

Wizzen Trading

by Warren Bevan

Markets Topy, Metals Rangebound

A great week once again but for different reasons than of late. While we had some amazing gains recently, the key was booking those gains. It's sometimes easy to get on board but knowing when to exit is just as important. Profits do not count until you press the sell button and put that cash into your account.

We saw a major player begin to quietly sell Monday and then Tuesday I noticed a major shift in that rips were being sold into rather than the long string of dips being bought.

I [mentioned to subscribers Tuesday night](#) that I'd love to see an S&P spike of 20 to 30 points to show a euphoric type of top before a fade.

Wednesday we got exactly that in a big way and subscribers were selling into the spike highs just before we saw a 40 point drop from the highs of the day.

Now we're all in cash and doing only short-term day-trades while we wait for a setup, and it could come this week, for lower prices.

An interesting note to keep in the back of your mind is that the last times the S&P hit new highs and fell 1% off those highs were the ultimate tops in 2000 and 2007.

We saw major corrections after those tops and not much was safe including precious metals during those periods. On the other hand those major washouts gave superb buying opportunities and for those who were short the markets it was the time of their lives.

I'm not saying we're on the cusp of a major correction here, it's too early to tell. I have no idea what will happen but I will be looking for setups and be ready for either a move higher or move lower.

My preferred scenario would be just a correction to the 1,600 area in the S&P 500 to test the breakout levels and then we should continue this bull market.

Only time will tell but [I'll be watching and ready the whole way giving subscribers trade ideas and updates on my thoughts nightly.](#)

Let's get into the gold and silver charts whom remain an avoid in my view and doubly so if a full blown bear market begins to emerge like we saw in 2000 and 2008.



Gold rose 1.98% in the week passed but has a long way to go before we see any real setups and if we do topple lower from here in the general markets, gold will not be immune no matter what anyone tells you.

Do not be blinded by a good story or fundamentals or you personal biases. It's all about making money, not being right although they tend to go

hand in hand. I am wrong all the time and have no problem admitting it and taking small losses.

Right now gold remains in the range between the \$1,475 and \$1,325 areas. The 21 day moving average is heading lower here and will likely push gold lower with it so watch that level.

If gold gets above the 21 day moving average then there is a good chance it will close in on the \$1,475 area. It must hold above this average on a closing basis.



Silver rose 1.06% this week after the overnight Sunday smashing and subsequent recovery. Silver opened down some 7% in Asian trading while we sat here watching in North America. That type of overnight risk is beyond dangerous as I've talked about many times before.

However, gold and silver did recover sharply in Monday's trade.

Silver is building a triangle here and the 21 day moving average should act as resistance and push the price lower here as well as in gold.

While I did think Monday may have been the lows I am not so sure anymore. I'm not stuck in my convictions and that's why I succeed.

If, or more likely when, silver breaches \$22 it will go below \$20 and hopefully it will do it during US trading hours so we may get a chance to try a long position if a double bottom looks to be in place.

