

# Wizzen Trading

by Warren Bevan

## Palladium Shines

With markets showing they need some time I took last weekend off to go away and get some skiing in so my apologies to the many who've emailed wondering my thoughts on gold and silver this past week.

Markets remain choppy here with leading stocks needing time to setup better bases and charts, so cash remains a good position while we wait for the easy money to return.

Gold tried to breakout but failed and could be looking for some more downside now.

I've said all year and beyond that the slower gold moves up the better.

We are building lots of support levels as we slowly move off lows so I still think we have years to go before we see the blowoff acceleration so many are craving.

While we wait for gold to have its blow-off top there are going to be many other areas to find such action, the most recent being fuel cells and that was a very profitable and fun trade for us.

Let's take a look at the precious metals charts and look for where we can expect to find support.



Gold fell 3.47% this past week after failing its breakout.

We saw a classic reversal after the breakout and now gold is looking for more downside.

The bad news is that the weekly chart also shows the same bearish reversal bars which could easily see us retrace back to the \$1,200 area but let's focus on the daily chart right now.

Support is at \$1,300 where the 50 and 200 day moving averages sit for now.

More significant chart support sits at \$1,280.

We have more downside to go here from what I see although we could see a move back near \$1,360 before more downside sets in.

Basically I'd avoid trying to trade gold here and wait until we see a much easier and safer setup.



Silver lost 5.45% this past week and, so far, is moving back into its long flat base between \$19 and \$20.50.

If we remain in this base there is a good chance we will test \$19 again.

The good news is that if we close above \$20.50 on Monday that is a powerful buy signal but I'm not so sure we will see that come.

I'm just in wait and see mode here with so many things.

I try not to guess at trades, rather, I wait for a setup I've seen before and one that's worked well for me in the past.

Right now we are in a no man's land and I tend to take more time away from the office and enjoy life a bit more when the markets allow me to as they are right now.

If only all this snow would soon melt!



Platinum slid 2.30% for the week just ended.

The \$1,480 to \$1,490 area is such a strong resistance level for now but the good news is once we get above, that area will be strong support.

For now we are holding moving average support but it looks to me like we need to move back near \$1,410 and see how that area reacts.

\$1,390 will be next if we can't hold \$1,410.



Last letter I wrote was titled “Pretty Palladium” and it sure turned out to be true.

Palladium ended the week up 2.78% and is breaking its nice bull flag.

Palladium broke the long downtrend line I showed in the weekly chart a couple weekends ago

As is so typical with the precious metals, it tried to shake out everyone quickly as it had a large down day to test the breakout level but the closing price Thursday was very strong and on heavy volume.

This is a confirmation of the original buy signal

Palladium is now on the way to highs at \$850 where it will likely need some time to build a base.

Superb action here in palladium and it's a chart to study. It had a great breakout on the weekly chart and if you can find another chart that looks similar sometime then chances are it will behave just like this one.

Enjoy the rest the market is giving us now while it lasts because we will be busy as bees again soon enough.

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Thank you for your time and reading.

Have a great weekend and week ahead.

Warren

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