

# Wizzen Trading

by Warren Bevan

## Confined In Wedges

A corrective type of week for the markets after a good run recently is just what we needed. There are some strong stocks holding up well and even advancing here and it's those stocks you want to take note of.

The stocks that hold up best during corrections are the ones who will lead the next move higher and we are seeing that now.

We've got some strong positions on now and have for a while simply because they are acting very strong and not stopping us out or taking us out of the trade.

Stops are in place though to lock in gains if such a move does occur and [I talk daily to members about stop levels.](#)

[All we do is identify the proper breakout levels and then take the trade.](#) If it doesn't work we get stopped out for cost or a small loss.

If the trade does work, we simply put stops in at proper levels and adjust them higher as the stock pulls away from the breakout level.

It sound simple and it really is, but identifying the proper buy point and stop levels is the trick and where I excel.

As for the gold and silver they remained trapped within their patterns.

We don't always have actionable moves and that is a good thing. While markets, stocks and commodities consolidate it just sets up for the next move and while things aren't moving it's best to avoid putting capital at risk.

Let's take a look at the precious metals chart today and see what will constitute a move worth trading.



Gold rose 0.84% for the whole week but we remain trapped inside a wedge here still as I mentioned last weekend.

Last weekend I said there wasn't much to say as we needed some time here in this wedge most likely and that's what happened.

We are now getting very close to a move here.

I don't know if the move will be higher or lower but a move under \$1,300 should mean lower prices to come while a move above the descending trend-line near \$1,350 should mean it's higher we go.

There is a moving average cluster at the descending trend-line area near \$1,350. The 21, 50 and 100 day moving averages are converging there which means it will be a tough area to move past.

That said, if we do move past the moving average cluster then it would be a great signal since it would show great strength.

For now though I just watch and wait to see which direction is next.



Silver ended the week down only 0.60%. Silver also has a wedge pattern now which is getting very tight here and will soon resolve itself one way or another.

Silver does look like it's going to move lower to me here but I may be wrong.

If we do break lower here the next support area to look for is \$20.

A lot of people want action all the time but that is the wrong way to think.

Just like we need to sleep and rest daily, so do markets and when they awaken, they have much more energy.

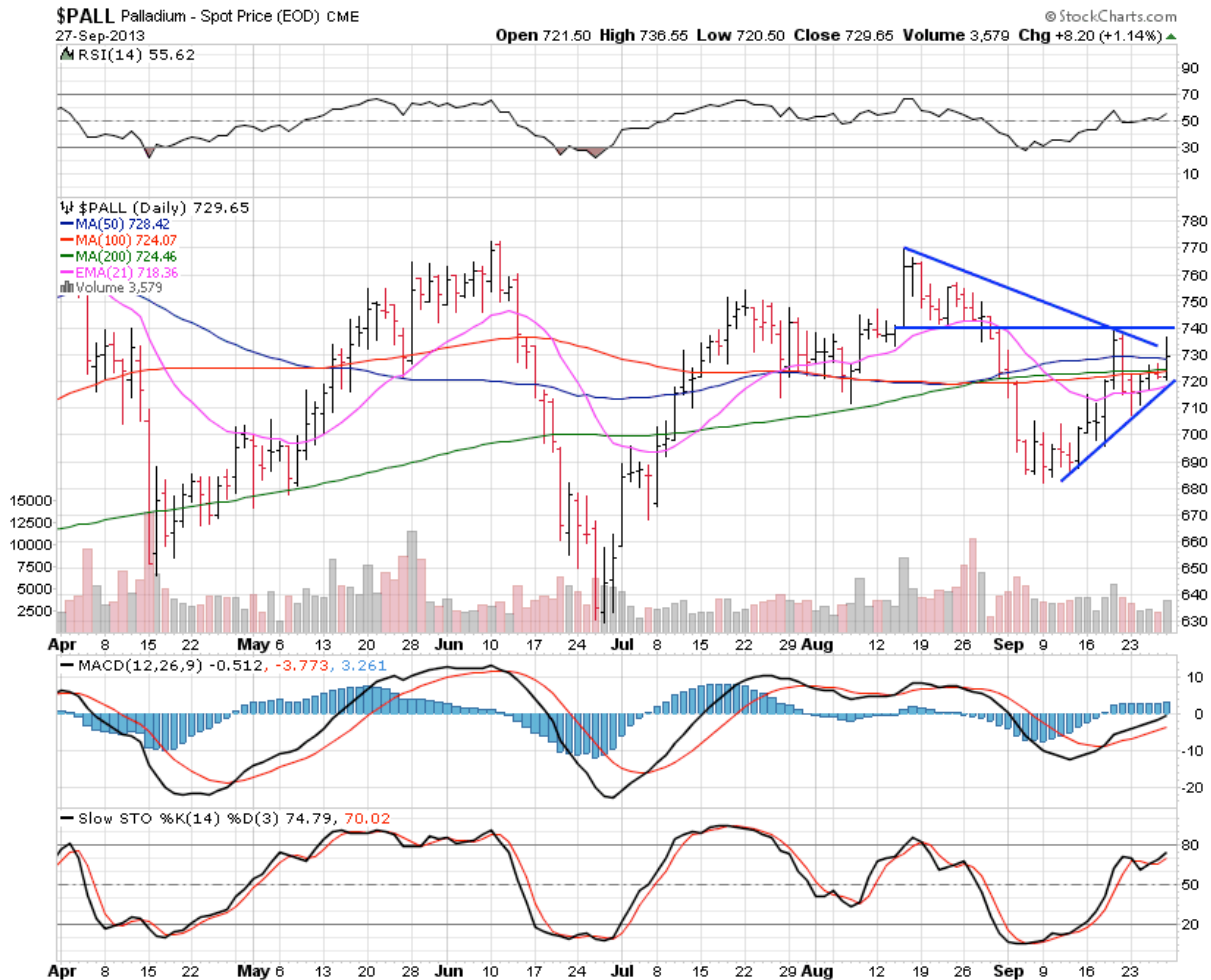


Platinum ended the week 0.99% lower after starting to break it's head and shoulders pattern late in the week.

As long as we remain below the neckline at \$1,425 then this move lower points to a test of the \$1,300 area.

Let's see if platinum can regain ground above \$1,425 or not this week.

That level can be shorted off of using tight stops.



Palladium rose 1.85% on the week. It's trying to move past the 50 day moving average here but is having trouble so far.

The \$740 area is also resistance as seen clearly on the chart.

Palladium seems to want higher here but until we clear \$740 I'd not be looking at it. On the flip-side, a break of the ascending trend-line at \$720 would be conducive to lower prices down to \$685 or so.

Thank you for reading. Have a super weekend and week ahead and [become a member to get daily updates on the precious metals and leading stocks.](#)

Warren

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