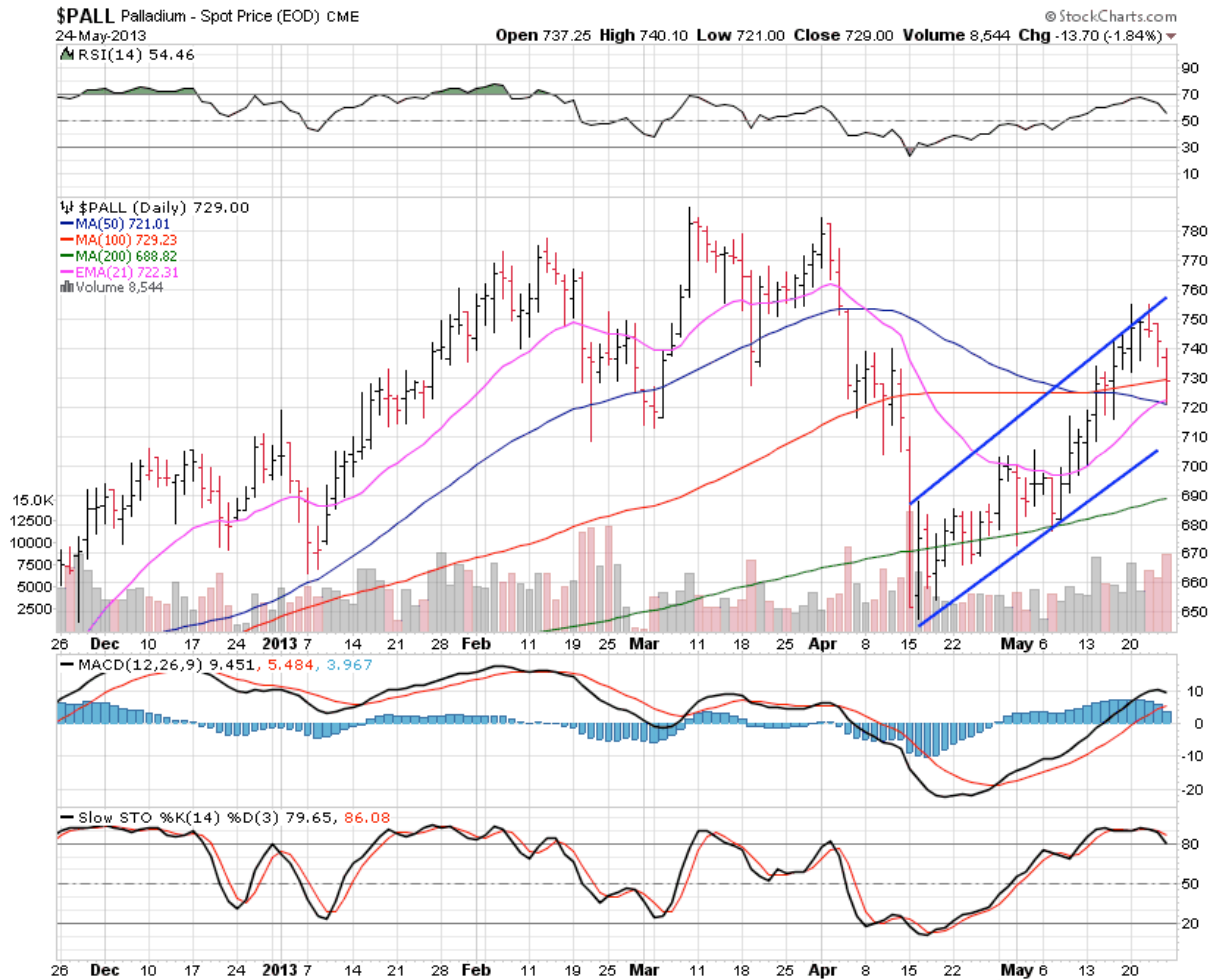
If this is the start of a bear market we will see much much lower prices and a flood of silver onto the market which we have not seen yet.

I do expect a flood of very cheap silver to come out before a bottom is put in and that will be a major tell tale sign that we are near a low.



Platinum slipped 0.15% this past week and is rolling over with it's 21 day moving average. It looks like we're on our way back to \$1,400 here and possibly lower still.

A break below \$1,450 should see an acceleration of the move to \$1,400.



Palladium fell 1.26% this past week but is the lone precious metal who has done well of late. It spiked up and out of it's ascending channel and that is often a sell signal.

It has plunged since and is now heading to the low end of it's channel at the \$710 area. Steep rising channels like this usually end up being broken and that will see a move down to lows near \$650 once again and likely lower.

While there have been so many great trading chances lately and we capitalized on them in a big, big way, right now there isn't much to do at all.

We are only doing very fast trades and they are not for everyone to be sure.

We are waiting for a new buy or sell signal which could come this coming week or the week after.

After tops come correction generally last for 6 to 8 weeks unless of course this is the start of a bear market where we can see weakness persist for much longer.

While I focus on buying fast moving stocks at the right time when the times are right I also depend heavily on avoiding chop and keeping your full account whole rather than being chopped up in the chop while waiting for proper setups to come.

You can make a bundle in a good market, but you can also lose a bundle trying to trade chop.

Rookies often get blown out during those times so I help and the more skilled them avoid it.

Using this chart rebuilding time to study and enjoy life is the best approach in so many ways.

I talk about strategies and rules a lot more during these times so join us while we wait. It could only be a few days, or it could be a couple months before we dive back into the market in a big way.

I also talk about learning to day-trade and make quite good money while we wait.

Enjoy your long Memorial Day weekend. We've been working and focusing very hard lately while things are good and now it's a well deserved time to sit back and kick the feet up for a few days or maybe longer.

Thank you for reading and your continued support.

Warren

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