

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

www.preciousmetalstockreview.com
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Morning Update

[Reserved for subscribers](#) section is my weighting in physical gold and silver.

I keep the morning updates for subscribers casual and as short, or as long as is needed in the current market environment. Today's is on the short side as we have no swing trading positions.

Here is what I had to say early today before the markets opened up.

It's so good to be back it's hard to put into words. In fact I had a hard time sleeping last night because of the anticipation, and I suppose my irregular sleeping schedule over the holidays didn't help much.

Last week was a true bloodbath for our beloved precious metals but rest assured the selling is now over, or very close to it. Last week was certainly a week to take off from watching markets if you're heavy into gold and silver and wanted to enjoy the holidays!

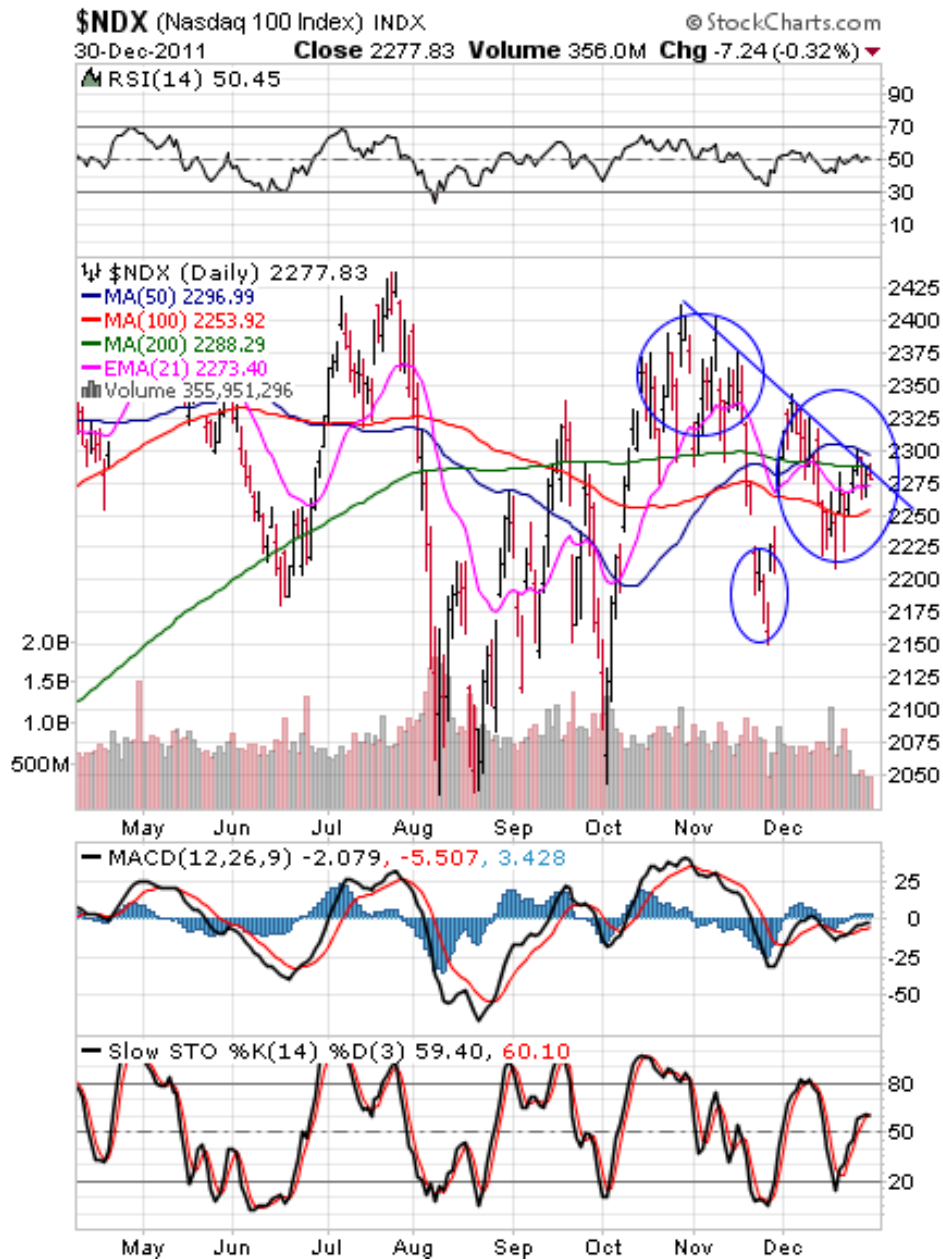
All in all, news was quiet the past week and there is no solution to be found coming out of Europe as of yet so let's just dive into some charts for this first trading day of 2012 that is seeing decent strength out of Asia and European markets so far today and that also includes S&P futures which are up almost 20 at this early hour.



