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## Runaway Train

Markets just can't be stopped, like a runaway train. The Dow is on the cusp of retaking the important psychological barrier at 11k while the S&P is teetering with the 1,200 level.

A sign of potential continued support for those two indices comes from the Dow Transport index which closed the week above the important 4500 level. The transports are leading the way higher, and as such, must be watched closely.

Another leading index is the Canadian TSX which is well above the 12,000 level and could close in on the 12,500 level over the next week or two.

Gold has broken out, but is being opposed heavily by the commercials as they increased their shorts by a large margin this past week. This is actually great news since they will eventually have to cover those shorts and cause a short squeeze. They do have tremendous staying power though, so when, or if that occurs will likely be at much higher prices.

The US Dollar however has the looks of topping and could potentially regain it's primary trend lower very shortly. Whether this will effect markets is still up in the air.

## Metals Review



Gold rose a nice 3.09% for the week, but this move so far is nothing to write home about. Many of the stocks I hold and trade move more than this on a daily basis. Nonetheless, gold has broken out and is moving nicely higher at a rate that is so far sustainable.

I could see some consolidation here as we butt up against resistance at the \$1,160 area. Once that is cleared though there is nothing material to hold it from testing the all-time highs in short order.

RSI is moving towards overbought. The moving averages are heading higher and we should see the 50 day move above the 100 day within a week or two max.

MACD has just recently shot us a buy signal in it's typical lagging manner. Slow STO is way up there and could go either way right now.

Buy points are at the horizontal support areas drawn or a break above the upper resistance level. For trading purposes GLD is the way to go, but any long hold should still be physical metal.

Strong volume in the GLD ETF for the week portends continued good things ahead.



Silver rose only 2.57% for the week but looks very good. Silver is trading well within it's uptrend channel which should be able to hold for several months.

RSI is approaching overbought levels. The moving averages are in fine form heading higher although the 50 day is quite a bit lower than the 100 day and could take a month to move above it's upper 100 day cousin.

MACD remains bullish as does the overbought Slow STO indicator which can stay in this area for extended periods.

The silver ETF SLV saw increasing volume on the move higher which is what I like to see. As with gold, the SLV ETF is great for taking advantage of strong moves up, but no substitute for the protection and piece of mind that comes with holding the physical metal.

Buy points are the support lines drawn in or a break above upper resistance just below \$19, which is likely to be tested in the week ahead.



Platinum moved up 3.14% on the week in a continuation of the stunningly bullish moves as of late. There is a lot of talk that platinum is overbought, but until the chart says so I could care less what Joe Blow has to say. You can argue with Mr. Market all you want but you will never win.

RSI is now into overbought territory, albeit slightly. The upper end of the channel is being tested now. The moving averages are still in fine shape.

MACD is very bullish and the Slow STO indicator is also bullish but in overbought territory.

Lower weekly volume in the Platinum ETF is slightly troublesome and could mean this move up is running out of steam, but for now a close eyes on this metal is warranted with a still bullish posture.

Buy points are here and now with very tight stops. Looking at the long-term chart (not shown) shows no resistance until about the \$2,000 level so we could see a quick spike up to test that. You just can never be sure in such a powerful bull market.



Palladium continued to rage this past week rising 4.71%. RSI is about to move into the overbought area. The moving averages are in stellar form as usual. The channel is barely holding palladium back, and may not in the week ahead.

MACD is great and the Slow STO indicator is overbought, but can stay there a long time.

Buy points are here and now with tight stops. Absolutely huge volume in the Palladium ETF PALL last week gives credence to more upwards pressure in the week and weeks ahead.

## Fundamental Review

Before I get into the fundamentals of the week, be sure to sign up for the free weekly letter at [www.preciousmetalstockreview.com](http://www.preciousmetalstockreview.com) or by sending an email to [warren@preciousmetalstockreview.com](mailto:warren@preciousmetalstockreview.com) with “subscribe” in the subject line for a new, most exciting money making methods, that will be sent out in the weeks ahead. I’ve never seen anything like this in terms of making money to add to bullion positions or spend on whatever you want. It’s free to try and you won’t want to miss out on it. I’ve more than doubled my trading account in the past week alone using it!

