

Wizzen Trading

by Warren Bevan

Wild Emotional Ride

Markets didn't do a heck of a lot all week and are looking like they need to correct lower but the S&P 500 is holding a critical support level well enough for now.

Many stocks aren't doing much except the two big social media stocks and a few others and we're lucky enough to be into a few of them, one having risen about 20% in a single day!

Those types of moves don't come all that often, especially in a weaker market, but I readily accept those types of gains in any market.

As for the precious metals, gold and silver toyed with emotions of so many gold bulls.

Large gaps in overnight action had them going from euphoric to depressed and back again.

I get a lot of emails on large moves higher asking if this is the breakout but in reality we need a definitive bottom type of pattern or a long base of months, not days, before I will be confident we are changing direction higher.

It still looks like we're heading lower to me so let's check the charts and see what I'm seeing.



Gold had a very volatile week that had a range of \$40 and that range was tested on a near daily basis but in the end, gold ended the week up 0.37%.

People get a little too excited when they wake up to a \$20 or more gap up and the reverse is true of a gap down.

I've been talking about the potential of a double bottom which would see gold fall under \$1,179 and then come back above, ideally on the same day.

A double bottom is gold's only hope in my view to put a low in near-term.

Otherwise we will head to test strong support at \$1,000 and that could take months, while we could see a double bottom form and complete within weeks.

I don't see any chance of a trend change here yet and the trend remains solidly lower.

But as I talk about always, there are places to make money, just not in gold at the moment.



Silver ended its volatile week up 0.43% and is trying to break its bear flag here and \$19 shouldn't act as any type of support on the next move lower.

\$18.50 should be next and it's looking more and more likely we will test \$15 before we see \$22 again.

Silvers trend remains solidly lower and should remain so until we see a potential double bottom in gold.

If we do get a double bottom in gold then silver will follow it higher since they always move together.

It will be an interesting move into Christmas as we see if 2014 will begin with a low being on for gold and silver or if we have further to go on the downside.



Platinum ended the week higher by 0.43% but isn't looking too hot here.

Platinum couldn't get above and stay above \$1,380 which is a significant resistance level.

It's built a pretty clear bear flag here now and that tells me its going to follow gold and silver lower.

\$1,260 looks to be the next support level and I have to go to a monthly chart to find that.

If that level can't hold then we have very strong support way down at the \$900 area.



Palladium turned lower this week to follow the rest of the metals and ended up lower by 2.5% for the week.

While palladium was looking pretty solid last week I did warn of the divergence. It's not often we see the precious metals trade opposite of one another and palladium rejoined the groups weakness this week.

We've got some support at \$710 then \$700 and then a little lower at \$685.

Its not been a good year to be in the precious metals but we've had a fantastic year trading leading stocks and I'm looking to continue this trend going forward.

If gold and silver become strong again then so be it. I will be in them and trading the related equities but that time is not now.

That said, if you've held this long in the metals then hang on a bit longer, we could be near a low.

Have a great weekend and week ahead and thank you very much for reading.

Warren

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