

Wizzen Trading

by Warren Bevan

Super Silver Leads

It was a pretty quiet week all in all with many market participants on holiday as the summer is soon coming to an end. The S&P 500 broke it's small head and shoulders pattern Thursday and we are in for several more weeks of this corrective action.

I'm not so sure we will see a large downtrend emerge, rather, so far it looks like just a healthy pullback before another burst higher for the last couple months of the year which would top the year off well.

Gold and silver had a great week and are now at resistance levels I've talked about here the past couple weeks as they setup for higher prices which came in a hurry this week.

Now we have to expect a little rest and see how it goes, but it's more likely they continue higher than drop.

Gold and silver lows are almost certainly in now and they are looking great for higher prices in the months and years ahead.

Of interesting note is that John Paulson cut his gold stake in half recently. While he's been beat up pretty bad here and I'm sure his investors are none too thrilled, a man with his investing prowess should have been upping his stake in my view.

Now we're looking for resistance levels so let's see what the charts are telling us.



A great week for gold which saw it rise 4.72% for the week. The move began overnight for us in North America leaving us out of the trade but gold did come back to test the breakout level and gave us a chance to get in on the trade.

We're right at the horizontal resistance and the 100 day moving average here now so I'd expect at least three days below the \$1,375 area before we can make the push to the next major resistance level at \$1,450.

While I didn't nail the exact low in gold, I was pretty early in identifying it and my views on that became more and more solid as we setup bottoming patterns.

I've said that perhaps trading may not be the best, up until this past week, but buying physical gold for a long-term time horizon looked to be a good idea. I hear from quite a few of you who have been accumulating physical

gold and silver and are so far quite happy. Congrats and thank you for your kind words.

Unless you're trading very short timeframes I'd remain long gold.



Silver led gold this past week and never looked back once it took off unlike gold who gave a chance to get into a trade on a pullback after the breakout.

Silver ended the week up some 13.04% in a stunning move on nice strong volume. This is super action.

I have to be looking for some rest here now at the \$23 area but the way we slashed through the 100 day moving average we may just continue higher.

Whether we rest here for a few days or continue higher immediately, \$25 is next. After that, \$27 is the next area to look for resistance.

At this rate we could easily see silver back above \$30 to close out 2013. It can do it in a healthy way as well since it's got lots of time to rest and build a strong chart along the way.

While it's a blast to see things move up quickly, in reality it's far better to see them take two steps forwards and one step back so to speak.

Building a strong chart with lots of strong support areas is key to longevity in a move.

We saw what happened this year with no real strong chart areas to support silver from it's first move past \$20 back in 2009. The move was simply stunning and way too fast to build a sustainable chart.

This time around should be much different.



Platinum rose 1.71% for the week as it continued nicely to the 200 day moving average I talked about last week that should act as resistance.

A great move all in all and I'd expect some consolidation here before we mount an attack on \$1,575.



Palladium rose nicely as expected and ended the week up 3.01%.

We're seeing some stalling here at \$770 as the chart suggested. Next stop is the \$790 area, likely this coming week before we need any rest of more than a few days.

Thank you very much for reading and your wonderful comments.

Enjoy the last days of summer and the quiet markets while they are here.

[We are really shaping up perfectly for a super run into the end of the year which would make this a superb year in the end.](#)

Warren

In my free, nearly weekly newsletter I include many links and charts which cannot always be viewed through sites which publish my work. If you are having difficulties viewing them please sign up in the right margin for free at <http://www.wizzentrading.com> or send an email to warren@wizzentrading.com with “subscribe” as the subject and receive the newsletter directly in your inbox, links and all. [If you would like to subscribe and see what my portfolio consists of please see here.](#)

If you found this information useful, or informative please pass it on to your friends or family.

Free Service

The free weekly newsletter “Wizzen Trading” does not purport to be a financial recommendation service, nor do we profess to be a professional advisement service. Any action taken as a result of reading “Wizzen Trading” is solely the responsibility of the reader. We recommend seeking professional financial advice and performing your own due diligence before acting on any information received through “Wizzen Trading”.