

Wizzen Trading

by Warren Bevan

Moving On Up

Well, the easy money that looked to be here last weekend dissipated quickly. The S&P 500 broke to new highs but then failed and was choppy all week with no direction which means it's best to be out of markets or only in very strong stocks and there are some good ones.

In this type of market the strongest stocks don't necessarily fly, rather they hold up well and show impressive accumulation from the institution. It looks like the big boys are really stepping into a few stocks here which means once we do begin to move they will lead and do very well.

Usually in choppy markets day-trading with small positions is my strategy but I even struggled with that over the past week.

Being able to identify when to be out of the market is as important as being able to identify the best stocks when markets turn strong again. [I pride myself at being able to do both pretty well.](#)

It really does not take many cycles of going heavy in the market and then sitting and waiting to go heavy again to reap very large rewards.

Quiet times are great for study and self improvement.

As for the precious metals they were weak until Thursday which saw a large pop but let's just take a look at the charts and see which metals are strong and which are not yet ready to move.



Gold ended the week flat down only 0.05%. The bullish bull flag pattern is too long in the tooth now and has morphed into a downtrend channel. That said the weekly chart has a bull flag and the longer-term charts lead to more powerful moves when they breakout.

As for this daily chart a move above the 50 day moving average is the breakout level.

It still looks to me that the gold bottom is in and we are building a nice base here. The longer the base, the better move up we will see.

I'm in no real panic to see gold rocket higher here but it does look set to go soon.



Silver did breakout this week on Thursday and ended the week up a solid 2.86%. Silver is leading gold and it would be nice to see gold breakout here as well or silver risks a false breakout here.

This is a nice move above the 50 day moving average here for sure and unless we fail this breakout we will see the \$22 level hit shortly.

There are several easy ways to leverage breakouts like this using options or certain ETF's and that can make this \$2 or so move brings return well over 70% rather than the 10% just buying the metal outright or what it's plain ETF would bring.



Platinum ended the week up 3.92% and had a much better breakout Thursday and is now well on it's way to the \$1,525 level I'd talked about last weekend.

The 200 day moving average is quickly coming down to meet horizontal support at \$1,525 so expect some rest there.

It always makes me giggle how easily platinum and palladium can breakout of nice bases when compared to gold and silver whom garner a much wider audience and command a much deeper level of respect and attention from monetary authorities.

It's so much easier to trade than gold or silver but people still love to take the hard trade.



Palladium also broke out nicely and ended the week up 1.35%.

Palladium has pretty clear sailing here being above it's moving averages and now breaking out of a cup and handle pattern.

Next stop is the \$770 area where we should see a week or so of consolidation before heading to \$788.

Once we get past \$788 we will well on the way to new highs at \$862.

Palladium definitely has the best chart of the precious metals as I've said on more than one occasion. I'd not be surprised to see it into highs and around \$900 by years end, perhaps even the coveted \$1,000 mark if we see a strong push into the end of the year.

Thank you very much for reading. [Do consider subscribing to my premium service where I send out my thoughts daily on markets, many stocks and gold and silver.](#)

While we may be in a choppy market right now, studying past movements and the ways we handles the moves is a very god educational move.

The July rally saw some amazing moves and we handled it really well. Basically, [reviewing my July reports is a roadmap to success in markets.](#)

I honestly don't think there are many trading books out there that could teach you how to capitalize on moves like we just saw in July like my daily reports for that month.

Warren

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