

Wizzen Trading

by Warren Bevan

Karate Kid Markets

One of the slowest weeks in a long time is finally over.

We started the week buying into a few stocks but then we were quickly stopped out the next day for a mix of smallish gains, small losses and a couple at break-even.

Getting stopped out quickly ensured we didn't take any real losses and more importantly, it told us that things were still not ready.

Sure enough we sat out the rest of the week as markets and stocks just chopped around like the Karate Kid.

Many traders are complaining about lack of direction and trend and are taking loss after loss.

I've learned that lesson before and it is always best to identify these choppy periods and then decide to sit them out and wait.

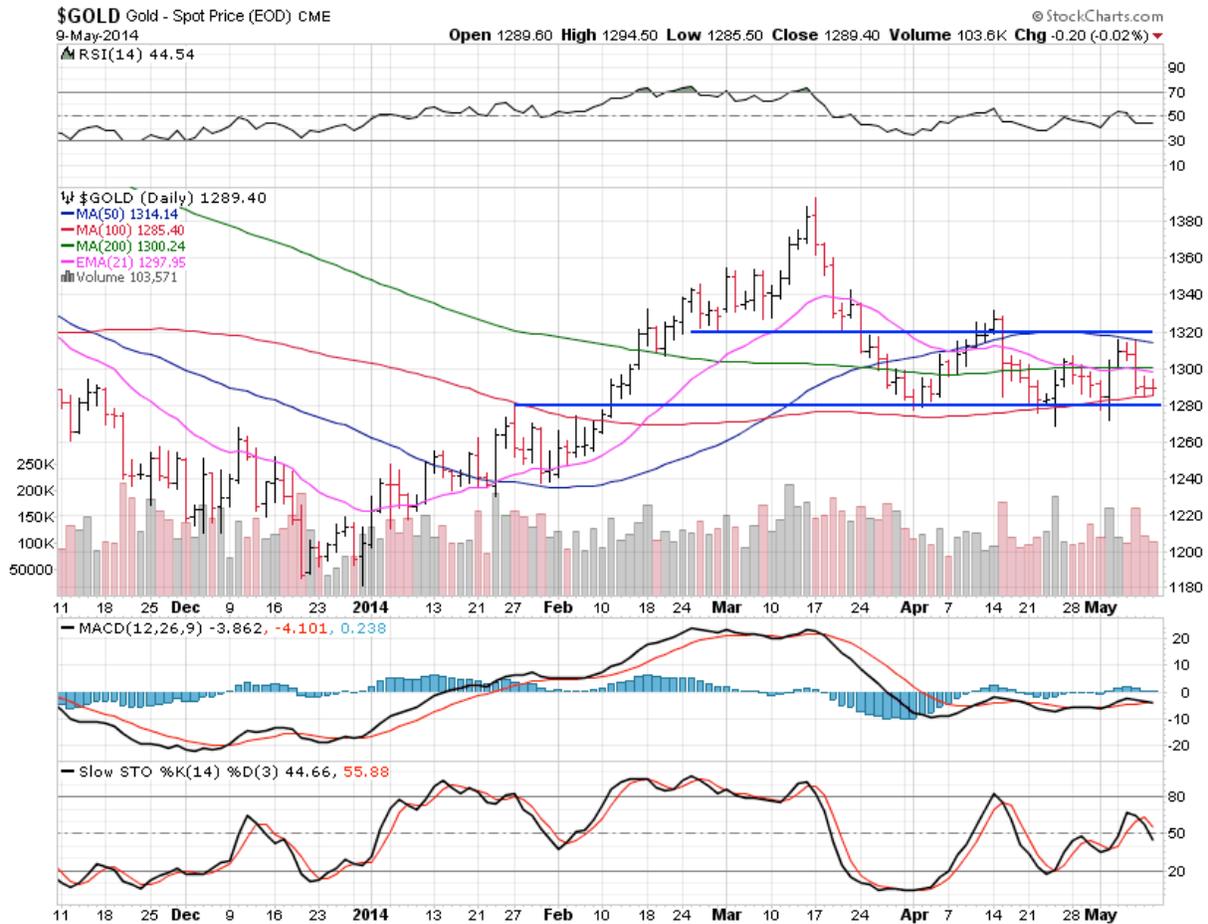
If you trade the good markets and do well you always end up giving back your gains and more in this type of chop so I've learned to stay in a high cash position during these times in order to keep my powder dry and ready to go.

If you can't sit this market out, you will never really get ahead.

If you can sit out the chop, you will make a lot of money only trading in strong trending markets.

It sounds simple, and it really is, but it does take discipline since we, as humans, always want action.

The precious metals also chopped around a lot and there isn't too much to say about them this weekend but let's take a look and see what moves would constitute an end to the chop.



Gold lost 0.87% this past week and did nothing at all.

Gold did try to breakout but failed along with so many other stocks and markets. It's just not ready to go and you must cut your positions quickly on a failed breakout or pay the fine for being stubborn.

For now we are stuck between moving averages at \$1,320 and \$1,280.

A nice \$40 range that can be traded if you are quick and a break either way should be the new trend.

