

# Precious Metal Stock Review

*Bridging Wealth Protection and Wealth Creation*

[www.preciousmetalstockreview.com](http://www.preciousmetalstockreview.com)  
2012

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## Sleeper Creeper Rally

It was really another amazing week in a so far, great year. We had strong markets all around with many of the leading stocks that we trade in our swing trading portfolio up nicely and still looking for more and that has done wonder for our swing trading portfolio where we focus on leading stocks and use options generally to trade breakouts of solid chart patterns.

In fact I think it's our best start to a year ever being up 95.27% in the [swing trading portfolio](#) as of Friday February 3<sup>rd</sup>!

It blows my mind how quickly we can make massive gains in such a short amount of time when the markets are ripe.

I'm not trying to take anything away from the precious metals who've been on fire so far in 2012 and their stocks who've done even better and several in our mining portfolio are well more than doubled already.

To be honest it's a bit nuts, but when the going is good you just have to roll with it and be relatively aggressive and not fight the tape.

I've been expecting and still am expecting a consolidation in the markets, but until that comes I'm happy to ride this wave higher.

We entered 2012 with gloom and doom prevailing but I didn't really think that would be the case with so many on that one side of the boat.

Having said that I don't really care where the markets go as long as they move. There are still a ton of people short or expecting things to worsen and that can push this rally much higher.

I learned long ago not to fight the markets and it was a hard lesson.

The facts are that so far we've had a massive move higher in US markets and leading stocks along with our beloved precious metals. This all makes [my subscribers and I very happy!](#)

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On that note, let's move into our precious metals charts whom are behaving themselves well lately in terms of technical analysis.

## Metals review



Gold only rose 0.39% this past week after running into resistance Thursday and then correcting a little Friday. We may well need at least three days below the \$1,770 level before we breakout higher towards the \$1,800 level.

It's been an awesome 2012 for gold and a paused would do nothing but refresh it's stamina to power higher. That being said it could well just shoot higher from here also, but the chart does look to need a rest, especially considering the high volume Friday in the futures chart.

The GLD ETF concurred with the futures markets and showed high volume Friday which is very indicative of a pullback here and now for a few days at least.



Silver didn't really do anything this past week and slid 0.56% as we ran into strong resistance at the \$34 level I've been noting here the past several weeks.

Now that we hit \$34 a sweet, sweet base has formed and to me silver looks ready to head higher at any time here.

I nearly took a trade later on in the day on Thursdays attempt to breakout but it just didn't quite seem right yet and silver promptly fell Friday.

Markets, stocks, commodities and especially silver love to shake people out by flashing false buy signals forcing losses on traders and then perhaps

they will become frustrated and look elsewhere and then the real move will begin.

When we do breakout from the \$34 area with force and heavy volume there is only slight resistance near \$36 and really we should move to the \$40 level in a pretty fast and straight line.

2012 is going to be a super year for silver and in all likelihood it will break into new all time highs and beyond.

Both the futures and SLV ETF volume are about average with little variance from day to day at this point and that is perfect during a base building session.

I own lots of physical silver but when we get setups like this I like to trade it in the swing trading portfolio and use leverage through certain ETF's along with option contracts. It is truly amazing how quickly a position can appreciate in those instances.

Some may say this is a dangerous strategy but I think you have to take risks to make the big buck and as long as you don't let the position fall below the breakout point far then any losses will be minimal.

But hey that's me. How many others do you know whose who trading portion of their portfolio is up 95.27% year to date?

If those types of gains are what you're looking for then please look elsewhere because I look for home-runs in everything I do from getting into physical gold and silver early on, to swing trading to heavy paying dividend stocks.

I just don't see the point in swinging for first base.



Platinum rose 0.23% this past week after a quick \$200 run since only breaking out in early January. It looks set for higher prices here now out of this nice little base which should take it to \$1,673 where the 200 day average lives.

Volume was heavy in the futures as the lower end of this base was tested and held strongly. It's great action to see volume come in near support as it tells you that traders want this trade higher.

It all may sound pretty simple, and it is, but at the same time there are always so many variables and things to consider and then applying the

knowledge properly is the real key, and it only comes with lots of mistakes and experience, but when it's clicking it's the best thing ever!

The PPLT ETF volume concurred with the futures and decreased near the top of the base after forcing the price higher off the lower levels.

I'd not be chasing this trade here at all as we should expect some more significant consolidation only about \$20 above. If I was long this for a trade I'd be looking to begin to take profits and definitely lock in many more if we see a brief spike above the 200 day moving average area and then take them all if we dip back below it.



Palladium rose 1.94% this past week after breaking out of a decent little bull flag pattern. Palladium broke out and heavy volume followed on Thursday which is perfect.

On Friday we saw a spike above the 200 day average which is great but by the days end the price had retreated near that average and only closed about \$1 above it and volume was pretty low for the day.

Monday will tell the tale of whether palladium is yet ready to begin it's next large move higher or not.

I always welcome corrections and consolidation periods as once they form if they are the right pattern that is what I trade off of. I don't make money every week trading, in fact much of the time is waiting for bases and pattern to form but when it's good I go heavy.

Silver has me drooling here for a move very, very soon more than any other chart I've seen lately and I've seen and traded some greta ones.

The PALL ETF volume was very heavy on the breakout Wednesday and the follow through day higher on Thursday. Volume was quite light on Friday's slight pullback which is telling me that this move is for real but there is a bit of divergence between the futures chart and the ETF chart so we'll soon learn the outcome.

## Fundamental Review

You may have noticed that this section has been rather sparse so far in 2012 and that's mainly due to the lack of news and that's fine by me.

Markets are doing well with no progress out of Europe and all things US focused on the election. I could take it if we just slowly slipped higher this year for the whole year and so could you I imagine.

Huge congrats goes out to Venezuela for being the first to repatriate their gold and actually complete the task without a hitch. The country just completed repatriating 160 tonnes of gold. Now we wait and see if other nations follow suit.

Records were set this year in China as they bought more gold than ever for the Chinese New Year festival. It's amazing how much the Chinese buy. I lived in China for several years and I couldn't believe the quality of the jewellery they had and the prevalence of it, and it's even more these days as gold's investment properties shine.

It's no wonder I'm reading more and more stories of burglars taking advantage of the Indian and Chinese tradition of holding wealth in real money, physical gold.

I noticed a super story on [cancer being treated effectively with silver](#) which has far fewer side effect than current treatments. I've used colloidal silver for years and have watched with invested interest as silver's uses have grown from clothing to water purification to medical tools to dishwashers and washing machines and much more. I've often wondered to myself when silver would be tried at curing more critical diseases such as cancer as it's sure to do something good. It seems that time is coming.

I'll leave it here for the week and I wish you a super Superbowl Sunday. I can't wait.

I've got some pheasants to cook up for the gang and we've also got a moose roast and many other dishes will stroll through the door I'm sure.

It's one of the most fun Sunday's of the year.

Have a great relaxing weekend

Until next week take care and thank you for reading.

Warren Bevan

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