

Wizzen Trading

by Warren Bevan

Precious Metals Continue To Show Weakness With One Exception

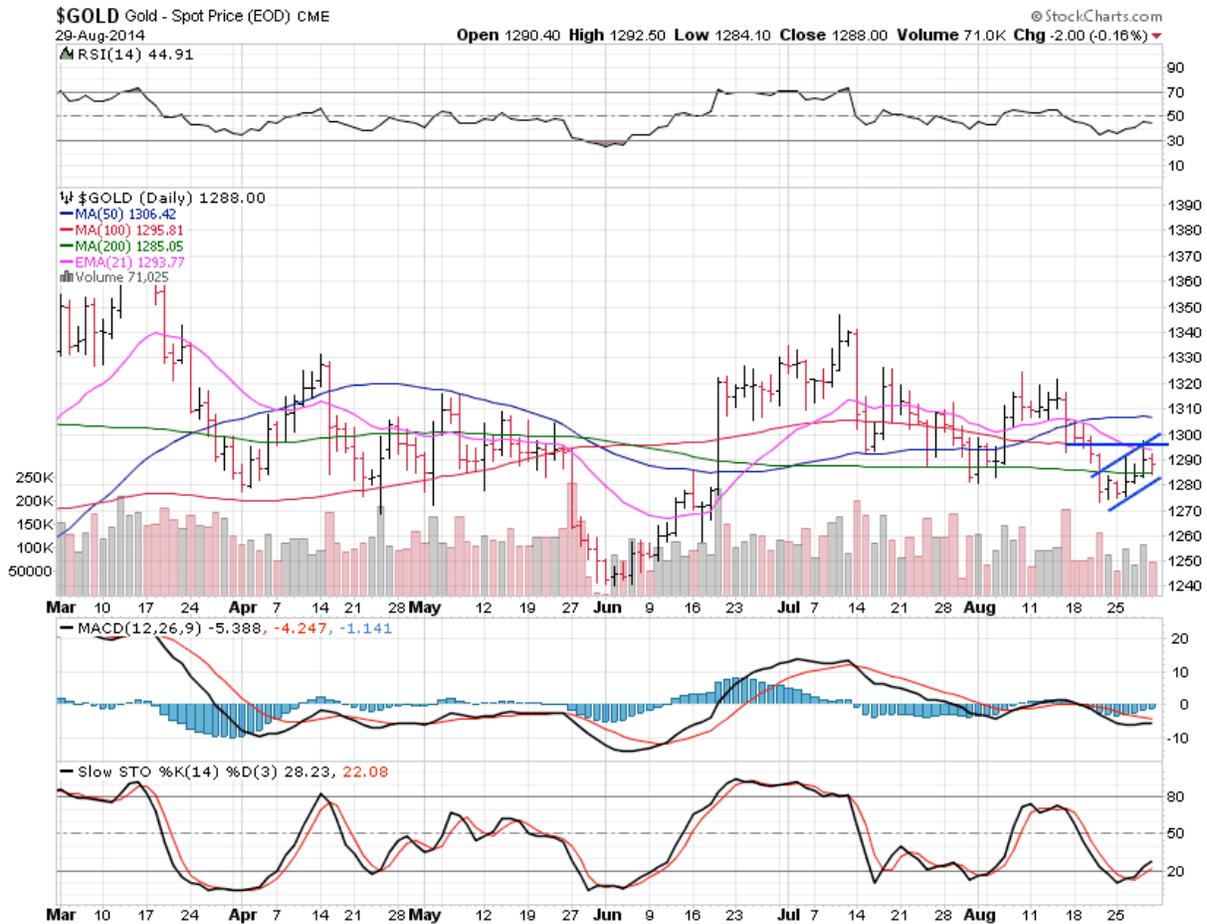
U.S. markets and leading stocks continue to show strong and positive action, mostly early in the week.

It really has been a great August, and that is rare, but it just shows that you must always be paying attention to things and can't rely wholly on historical or past norms.

Does this mean the usually strong fall period will be weak, or does it mean it will be extra strong?

Only time will tell and I will be keenly watching for the answers.

As for the precious metals, gold and silver tried to move higher a couple times this past week only to reverse and resume the dominant trend, which remains lower.



Gold did gain 0.48% for the week but did so by building a bear flag.

This gold chart is not showing me a sign of a low at all here.

This chart tells me we still need to move down to test the \$1,250 area and see how it handles those levels.

I've said for almost two years now that \$1,000 looks like it is going to be tested before an uptrend in gold takes over.

I still believe that to be true when looking at the longer-term monthly chart. Things take time.

I've talked about the so called "blood in the streets" moment and we have yet to see that.

I haven't seen the long, and wrong, gold bulls even come close to capitulating yet. Once I see some of them begin to throw in the towel that will be near the low mark.

That said, gold bulls are a different breed and much more stubborn than the run of the mill bull so it may take some time at lows or an extreme spike below \$1,000 to really get them flustered.

The trend remains lower for gold.



Silver rose 0.57% over the week past and did put in a valiant effort to break out of this bull flag and above the downtrend line but so far, has failed.

Silver has been leading gold for the past few weeks and still is.

I always get lots of emails when a move is happening in the metals and this week was no exception.