The good news is the longer we hold this area, the stronger support it will be.

We've really been building out a long flat base since last June when we hit \$1,179 for the first time.

This nice long base may not be sexy but it should lead to a breakout higher one of these weeks.

Until we do see a major breakout there is no real point in trading gold unless you have a short timeframe and can be quick.

That said, you've had a long time to accumulate physical gold and that still seems to be a good idea for now.



Silver lost 1.79% and remains near crucial support at \$19.

We've been here at support a long time and it has held so far.

Silver tried to breakout early in the week but was quickly shot down.

It's really hard to get excited about silver until we can clear \$20.25 then \$24 but the real trend change would be a move back above \$28.

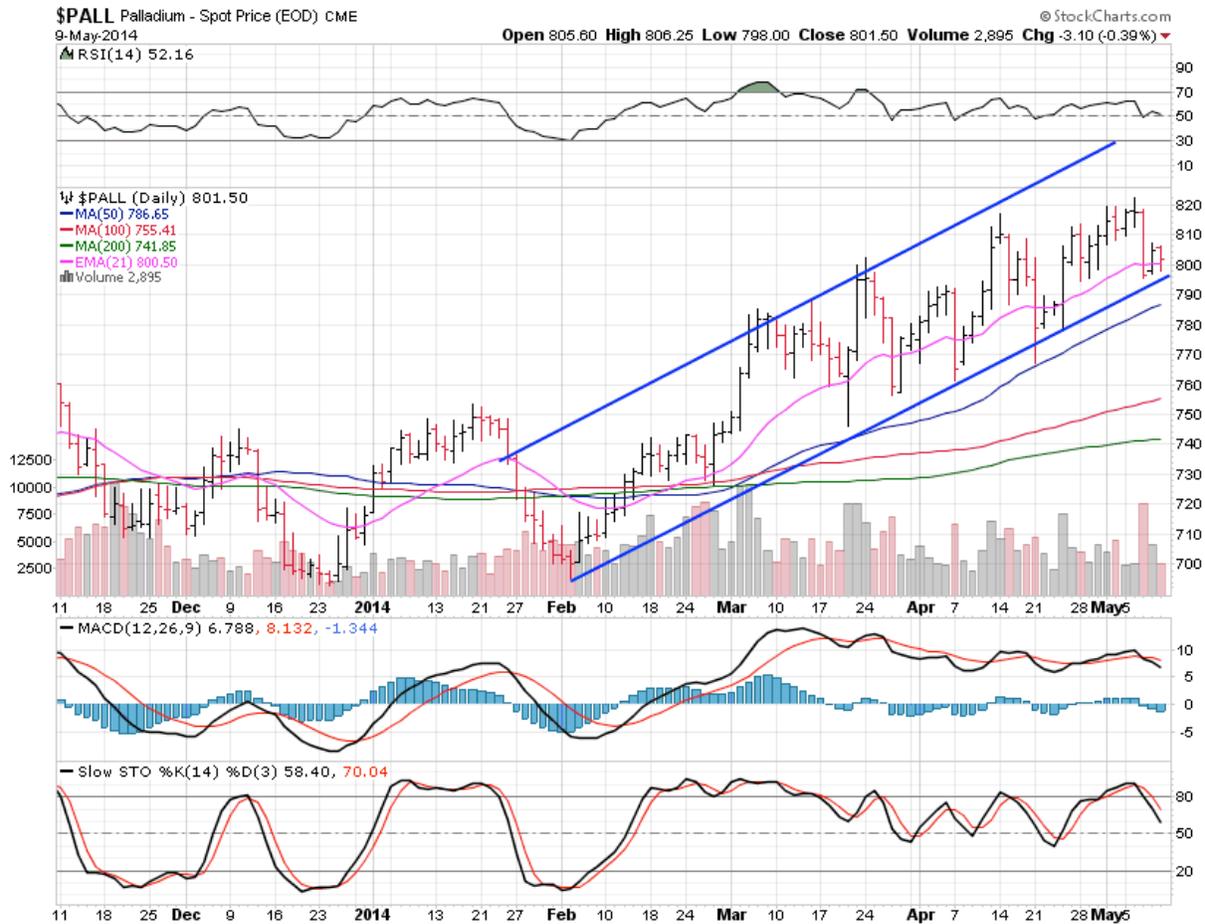
It will take quite some more time.



Platinum slid 0.54% and is really glued to the moving average cluster near \$1,430.

Platinum is building a large triangle and within a month or 6 weeks we should see it resolved.

As always, platinum will follow gold and silver so until they can get moving a bit platinum will likely remain pretty rangebound between the upper and lower levels of this triangle.



Palladium lost 1.23% over the last week but it does remain in a nice uptrend.

As long as we can hold this uptrend channel things are fine but this chart is nothing special to me.

All in all it's a time to wait and see how things play out.

Save your cash for the easy money to return and you'll be a step ahead of so many people who constantly have to trade, to their own detriment.

Thank you very much for reading and you can find out more about what I do for members as we focus on leading stocks for the most part at <http://wizzentrading.com>

Thank you for reading.

Warren

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