

Wizzen Trading

by Warren Bevan

Silver Still Leading Gold

We saw a marked change in market action and leading stocks this past week.

After a very slow summer of false moves and chop this past week was much different.

Leading stocks and indexes are acting much better and moves are working.

I'm still playing with small position sizes and using some options to limit risk and we did get lucky with a nice 50% gainer and a couple that were more than doubles in short order.

I'm still not ready to buy heavy into stocks but there are some really nice setups which may deserve a medium weighting in the week ahead.

Real strength usually doesn't come until the fall but we are getting some nice moves right now, even if they may only be shorter term trades.

I don't discriminate against gains regardless of if they come quick or if they take some time.

As for the precious metals, silver just could not get off the bottom and I warned subscribers of this all week long as gold was looking much better.

Sure enough, Friday, gold cracked.

I noted for subscribers Thursday night that a couple stocks, who do tend to lead, were showing weakness and that was a warning sign and that played out right on schedule.



Gold lost 0.39% for the week and was looking very constructive but silver still being so weak had me thinking gold would fall and that's what occurred.

We rarely see one move without the other and as I've said in this letter the past couple weeks, silver had taken the leading role.

Gold should now head back to the 200 day moving average at \$1,290 and then we will see if it breaks or holds.

Gold's last move was on news and I talked about that in this letter and said that moves on news tend to not last long and that is how it played out.

Gold was very weak Friday before more news out of the Ukraine came out and gold still couldn't really get going so expect much more weakness shortly.



Silver lost 1.83% for the week after just sitting in it's small bear flag and not showing any strength at all.

While I did tell subscribers that gold looked good, I warned that with silver still looking very weak that there wasn't much point in trying gold on a breakout, which never came in the end anyhow.

Silver does have some good support here at \$19.50, then \$19.25, then \$19.

After support at \$19 breaks I see \$18.50 as support.

I still think my call from long ago that silver is heading back to \$15 before we can really consider a meaningful bottom to be in is still well in play.

That call for \$15 was using monthly charts and moves on monthly charts take time.



Platinum fell 1.22% for the week and is now breaking badly.

It follows gold and silver and that's all there is to it until it's behaviour changes.

Next stop, and support level is the 200 day moving average and chart support at the \$1,440 to \$1,430 range.

Strong volume on the break Friday in gold, silver and platinum is telling us the move lower is for real.



Palladium gained 3.92% for the week in a major change from the rest of the precious metals.

We've seen clearly how well palladium has held up in the face of the other precious metals being so weak. Imagine if the others were holding up or even slightly trending higher how well palladium would be doing.

Friday saw a great breakout with nicely increasing volume and I'd love to say all clear now as we move strongly into new all-time highs but I can't.

Even with palladium holding up so well we do have to be realistic and expect a failed breakout to come shortly.

I'd be very careful and have stops at cost or \$890 if you are in this trade.

I'm not saying palladium will drop with the other metals, rather that it is more likely to just come back and stay within the \$870 to \$890 range for a while longer.

But if gold and silver really kick things into high gear on the downside palladium will probably see even more weakness down to the \$840 area.

Unfortunately, things are not all roses and chocolate in the precious metals world this week.

There are places to make money though. There is almost always a strong market somewhere so as the old adage goes, follow the money.

[I do follow the money and you can to by subscribing to my nightly letter or real-time trade alerts.](#)

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>

Enjoy this great summer weekend.

Warren

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