

Wizzen Trading

by Warren Bevan

False Breakdown

We saw markets a bit confused this past week with the Russell 2000 and Nasdaq looking good while the S&P 500 chart didn't look so great.

All markets were doing very well in the face of a government shutdown and debt ceiling talk and that saw us increase exposure only to see the breakouts turn around and move back into their bases in terms of the Nasdaq and Russell 2000.

At the moment I'm more focused on leading stocks than the markets and so far our positions are holding very well or moving higher for the most part with a couple stopping us out at cost or for small losses before they really plunged.

Stops are key and knowing which stocks to hold is also very important but just in case they turn around [I talk about stops every single evening to members](#).

If you'd have asked me last weekend what a government shutdown would have done to markets and precious metals I'd have said markets would fall while precious metals would rise.

That was the opposite of what occurred initially.

That's what I get for thinking!

Precious metals tanked hard on news of a government shutdown but then reversed higher the next day. Amazing action that is very dangerous to try and catch since many of the moves occur in overseas trading while I'm deep in sleep.

Let's take a quick look at the precious metals charts who are looking better now before [I dive into many, many more charts for members](#).



Gold fell 1.91% for the week but it did come back in a big way after an initial drop below it's wedge.

This suggests there are big time buyers out there who do not want gold to drop at the moment.

We are getting very tight here in this wedge that we've been working on for weeks now.

I'd say we should see a move higher out of this wedge within a day or two and \$1,400 is the next stop. Likely later on this week.

That's how the chart looks to me today but if we do go the other way and fall lower out of the wedge, below \$1,400, then the next stop will be \$1,250.

I am looking for a move higher here but we have to be ready for a move either way. Until we see a move out of this pattern I'd avoid anything here.



Silver ended the week down only 0.23% after also falling below it's wedge before coming back in a big way.

This also suggests there are big buyers right under the \$21.50 level to \$21.

Chances are we now move higher, and soon.

We are very tight in this wedges pattern and it looks like we are soon to be on the way to \$23, then \$24.

I'd be avoiding trying to trade silver until we break out of this wedge at the \$22 area.

While I am looking for a move higher here, a drop below \$21.50 will most likely see a move to \$20 in fairly short order.



Platinum ended the week 1.97% lower after moving out of the head and shoulders pattern I showed here last weekend.

This move does suggest a continued move lower all the way down to the \$1,300 area.

Seeing platinum lower has to have me think twice about gold and silver moving higher but they can certainly diverge in their movements so we just have to watch the action.

For now, platinum looks ugly and as if it wants lower still.



Palladium fell hard this past week ended ended down 4.04%.

Last week I thought this wedge pointed to higher prices but I did say I wouldn't consider it unless we saw a move above \$740 which never came this past week.

We ended up breaking the wedge on the downside and now I'm looking for a move to the \$685 area.

Let's see how next week develops but so far it looks like gold and silver should break higher while platinum palladium are trending lower.

This can change in a days time though and that's why I [update gold ad silver for members at the end of every evenings writeup.](#)

Enjoy your weekend and week ahead and thank you very much for reading.

Warren

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