

# Wizzen Trading

by Warren Bevan

## Low Volume Bounces

I hope you all had a wonderful and special week with family and friends.

It's been a well deserved little rest period after such a stunning year for us but a little more time off would have been nice.

We've got another week of lower volume most likely with traders starting to come back next Thursday but likely not real volume coming back until January 6th.

A very slow week in terms of volume with most off for Christmas but the price action was strong as stocks and markets floated higher for the most part.

Being short has been nothing but trouble all year.

Often after such runs though, we do see some weakness after the start of the year so we have to be weary of this potential.

As for the precious metals they all saw nice bounces for the week but it's still too early to call a low and pile in on the long side.

Let's begin with a look at the gold chart as always.



Gold rose 0.95% this past week on very low volume.

Gold is stopped at \$1,220 resistance for now and is building what looks to me like another bear flag.

I'm still looking for a double bottom here very soon but that is really wishful thinking and the best case scenario.

Only time will tell and I've outlined here the past few weeks what exactly to look for in case of a double bottom and how to play it.

We're still in a holding pattern basically as we see if this is indeed a bear flag or if we move above \$1,220 and then \$1,227 at the 21 day moving average on strong volume I may reconsider.

Not all charts are perfect so there is a chance we could have a less than perfect double bottom in place already but after such a large fall from \$1,923 I think we need a perfect double bottom here.

And all that said, I still see no sign of capitulation.

The perma-bulls are still talking their favorite metals and that tells me we may need to move to, and likely below, \$1,000 to really shake the tree.

A move like that with gold staying under \$1,000 for days or weeks would certainly see a large bout of selling and those always mark lows.

Time will tell and being able to have patience will put time on your side and you'll win a whole lot more.



Silver rose 3.37% on the slow volume week.

A move above \$20.50 would be a good sign here but silver is right up against a downtrend line here and has a bear flag built as well.

Gold should lead here while silver will see larger moves on a percentage basis

Regardless of if we continue higher or fall off from here we should see a few days of consolidation here after such a quick run.



Platinum flew higher by 3.37% for the week and now seems stuck in a large \$100 range between \$1,400 and \$1,300.

The 50 day moving average sits right at \$1,400 as well so expect it to be strong resistance.

A great bounce from platinum for sure but as almost always, gold will move one way or another and platinum will follow.



Palladium rose 1.77% this past week as with the rest of the precious bunch.

We've got a cluster of moving averages between \$723 and \$730 so expect some major resistance there.

Palladium will have a hard time rising if gold falls so always be weary of that.

There really isn't much else to say about the precious metal sector this quiet week.

Sometimes we just need to take a step back and see what becomes of things.

Enjoy your weekend and the rest of this year.

Thank you ver much for your support, great comments and reading my work in 2013.

I hope I can help in 2014.

See you in the New Year!

Warren

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