

# Wizzen Trading

by Warren Bevan

## Head & Shoulders Points To More Downside

A very constructive week with markets looking like they want higher but are really yet to move that way, of course that can change and that's why we need to assess markets on a daily basis and be ready and able to change our minds.

I'm seeing more and more leading stocks emerge from buy areas and confirm breakouts thus far and time-wise we are right about on track for some early leaders to move and then in a week or two we should see markets really show good buy points. Of course we need to be agile if things change.

The situation in Syria, or maybe I should say, the Russian reaction to US talks of a strike, is moving markets wildly and quickly so I'm not as heavily invested as I'd like to be at the moment.

As for the precious metals, they corrected as I'd suspected they would in this letter last weekend. I know a few of you are not thrilled about it but it is what it is.

The ultimate bottom in this large correction still looks to be in place but we won't go straight up as I've talked about here many times and it will be a slow process to get back to new all-time highs and there will be many euphoric and depressing moments along the way for many.

Let's take a look at the charts and see what I'm seeing this week.



Gold ended the week down only 0.69% after falling off at the \$1,425 resistance level I talked about here.

Gold looks to now be forming a small head and shoulders pattern here with the neckline at the \$1,350 support level.

A break of \$1,350 will most likely see a \$75 move lower to test support at \$1,275 which just so happens to be the measured move of this pattern.

Basically for now, above \$1,425 is good and a long could be taken while a move under \$1,350 is bad and a short position could be taken.

I like to keep things simple and hope this helps you.

I can't tell the future but I can tell you what move to make at a certain point and right now I'm avoiding trading gold while I do hold physical gold still for the long run.



Silver rose 1.40% for the week but is also setting up what appears so far to be a small head and shoulder pattern along with gold.

A break of the \$23 neckline will see a move to just above \$21 in quickly order. That would be the measured move area and also the 50 day moving average will soon be there and provide some additional support.

All in all both gold and silver are showing good action that is healthy with two steps forward, one step back which will build a much stronger chart as we move higher slowly.

Trust me that you want this type of move rather than a rocket shot higher.



Platinum slid for the week as I suggested here last week was likely. The 21 day moving average couldn't hold the price and now we are seeing it act as resistance.

We should soon see \$1,450 tested and it's quite likely that level will hold up.

You can see that platinum had a slanted small head and shoulders pattern very similar to what gold and silver are showing right now.

I did not see that pattern here in platinum last week but it's there, plain as day. I try my best but don't always spot everything and that is an understatement!

Seeing the head and shoulders break work here solidifies my view that gold and silver have more to go on the downside although we could see a week

building the right shoulder out a little more with gold and silver. Only time will tell how and when it plays out.



Palladium continued lower as the moving average cluster at \$720 or so couldn't hold.

\$700 was hit and couldn't hold as I'd thought it should. Now \$700 is resistance but a move above on a closing basis should mean the low is in.

The 61% Fibonacci retracement level was hit and it held very well here at \$683 or so. I think we have seen the low in palladium here now.

Palladium does tend to lead the other metals so if this is to be true in this case once again we can expect gold and silver to hit the levels I mentioned with a couple weeks before heading back higher.

I hope you had a great week and enjoy your weekend and week ahead.

Thank you very much for your support and kind words.

Warren

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