

Wizzen Trading

by Warren Bevan

Targets Hit, Bounce Trade Is Over Already

A wild week as markets began to act very sloppy.

Wide and loose action with large daily swings is rarely a good thing and we are now beginning to break lower.

I'm still not sure just how deep this correction will go but 200 day moving averages are coming into sight now, and should provide support or the ultimate low.

As for stocks, we were lucky enough to have nailed one who rose some 60% in a couple days but that was a rare sight last week.

I'm short a couple names right now and only using small position sizes if I take a trade at all.

The metals finally began to stabilize but I'm still not so sure a low is in.

After such a large and constant fall, metals need a rest. It is that simple.

They can rest a couple months and rise and fall all the while.

A major low could be in but I'm not yet convinced of that yet.

If a low is in place, we will have lots of time and tons of chances to get in.

There is no rush to try to catch the exact low.



Gold gained 2.70% for the week.

Thursday saw a nice move right up to \$1,230 resistance before it backed off.

Unfortunately the move happened in overseas trading before our North American markets opened as so often happens, leaving us out.

I'm in no rush or panic to buy gold here yet although the emails are starting to come back in from the regulars telling me gold has bottomed and is going higher and whatnot.

Time will tell.

Once we get above \$1,230, the next resistance level is \$1,270.

A couple months of chop and consolidation will suck back in lots of traders and that is what this game is all about.

The market tries to take as much money from the average investor as possible.

A couple months of chop and basing action is really needed before we can tell if a major low is indeed in but so far I do not see it as being so.



Silver rose 3.21% on the week.

Silver never hit the \$15 area I've been talking about, although it did look like it was ready to move there quickly recently.

\$17.50 is posing some resistance now and above that we have the downtrend line which is very close to the 21 day moving average.

If silver can best that level then \$18.50 will be the next line of resistance.

As with gold, silver can rest and chop around for a couple months before we see a resumption of the downtrend.



Platinum rose 2.98% this past week after a brutal and fast plunge.

The \$1,200 level I've been talking about was hit almost exactly before a much needed and deserved bounce. Funny how that happens!

The huge and volatile range between \$1,200 and \$1,300 was established very quickly and now some rest with less volatility is needed.

The move from \$1,200 to \$1,300 was pretty easy to nail if you've been reading my work here the past couple of weeks.

More rest is needed but once \$1,300 is bested, \$1,350 will be the next resistance level.



Palladium gained 3.83% for the week

The \$745 level I've talked about as support for palladium was hit and held and now we are basing again.

There is no rush to enter any of the precious metals at the moment unless you caught the original bounce off the support levels I gave here but that trade is over and was short-lived.

I wouldn't expect much except chop for the next week or two from the precious metals as they prepare to best the resistance levels I have here for you today.

The easy bounce trade is over for now.

Be very careful in this general market and let the metals work out their issues.

People always need action and that is what kills most.

Cash is the most important position to take at times and now is that time.

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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