

Wizzen Trading

by Warren Bevan

Precious Metals Continued Showing Major Weakness With the Capitulation Point Now Not Far Off

A solid week for markets who just don't want to rest, but it was interesting to me just how many stocks seemed to chop around and make no real progress and their charts are in no mans land as well, without proper bases.

That said, there are some stocks who are doing well and their charts are strong.

Those stocks are called leading stocks since they are leading, and showing strength.

I'm into some of these leading stocks and they continue to perform and act well after breaking out from proper bases, so far.

As for the metals, they just continued lower as their charts and I have suggested.

We are fast approaching gold lows near \$1,180 where we will see some consolidation but I still do think we have a long ways to go on the downside.

I did notice early this week one of the larger powerhouses in the newsletter industry published results of a survey amongst their members.

It was something like only 5% have given up on gold so far.

And while they tout the incredible intellect (or stupidity/ignorance) of their subscribers and whatnot, they've been riding this wave lower for a long, long time now and have done nothing but lose money, instead of identifying the time to get out and then looking elsewhere, to where the money is going.

Follow the money.

Aside from them being wrong and taking countless subscribers blindly with them, the survey exemplifies my thoughts that we really need to see the blood in the streets moment.

I'd need to see at least a 50% figure on people giving up on gold to even consider us having a major low in place.

I am still not interested in gold but we do have to see how it behaves at \$1,180, which is not far off.



Gold continued its downtrend and lost another 1.19% this past week.

The downtrend is strong in this one, as Darth Vader would say if he were into markets.

The downtrend has to be broken before we can even talk about a consolidation and that is not at all likely to come until \$1,180, near the most recent lows.

A small bear flag formed late last week and early this past week but it never even really had time to complete the pattern before the downtrend pushed gold lower quickly.

I got some nasty emails this past week saying how pompous and arrogant I was saying out loud how right I've been in golds movements.

Anyone who has read my work for long knows I am the first to admit my errors and I acknowledge that I make tons of them, but, I recognize that as quickly as I can and change my stance to put me back onto the right side quickly.

I really don't mind nasty email since it tells me I am striking a nerve and that nerve in this case is near their last one, as gold continues to lose value and is on their investors last nerves.

Capitulation is close, I can almost smell it!



Silver lost a hardy 4.46% for the week and is fast approaching the \$15 level where major support lies.

We are now breaking below the \$18 area where so, so many investors have bought their silver making that the break-even level.

As I type, many are sitting at a loss after seeing the metal rise from \$18 to nearly \$50 in short order, only to now have given it all back over 3 excruciating years.

It's one thing to sit, still with a profit, but now, showing a loss these investors are having a deep internal conversation with themselves this weekend.

We just broke below \$18 Friday so we may take some time for this move to really digest and draw out the selling.

Shock is what many are now feeling and it takes time to actually act, when in shock.

Silver is still leading gold and I do not see any sign of a bottom yet, in fact, the weakness is only strengthening and accelerating.

Markets are designed to make the average investor do the exact wrong thing at the exact wrong time.

Many will be selling soon, when they should be buying, but that will never change, you have to change and learn the game.

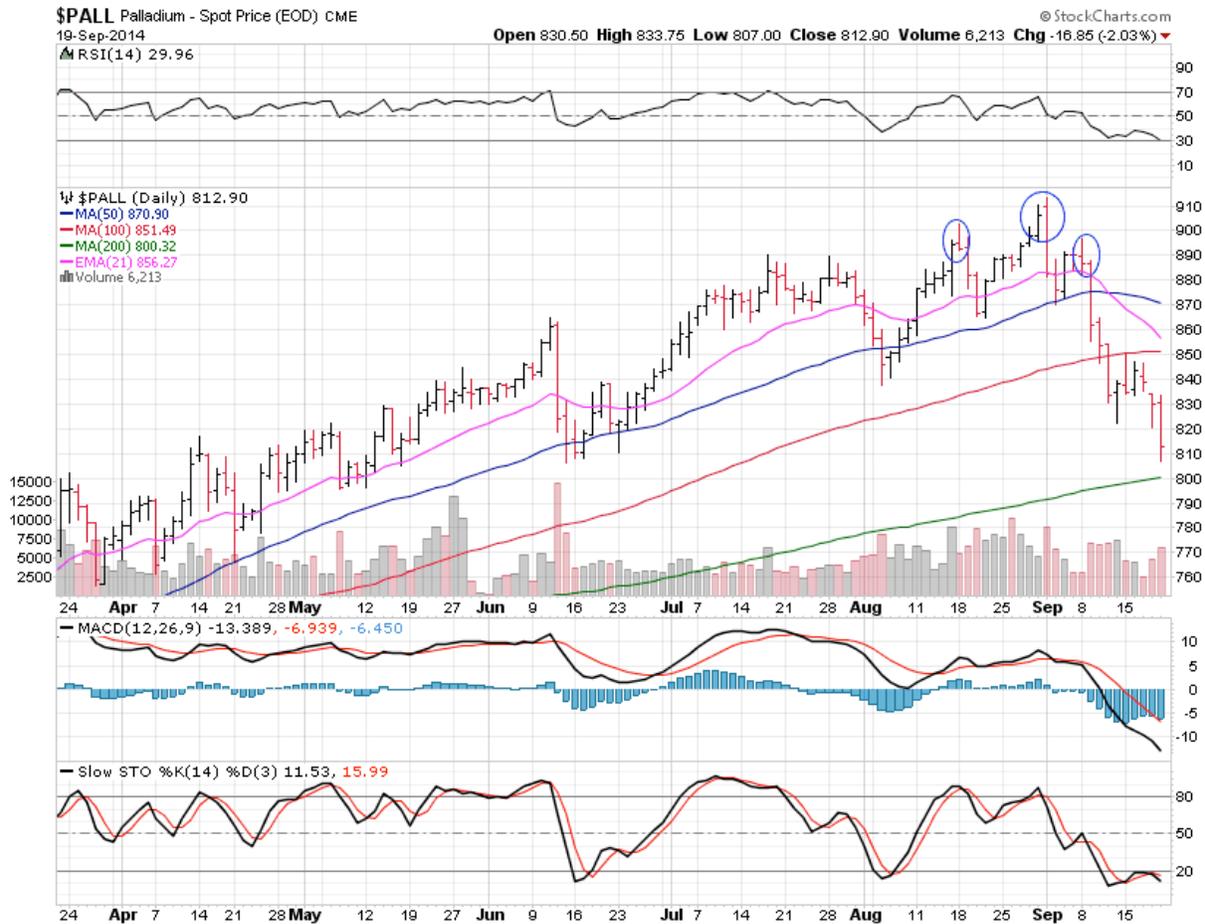
I say it often and it will never change, trading and investing is a game and anyone can learn to play it but tuition can be expensive.



Platinum lost 2.38% for the week and just continues to follow gold and silver lower.

If this \$1,336 area can't hold, then it's back to \$1,200 for platinum and it could happen quickly.

So far, I do not see any sign of a low.



Palladium lost 3% over the last week and can't go higher without any support from the other 3 precious metals.

\$745 is the next support level on the monthly chart but \$800 could also act as temporary support at the 200 day moving average.

The triple top I mentioned here in this weekend letter only 2 weekends ago has seen a move of some \$80 in that time. Quite the move!

There has to be some sort of consolidation at the \$800 to \$810 level shortly.

Such fast moves do need time to digest, but it does not mean the major trend, lower in this case, is over.

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>

Warren

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