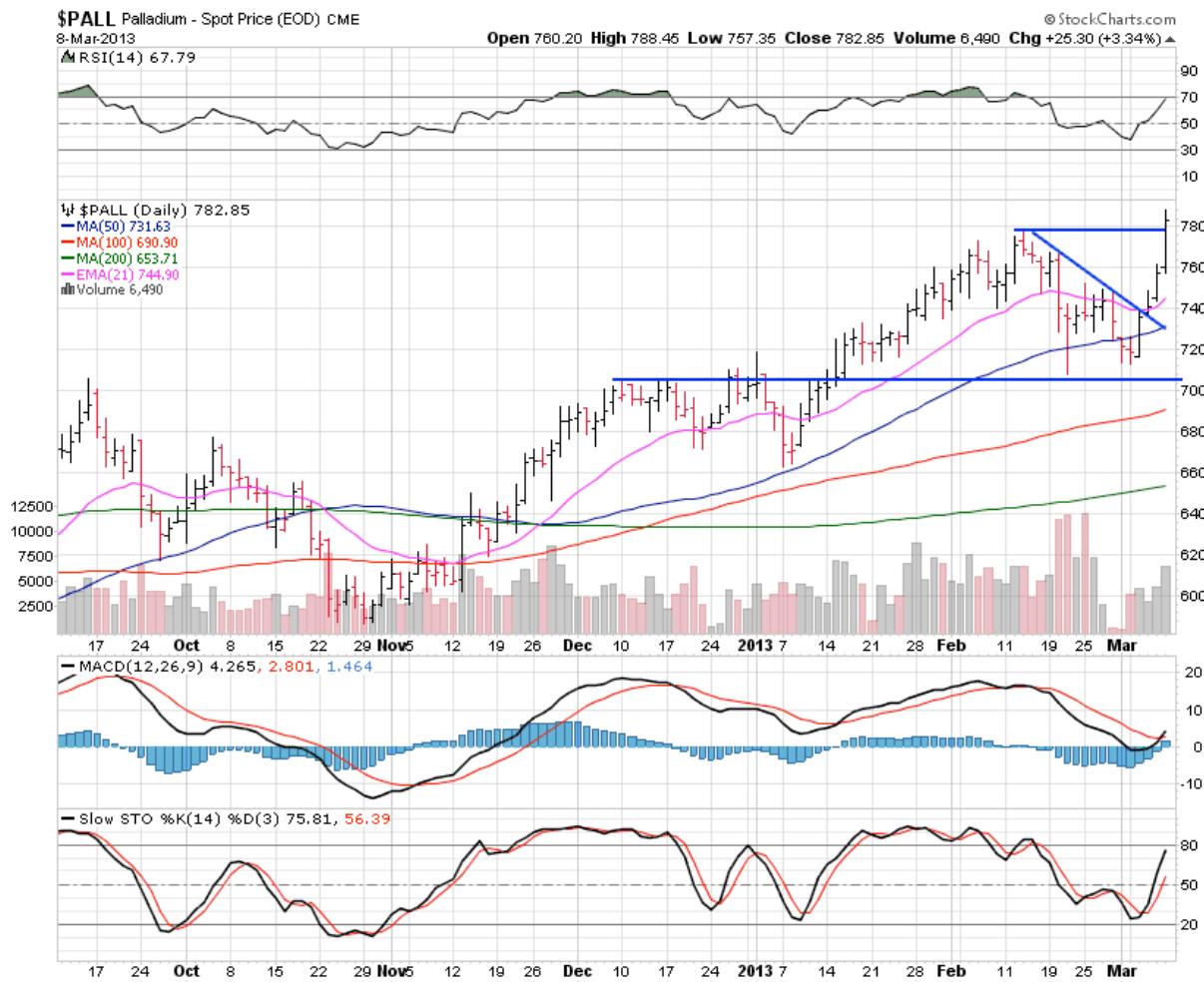


Platinum rose 1.69% for the week after finding expected support around the 200 day moving average. It's now got a little U type of pattern which can go higher. It need to close above \$1,602 or so to have a shot at \$1,620 which is the next area to clear. If platinum can get above \$1,620 then we could see a move towards \$1,680.

The other scenario is that this is a bear flag we are building here. It's got more of the look to me that this is a U type of move and we will go higher for now.

The charts are always evolving but I suspect we will see \$1,620 tested and we could see a little base form there which can push it higher.

I'm not considering taking any trade here.



Palladium soared some 8.45% on the week in a move that totally caught me by surprise. The good sized triangle was broken to the upside and a huge rally ensued.

I'd certainly not be chasing this one here and I expect a consolidation here at the \$780 level. Then we can consider a position

While gold and silver also have triangle patterns the key difference is that theirs are after a prolonged period of lower prices.

Triangles are continuation patterns often so since palladium has been rising, it continued higher. Since gold and silver have been falling, the triangle pattern should resolve lower.

Again, I do hope I'm wrong as I was with my thoughts on palladium last week. I'd love to be proven wrong in this case.

With markets now near all time highs, except the Nasdaq of course, we're at a very critical area which will either see a breakout into a new secular bull market, a correction which could be steep and sharply lower. Or we could just build a base here for some time, even a couple years, before breaking into new highs and sparking a huge run higher which would be a generational type of move. One we don't see often in our short lifetimes.

I have no idea what will happen and don't pretend to but I can tell you I'll be there every step of the way for subscribers as the action unfolds. We will be on the right side whichever side that may be.

That's it for me. I've got a lot of work to do for subscribers and then I'll relax and enjoy the weekend and be ready for the week to come which should have some fireworks included in it.

Have a great weekend.

Warren

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