

Wizzen Trading

by Warren Bevan

Markets Correcting, Metals In Limbo

If you've been reading my work in 2013 at all you know I've been looking for a move lower in both gold and silver. It finally came this past week and was led by silver.

We've got silver holding a crucial support level now while gold snapped back on news of Japanese QE.

As for the markets, I've been expecting a break from the slow grind higher that has been 2013 thus far and I was calling for it to happen early this past week as subscribers know.

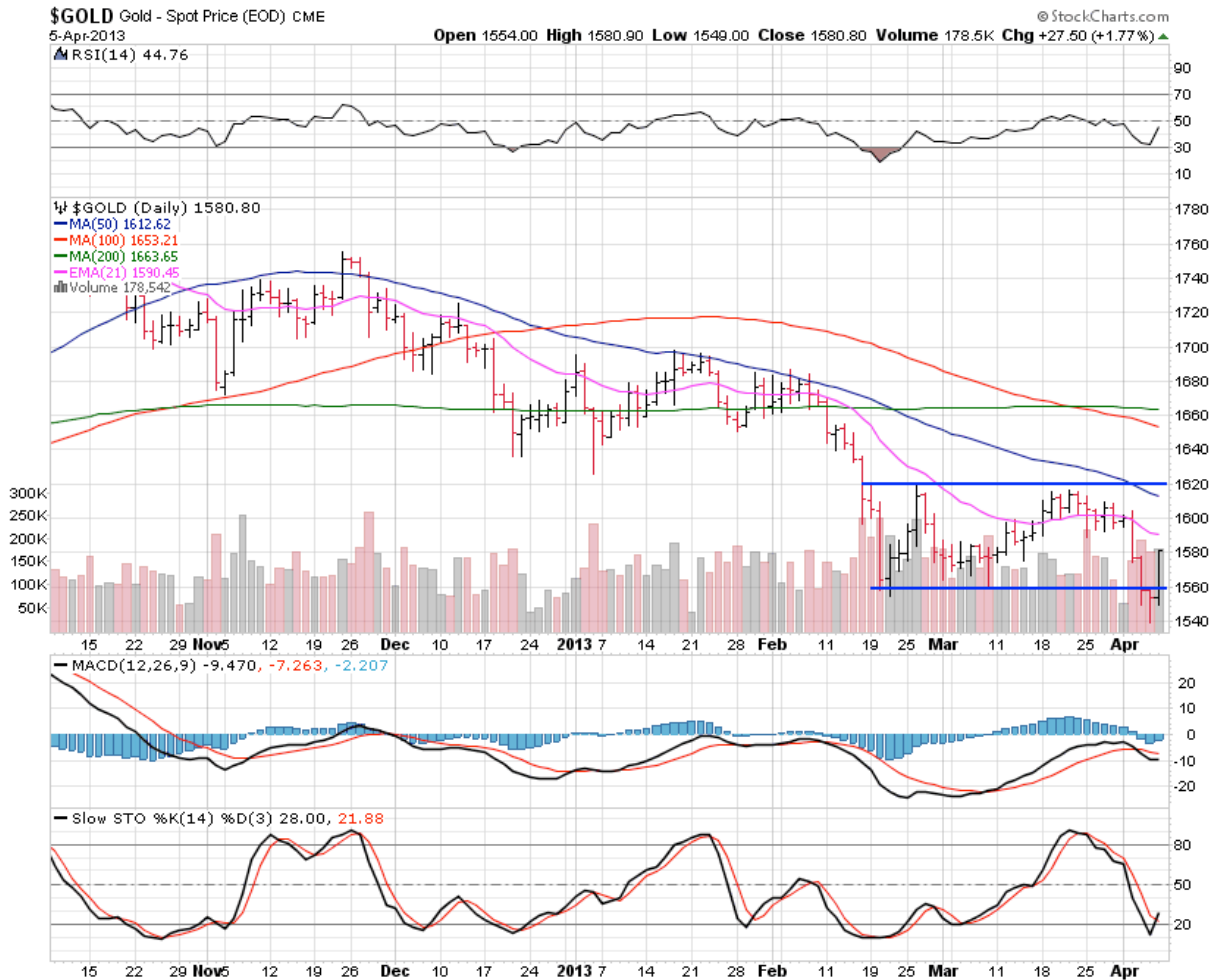
I was a day or so off but now we've begun a nice correction that can last a couple months and give us some great buy points in time.