Tuesday and Thursday early in the day, the emails were flooding in telling me lots of reasons why gold and silver were now on the way back to the moon. Those emails stopped coming in later in the day once the moves faded.

It never ceases to amaze me how quickly people can flip or jump on a trend well before it is anything even remotely close to a trend.

You really don't have to nail a low at all. If a trend is true it will give you many, many chances to jump on board during its lifetime.

I need to see some very constructive action before I am convinced of a trend change and we are not close to that in the metals yet.

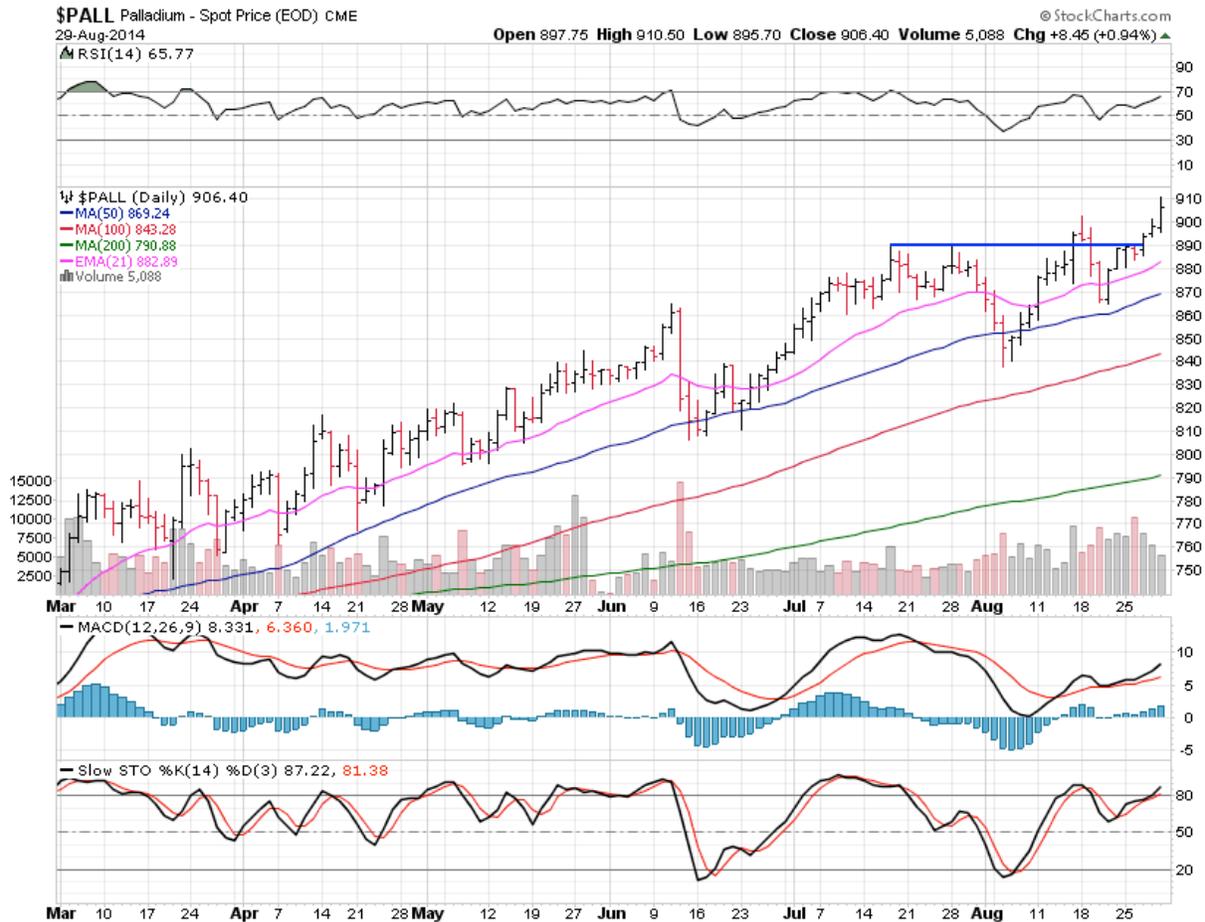
Silver remains in the bear flag and on the way to \$18.75.

\$15 is major support on the monthly chart and I still hold to the thought that the area will be tested before we can consider a true low to be in.



Platinum clawed out a 0.17% gain for the week and is also building a bear flag.

Platinum follows gold and silver and this bear flag points to a move down to \$1,360 which also has horizontal chart support.



Palladium continues to shed the weakness and march to its own beat rising 2.01% this past week back into new all-time highs.

Palladium certainly isn't moving as strongly higher as it could be if the other metals weren't so weak but it is doing well.

As long as palladium remains above \$890 it's all good for higher prices.

While metals remain weak with the exception of palladium, biotech and healthcare stocks remain the place to be to cash in on this market strength.

I like to think I have the best of the bunch, in terms of stocks, and I do.

There is no point in being in weak stocks or sectors hoping for a move when you can be in the stocks who are moving.

Takeovers are a big theme in the biotech arena and we were lucky enough to grab a huge premium on such news this past week. I'm also in a few other stocks who have that same potential in the short-term.

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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