

Wizzen Trading

by Warren Bevan

The Golden Saucer

We had a very strong week in the markets and many leading stocks this past week. In fact it was the best week this year by a long shot, but I do not think it will end up being our best week of the year in the end.

This bull market we are in is very strong and has years to run from what I'm seeing.

There are a lot of bears and underinvested funds out there as we basically are climbing the proverbial wall of worry.

We had huge outflows from funds two weeks ago so that money will be coming back in pushing markets and stocks higher soon.

Gold and silver continue to move nicely higher but they are moving a bit too quickly here and are definitely due for a little consolidation period here now.

Miners are really coming off these historic lows well and remain a great buy for a long-term hold.

Let's move right into the charts and see why we need a consolidation or rest, and where we can expect support to come in.



Gold rose 4.10% this past week and did so in style.

I've been saying the slower this move is as we come off these major lows the better.

We did begin to accelerate into the end of the week and we really moved well past the important resistance level at the 200 day moving average on increasing volume.

We do need to consolidate here as such a move above the 200 day average is designed to suck in the last of the bulls.

The buy point for gold was back near \$1,270, not a break of the 200 day average at \$1,310.

A week or so falling back to \$1,300 to \$1,280 would give us a very nice handle in this large cup or saucer pattern here.

There is no major panic here to buy and I've been saying that gold isn't so much for trading here yet, rather accumulating physical gold off these major lows.

I really like this base and the action out of it is textbook so far.



Silver had a huge week rising 7.37% in the end.

Silver moved to well off the lower end of its flat channel where I said there was a very low risk entry point here two weekends ago.

A great \$2.50 move so far from that buy point.

We could run to \$22 here but we do need some rest and I'm looking to \$20.50 for support.

Just a fantastic move and behaviour here off major lows.

Not much needs to be said when silver is behaving so well and predictably.

Silver is still following gold, but as always, it moves more on a percentage basis.



Platinum followed gold higher this week and ended up 3.13% on the week.

Last weekend I pointed out the continuation pattern that was a little wedge.

It pointed to a move lower but I mentioned that with gold looking ready to move higher the chances that platinum reversed and moved higher following gold were quite likely.

Gold leads the rest of the precious metals so no matter what patterns we may see here or in palladium, if gold moves decisively one way or another this metal will often follow.

Now platinum is butting up against its 200 day average and could see a few days or rest here but I think we continue higher to resistance at \$1,440 first.

All in all platinum is great and I'd consider buying pullbacks here.

Next stops are \$1,440 and then \$1,480 once again where we should see some more consolidation before a larger breakout.

Having platinum move higher only confirms gold move.

Where the Down theory needs the transports to move along with in industrials, I suppose we could coin this the precious metals theory whereby gold, silver platinum and palladium need to be moving in sync to confirm.

We could say this is a precious metals theory buy signal here.



Palladium is also confirming the move and moved up 3.74% for the week.

\$745 looks like a good resistance area here now where we should see some consolidation.

Great action here and all around in the precious metals this past week.

My thoughts remain that we are coming off history and huge lows for gold and silver.

They need to move slowly and build support levels along the way this time unlike how they moved back in 2011 when they spiked higher for months on end.

Those types of moves are never sustainable but sure are fun.

We need years now to slowly build nice charts back up near highs and then we can look for a breakout higher that will be a really fun time.

It's exactly like the S&P 500 now who rested and slowly built back up to highs before breaking into new all-time highs and is now running.

It's not rocket science, it's just how it goes and it happens over and over in stocks, markets, commodities, treasuries or anything else you can chart.

There is always a strong market somewhere and right now it's in leading stocks.

In a few years once this huge bull market ends, perhaps it will be golds turn.

Thank you for reading.

Enjoy your well deserved long weekend.

Warren

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