We're making money on the short side of the market now and to be honest, some of the largest and quickest gains I've ever had have been in market corrections. Sometimes only a couple or few days sees huge moves lower in leading and fast moving stocks from the proper short areas.

I'm eyeing and waiting on one in particular who has been one of my largest winners in these types of situations.

[Subscribers are on this with me and we are going to have a fun ride in the coming week or two. Join us!](#)

Let's check into the precious metals this week starting with gold.



Gold fell 1.02% this past week and had a huge snapback on Japanese QE news after breaking lower below the short level.

A move under the \$1,560 area saw me and many subscribers go short using the GLD ETF. It was a good trade and working well but Friday saw me stopped out for small gains as it came back to, and ultimately back above, the sell short level.

You just can't let a winner turn into a loss.

We bought at the right spot and tried to let it run but I'm not willing to take a loss here. Sure, I would have loved to make more but really winners will come if you can control the losses.

I'll take a small win any-day instead of wishing and hoping the position will come back to a larger profit.

I don't know what to think about gold right now since it can move quickly on news and since it trades in many markets around the world it's hard to hold overnight since it can move huge and there is nothing I can do about it until markets open here.

I could trade futures but I like my sleep!

That is the chief reason I rarely trade gold and focus on leading stocks.

Now that we're back inside the base there is nothing to do. A break lower could be shorted again and also in time a move higher out of the base above \$1,620 could be bought on the long side.

For now it's once again an avoid in my view.

If you're looking for a spot to accumulate more physical gold I'd hold out for lower prices.



Silver dropped 3.88% for the week. It led gold lower and found support right at the \$27.50 level as expected and shorts should have been covered there. Or the \$26 area in the SLV ETF I prefer using.

Silver is not out of the woods yet though and by the looks of things we will build a bear flag type of pattern here before giving us another sell signal.

If indeed this occurs then there is a really good chance we head all the way back to the \$20 area where major support is.

Back in 2010 when we broke above the heavy resistance level at \$20 we ran up very quickly. Too quickly.

Because of this huge fast run there just wasn't really much support built on the way higher. While the ride up was a blast, it now leaves us in the precarious situation of dropping back to \$20 in a quick move.

Charts and markets work with support and resistance levels and if there isn't any then price will move to find some. That level is \$20.

It wouldn't be any fun seeing a \$20 print in silver but it would be healthy and then we could begin to move higher off that area and hopefully do it slowly, building nice support levels along the way.

I don't mean to be a pessimist here, just a realist.

[I cover gold and silver daily for subscribers along with many other stocks and markets.](#)



Last week I was brief in talking about platinum. I try and keep things short and to the point for subscribers when talking about stocks daily. What's the point in talking a lot?

Say what you mean and think, quickly.

This is what I said about platinum last week.

“Platinum slid 0.51% this past week and looks set to head lower in the very near future.

A move under the \$1,560 area will see at least \$1,520 tested.”

