

Wizzen Trading

by Warren Bevan

Lower Patterns Negated

Before I get into things this week I'd like to extend a free 1 week offer to you. Get my Daily Trade Ideas for free this week every evening. It's something I rarely do so take advantage of it as we move into strength here in the markets and see how I operate in a good market.

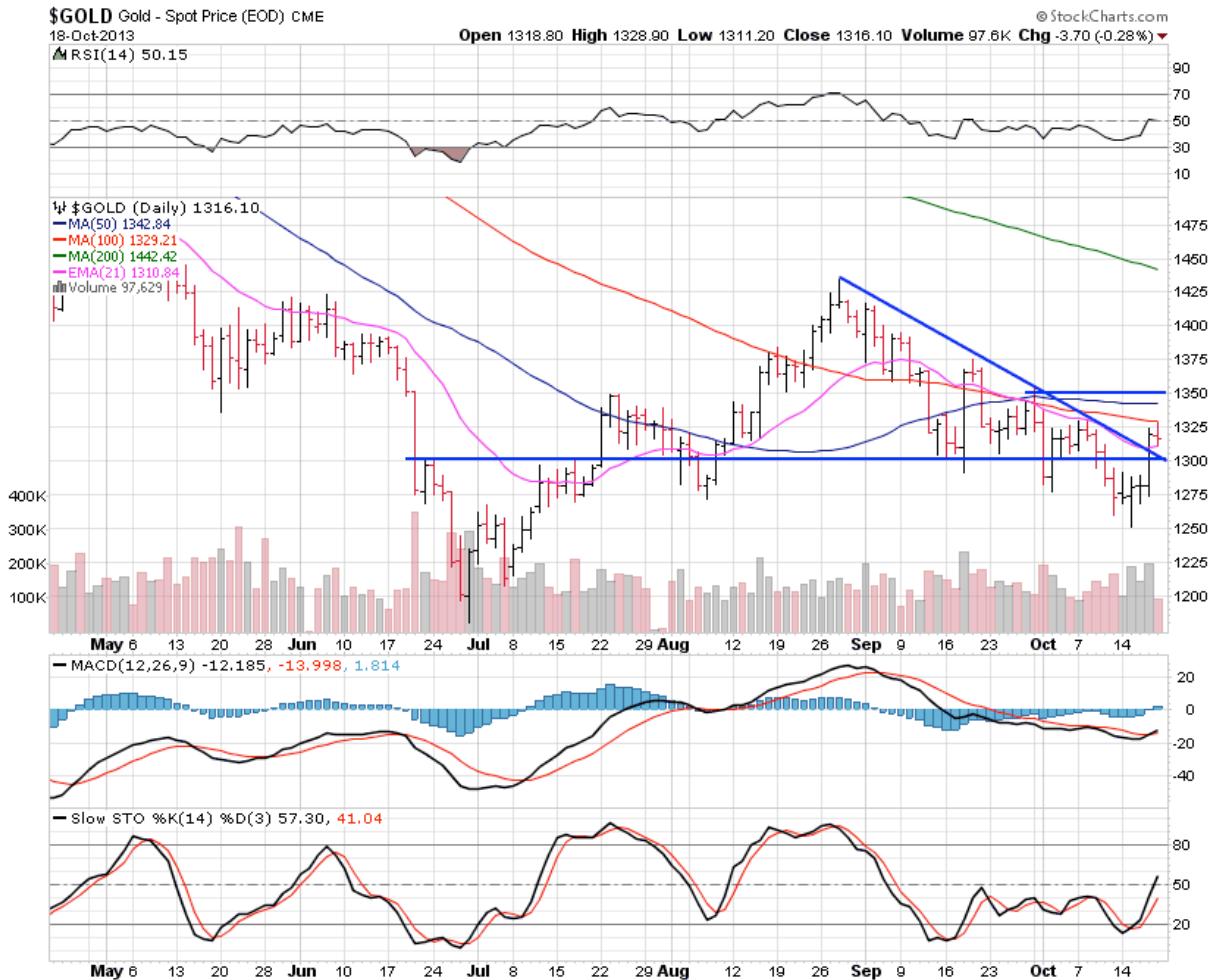
Email me at warren@wizzen trading.com and I'll set you up.

We finally got the debt ceiling extension at the 11th hours as usual this week. The government is opened again as well and markets and stocks are loving it.

We're off to the races here with many fast moving stocks breaking out while many more are looking to go now, or very soon as well.

Gold really came back after starting to breakdown along with the rest of the precious metals.

The precious metals aren't looking super strong yet but they are sure looking better than last weekend by a long shot so let's take a look at them now.



Gold ended the week up a nice 3.42%. Gold did break below the neckline in it's head and shoulders pattern and I was short in small size. I took a loss on that trade.

As so often happens, gold made it's move higher in overnight action and I got caught with a good sized gap above my stop level.

I talk often about my disdain for trading gold since so many of the moves come when I'm sound asleep but that's why I had a small position.

Gold is starting to look better here now, breaking above it's wedge pattern.

I'd like to see a little base here before we move above the \$1,350 area which would be a breakout and quite good for higher prices.

For now, below \$1,300 is bad while a move above \$1,375 is good news.

Last week I talked about how a move to the target area suggested by the head and shoulders pattern would actually be a good thing for gold since that would put in a double bottom on the monthly and weekly charts. Only time will tell if we get a double bottom or not but it's not looking good for now.

The weekly and monthly chart setups are much more powerful and lead to longer and stronger moves than the daily so I'd really have been happy to see such a low put in but for now it's not looking good. Let's see how far this move on the daily chart can take us in the weeks ahead.



Silver never quite broke lower when gold was breaking its head and shoulders pattern. In hindsight, I should have known better than to be short gold with silver not breaking lower.

Unfortunately hindsight is no good to us now.

Silver is trying to break above \$22 here and that should see a move to \$22.50 where we should see a few days of consolidation before it really breaks out higher into what could be a sustainable move higher.

I'm glad to be wrong calling for lower gold and silver prices last weekend here. They tried to move lower but there are buyers who won't let it and that is very good news.

Some may say I'm flipping sides here now by saying we aren't going lower, but the fact is that not every trade works and if it doesn't you have to be able to change your mind and stance very quickly or be stuck with larger losses.

Losses do happen to everyone, there is no doubt, but the secret is being able to accept them quickly and try to keep them as small as possible.



Platinum rose a sharp 4.79% for the week after taking a quick U turn.

I was looking for a move to the \$1,300 area as a target for this pattern breakdown but targets are just that. Sometimes the target is missed.

Gold took platinum higher in a big way late in the week and now we look to be going to \$1,480 next, then we can see how the action is here in platinum along with the other precious metals.



A very strong move here for palladium which saw it rise 4.06% on the week.

Seeing palladium not break lower as it's chart suggested is great news here and seeing it move above \$740 is even better news.

Palladium is now on it's way to recent highs at the \$770 area and it should be seen within a week or two.

Great action here on strong volume.

All in all the precious metals moved opposite to how I'd expected this week. It's all good for sure but they are yet to really setup a super area to get long from.

That's in stark contrast to leading indexes and leading stocks who are setup for higher prices out of very nice bases and those are where I focus most of my energy since they are so much easier to trade than the precious metals.

Please take advantage of my free trial offer and have a great week ahead.

Thank you very much for reading.

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.wizzen trading.com> or send an email to warren@wizzen trading.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".