The S&P has broken out of the large triangle pattern last week but no volume to speak of has me out of that trade so far and not keen on jumping in today on the follow through since we've seen so many breakout failures lately.

The level around 1,270 is more important along with the 200 day average which is now below at 1,258.

At this early hour futures were rejected off 1,280 and are now looking to move below the 1,270 area but we'll see soon enough.



The Nasdaq 100 has what one could call a slanting reverse head and shoulders pattern here and it's trying to breakout of the pattern above it's downtrend line as well as move above the 200 and 50 day averages.

It's not what I'd call a pretty chart but it's the hand we're dealt at the moment.



The Russell 2K is building a decent enough looking triangle pattern here but that pesky 200 day average still sits above the breakout level at 750.

I could see us taking a couple more weeks of building bases below the 200 day average before we breakout in earnest, or maybe we just breakdown massively in a repeat of 2008. Either way is ok with me, at least in the swing trading portfolio as we should be able to eek out a gain either way.

Let's take a look at gold and silver quickly and another chart or two but I'll keep this first day back pretty light for you, and myself!



Well gold is at major support that is for sure. I'd like to see a few more days of trading here and see what kind of action or base forms here after the, so far, spike low was put in late last week. I really do think that was the bottom and I'm surely soon going to add to my mining portfolio and go all in very soon.

Bargains like we have now simply don't come around very often and large, very large gains on a percentage basis should be expected off these low sale prices.

I am cautious though when looking at the macro environment and debt situation which is a systemic epidemic....that sounds like a cool title for an article! Keep an eye out for that title being used in the very near future!

We could well see a major move lower a la 2008 and precious metals and related equities would not be immune. It's a tough situation at the moment to be sure and I nor anybody else knows what will occur. All we can do is watch closely and react accordingly.



\$26 was touched briefly last Thursday and honestly it would have been tough to take advantage of as many coin shops were closed for the holidays.

We're now closing in on \$29 again and the paper fake takedown is becoming more and more apparent.

Personally I was actually hoping for a bit of a move even lower and lasting into this week just to really stick it to the shorts. If we'd moved to say \$24 into today the buying would have been insane and simply impossible to fill with physical silver so we open this week basically unchanged now after giving the smart, right, men and women who've invested their hard earned cash into gold and silver a bit of a rough holiday week.

The powers that want gold and silver lower, or at least rising slower, are a dirty bunch indeed and they can go.....themselves for all I care.

They aren't man enough to stand around and fight. They started a fight last week to our backs basically and now they are running fast in the opposite direction now that we've returned/turned around to face them.

It is the new year and I do have several new things I must get done this year but filling these pages with vulgarities is not one of them, even though I sometimes really feel like it, especially when talking about the nefarious robbing elite who think they control the world, well I suppose they do, but I know they do so I can work around it and see it for what it really is when situations like last week occur.

Ok, enough of that. Let's move into our last chart today which pretty well sums up how some of our mining portfolio has been looking in 2011, although quite a few have risen or held up very well which speaks to the quality of the equities.



I'd like to at least see the downtrend line broken before I buy some more mining stocks. Not a pretty chart unless you're short the index.

Let's call it here for this update and I'll be back early tomorrow unless I'm in touch with a trade today but I kind of doubt that will happen as I'd like a day or two of action before I make any rash decisions.

Happy New Year and thank you for sticking with me during these tough and uncertain times.

This sections is reserved for [subscribers](#) where I detail with charts any swing trading positions I have on as well as the allocations and a realtime portfolio tracker.

Please follow us on Twitter. You can probably find me by name, Warren Bevan or my handle "iTraderz.

Have a nice day.

Warren

Below is also a [reserved for subscribers only](#) where I detail our awesome dividend stocks as well as our large and diversified mining portfolio.

If you like what you see here, there is much more in the subscriber section and you can [sign up for it here](#) and is delivered to your inbox every morning before the markets open, usually by 8:30 EST.

Hope to see you in tomorrow mornings update.

Warren Bevan