

Wizzen Trading

by Warren Bevan

Silver Set To Lead The Metals Lower

Markets and stocks had a solid week until Friday when weakness set in hard off resistance.

It looks like we aren't quite ready to move higher unless we can see markets come back strong Monday but we do have several of the heavyweight leading stocks set to report next week so that may change the market landscape dramatically and quickly.

I am a bit surprised though, with good numbers coming from the video streaming company, that stocks didn't perform better to close out the week but that's how it went.

The stocks I'm holding have done very well and are still solidly above our buy levels for now and are holding up well but I may have to do some selling if that changes.

As for the metals, gold and silver didn't do much but remain set for a move lower so let's check those out.



Gold lost just 0.36% this past week and did put a glimmer in the eyes of the perma-bulls early on before fading out.

Miners had a strong day Wednesday as well before giving much of those gains right back.

For a move to work, it must really come out of a solid base and I'm not seeing any of those in the miners space.

Gold has to move and close above the 100 day moving average at \$1,210 to start, then must break above \$1,220 on heavy volume and on a closing basis in order to cancel out this bearish pattern.

A break below \$1,190 is the more likely scenario and that level could be shorted with \$1,170 as the first stop.

The major trend remains lower for gold and I'm not really seeing much that compels me to trade it either way at the moment.

I'm much more focused on leading stocks who move very quickly such as one we rode in about a week from \$14 to \$21.

Those are the moves I am really looking hard for and putting in long hours doing so.

The biotech space is providing those types of returns quite regularly these days but we are still far from any type of speculative blow-off type of move which just means we have a while yet to run in this bull market, perhaps even as long as a decade or more if this is indeed another secular bull market.

I am always focused on the strongest sector no matter where it is and it's obviously not in the precious metals arena.



Silver lost 1.46% this past week and has a much cleaner chart than gold.

The twin peaks pattern I mentioned to subscribers a couple weeks ago is working quite well although that pattern is best when you see a very violent plunge off the peaks.

Anyhow, we've now got a bear flag set to break and that should take gold with it.

The \$16.25 level could be shorted with the next support lying at \$15.75, then \$15.25.

You can use silver's cue to short gold since it should follow once silver breaks.



Platinum lost 0.20% for the week and remains in this uptrend channel with resistance at \$1,180 and \$1,200.

It really looks like \$1,180 will be as high as platinum can get and it will follow silver lower once it breaks its bear flag.



Palladium gained a respectable 0.91% this past week and has so far bested the \$780 resistance area but there is trouble not far overhead.

Resistance sits at the 100 day moving average at \$790 and then \$800.

I don't think we will see palladium close above \$790 since silver is leading and looks ready to break lower anytime now and it will bring the rest of the precious metals with it.

That means that the ideal short trade in palladium would be to see it break above \$788 during the day but then move back below it and close the day under it and that would be your short signal.

That would give you an easy \$20 to the downside to \$770 and then the \$750 area if you're trade horizon is a tad longer.

Have a great weekend and try to find the best stocks in the best acting sector, or let me do it for you and join my nightly Daily Trade Ideas letter.

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Warren

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