And now I’m almost ready to share it with you. I just need to test things a little more.

A senior advisor at the [SEC has warned](#) that rating agencies are conflicted, since they are funded by those they rate, and as such, are not dependable. He sees the next big crisis in the municipal market.

States and counties try and pay bondholders first, but they are having trouble paying taxes and bills so it’s really only a matter of time until that trickles up to the bondholders. Once that happens the Fed must bail them out or risk a total loss of confidence in the US system.

One of the unreliable ratings agencies mentioned above [cut Greece’s rating](#) to BBB- with a negative outlook. I mean, come on. Don’t these guys even read the news headlines, let alone the body of the story. This news is well over a month old. I’ve said before that if you listen to these ratings agencies for of any sort of timing or decisions, you’ll get creamed.

Please [see this link](#) for this weeks biggest loser. There was only one failed bank this past week which was on schedule, late Friday evening. I guess the FDIC boys are still nursing hangovers from the long weekend and are taking it easy this weekend.

Turbo Tax Timmy Geithner [said before his visit to China](#) that Yuan revaluation is China’s choice. Talk about overstating the obvious. That’s like saying it’s my bank’s choice how much to charge me for my account monthly. Aren’t those US officials smart!?

Last week I mentioned the failed attempt by Eric Sprott to buy up the remaining IMF gold. He did a [short interview this past week](#) and mentioned his continued view that gold is suppressed by Central Banks. I couldn’t agree more, but I actually applaud the suppression since it gives me more time to make money, and BUY MORE!

South African [gold output continued to fall](#) as February numbers show a fall of 9.2% year over year while total mineral production actually rose 5.8%.

Non-gold production rose 8.7%. The depths miners have to work at to get gold in South Africa is the main issue for the perpetually declining production rate.

This is a good one. A certain Wall Street broker has [agreed to pay \\$4.4 million](#) to settle a lawsuit filed in 2005. The suit alleged the company sold the clients precious metals which they would own and would be stored by the broker. Apparently the broker didn't buy or store the metals and in some cases, made entirely different investments!

The broker says, "While we deny the allegations, we settled the case to avoid the cost and distraction of continued litigation". Ya right. It's been going on five years already. The only "cost or distraction" would be more cost and wider public recognition of this scam.

Hong Kong, now part of China, has [built a bullion storage facility](#) at their beautiful airport. They are relocating their gold from London and are urging, or at least offering, storage to other Asian nations. I don't blame them with stories like the one above floating around. Imagine if their gold is non-existent as well!

As gold broke out investors piled into the gold ETF GLD. The ETF now "holds" a [record amount of gold](#) if you believe they actually hold what they say they do. I am suspect on that front and do not trust anyone to hold my physical metal. The ETF now "holds" 1,140.43 tonnes. This number should continue to increase as gold moves into new all-time high ground in the months ahead.

Peru's so-called wildcat miners are [protesting stricter environmental controls](#) being placed on them as well as a mandate demanding they also pay taxes. They are blocking the main highway there and say they need more time to prepare and change before the changes should take effect. The miners must be controlled in my view. They pollute and ravage the environment and don't even pay taxes.

For fun, a beer brewer in Denmark [saw workers strike](#) for a second day as they protested the removal of beer drinking privileges at work. They had been allowed three beers a day and are now limited to drinking only at lunch. Now that's a cause I could get behind!

In my free, nearly weekly newsletter I include many links and charts which cannot always be viewed through sites which publish my work. If you are having difficulties viewing them please sign up in the left margin for free at <http://www.preciousmetalstockreview.com/> or send an email to [warren@preciousmetalstockreview.com](mailto:warren@preciousmetalstockreview.com) with "subscribe" as the subject and receive the newsletter directly in your inbox, links and all. If you would like to subscribe and see what my portfolio consists of please see [here](#).

Until next week take care and thank you for reading.

Warren Bevan

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