

Wizzen Trading

by Warren Bevan

Failed Triangle Breakouts

Stocks ended the week not doing much and remaining in a very overbought range.

I remain quite short of some leading stocks and we did see several failed breakouts Friday which does point to some retracement which would be great, for me.

We can chop sideways and consolidate to work off this overbought reading but it hasn't yet happened so I'm looking to cover my shorts near cost if we do chop, or at a profit preferably, if we do correct.

I said this last weekend as well but we remain very overbought and we never really gained any traction this week so I held on, for now.

As for the metals, they tried to breakout higher out of triangle patterns in the cases of gold, silver and platinum but then failed with silver leading the way lower.

I've had several email conversations with people this past week regarding lows being in for the metals and my responses were that I needed to see how the monthly chart closes out.

The monthly chart needs to close above \$1,300 for me to declare the major low is in place and then we can see gold move higher in a trending manner.

That is not looking likely this month.

That said, the monthly chart is most important, and, being monthly, takes time and it is looking better, but not yet out of the woods.

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Gold ended the week down only 0.31% but silver is showing that it will fall further in the week ahead.

I noticed this triangle pattern early in the week and gold showed a nice breakout, but then retraced.

Breakouts or breakdowns which fail most often point to a move in the opposite direction.

Support is the \$1,200 level now, then the long time major pivot area at \$1,180.

The monthly chart could take a few months to really base and then breakout which would be preferable since a solid base is always best to move away from.



Silver lost 4.36% this past week and is leading lower.

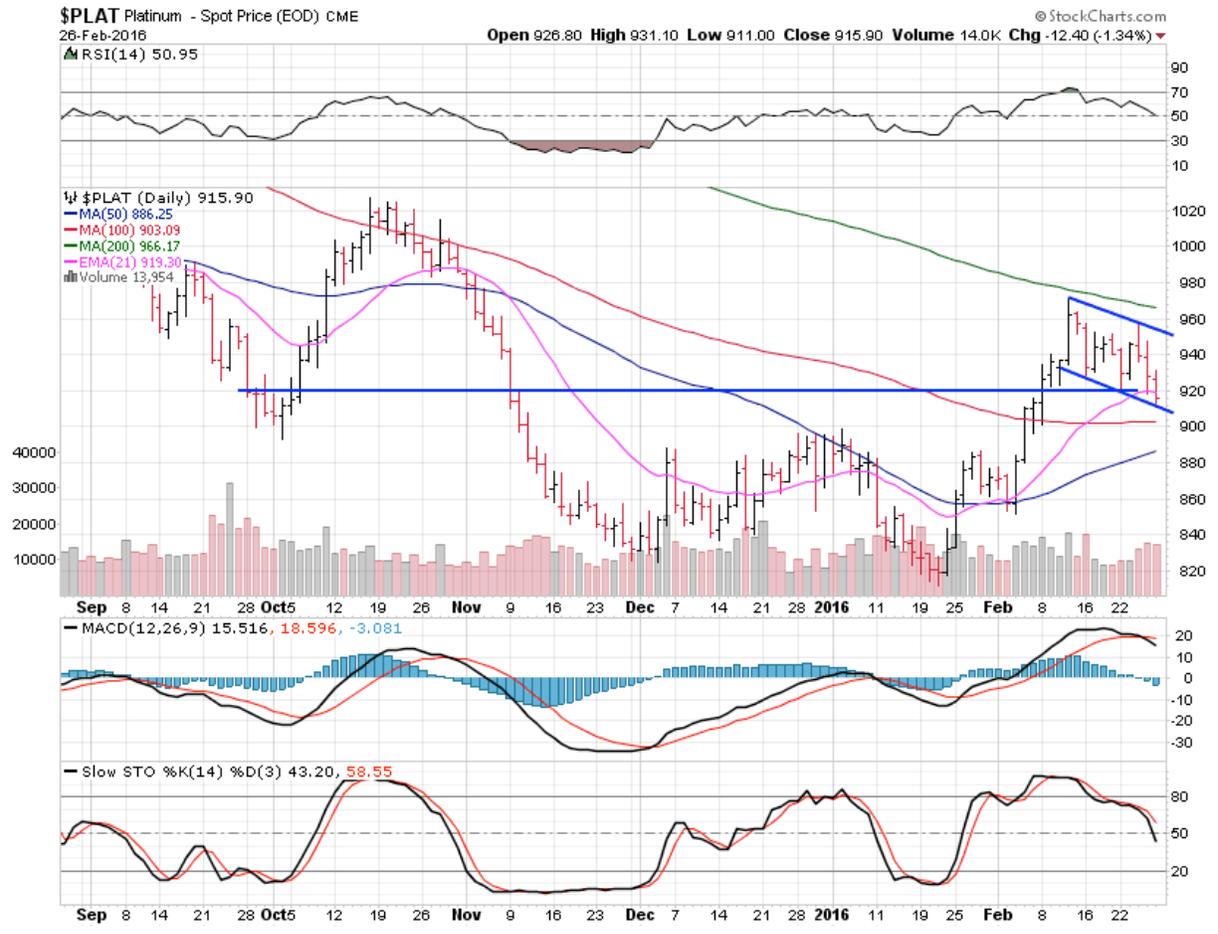
Silver tried to move above this triangle pattern but failed and failed hard on solid volume.

It looks like silver is leading lower so it must be focused on.

So far silver is holding the 100 day average at \$14.70 but major support sits at \$14.50.

I've long said gold needs to test and hold the \$1,000 area and silver the \$10 area in order for a major low to be in place and that may yet happen as they setup bases on the monthly charts.

While the dominant trends do remain lower, they are moving towards sideways now which is a sign of lows being near.



Platinum lost 2.61% this past week and is breaking under \$920 which is negative.

Platinum has a bull flag pattern but with silver weak and platinum breaking under \$920 it isn't so great.

\$900 is major support, then \$880 and it will follow gold and silver.



Palladium fell 3.33% on the week and has to hold \$475.

Major support sits at the \$390 level on the monthly chart and would be the next stop if gold and silver continue to show weakness since they always lead platinum and palladium.

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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