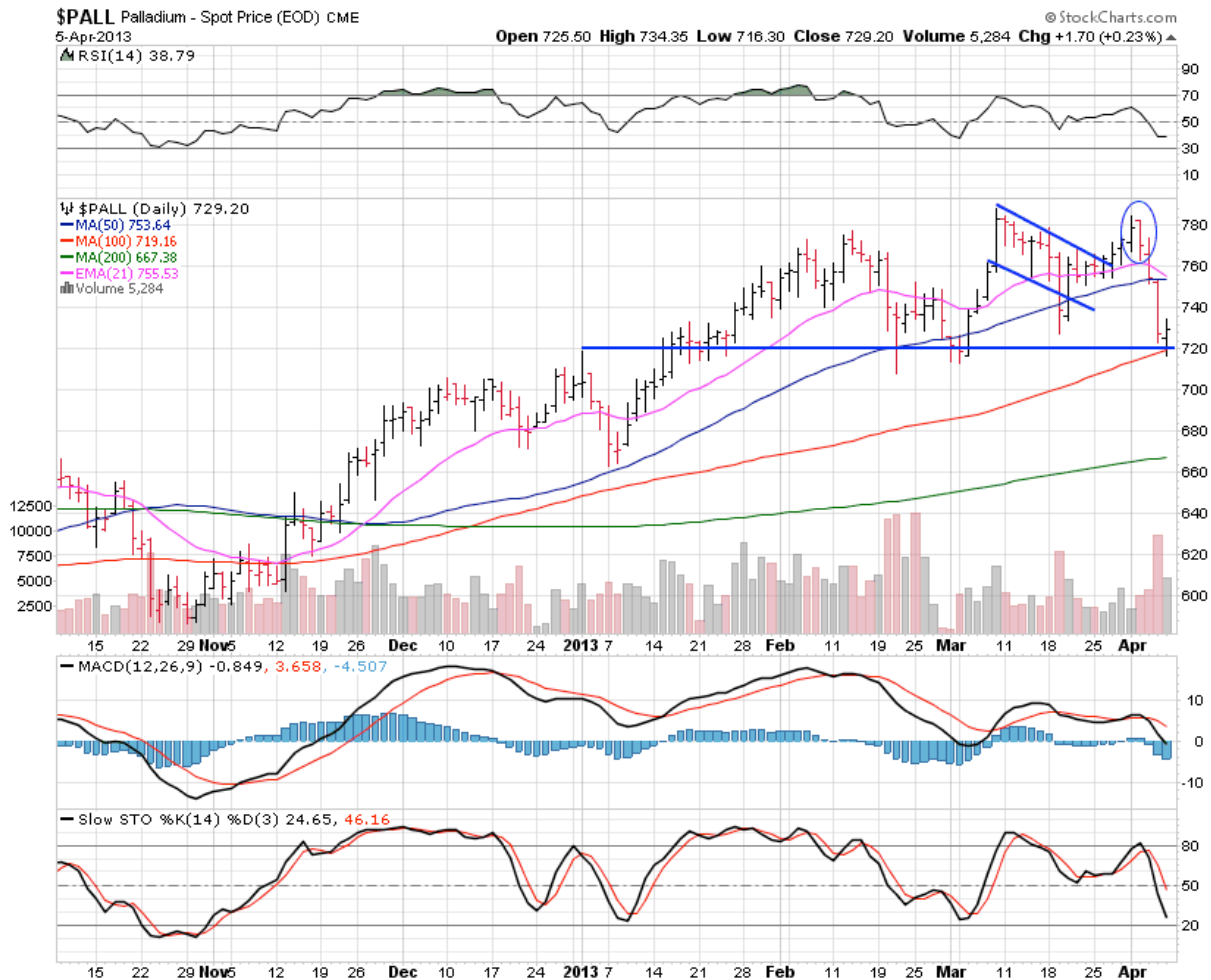
This week platinum fell 2.23% and did exactly as I said last week.

I wish I could be this perfect all the time but I can't although the charts are pretty accurate and my views often to come to fruition right on time.

Now we have to see how platinum holds the \$1,520 level. If you shorted on the break of \$1,560, you would have been covering on the move back above \$1,520 support.

It really is as simple as that. Ignore the noise and focus on the support and resistance levels and patterns in charts and you'll do well.

It looks like platinum is an avoid here now until it build some sort of buyable pattern.



Palladium dropped 5.66% this past week. It looked great last week breaking out of it's bull flag pattern but then we got a sell signal, one which I talk to subscribers often about and you see all the time once you know what you are looking for. It often works, but nothing is ever 100%.

After the sell signal came in we quickly dropped some \$60 and now we are finding both horizontal chart support along with support at the 100 day moving average.

It's an avoid here now and all shorts should be covered until we see a buyable pattern form in the next week or so.

It seems like all the precious metals charts are now in limbo as we wait for a buy or sell signal.

Have a little patience here and we will get a buy or sell point but until then just let the charts develop and focus on others who are now setup to move one way or the other.

Have a great weekend and week ahead and [don't forget to subscriber for clear buy and sell signals on a daily basis!](#)

Warren

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