

Precious Metal Stock Review

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Follow The Leaders

It was an absolutely amazing week for leading stocks that we swing trade. The end of the first half of 2011 ended with a huge bang. Now we'll see this coming week if this breakout is for real.

We're extremely overbought at the moment and need to slow this train down for a couple days.

Confession time.

Admittedly, we did make some major errors this past week.

Our small but fun swing trading portfolio was what we were focused on and we did well enough. We put on some option positions Monday in several fast moving leading stocks and they absolutely flew.

Unfortunately late on Wednesday afternoon at overbought levels I saw some worrying signs and I decided to take profits. Our swing trading portfolio was up over 43% in only three days.

You'd think I'd be happy about this and wouldn't be calling it an error, but I did veer from my normal practices and took all my profits.

I thought with the end of the quarter coming that things would have fizzled out some Thursday and Friday as volume shrunk as traders took off early for the long weekend, and that was my plan as well.

Normally when we have such large profits I like to lock in gains and hold some also in case the positions keep moving higher. I did not do that in this case sadly.

Thursday and Friday's action would have seen the account nearly double in the week if I'd held. It's a costly mistake, but one that I can't really complain about after making 43% in three days.

The past couple of months we've been trading only a little in the swing trading account and getting nicked here and there for some losses and we had some big winners as well, but all in all it's not really gone anywhere until this past week.

It looks like the good times are now back and there is some serious fast money to be made in the weeks ahead.

As for the precious metals, they're not doing quite as well but they are long-term holds and this is the time of year when you can buy them at a nice discount before the rally begins later in the summer and into the fall.

The same goes for the mining companies we hold. They're not doing much, but at least look to have bottomed. We have our shopping list and are going to be adding mining companies and adding to existing positions over the summer.

We've begun to use Twitter and will talk about many different topics and maybe even give the odd trade we are in but the real-time trading positions which did so well for us this past week have to remain mostly reserved for subscribers.

Please follow me on Twitter at "iTraderz".

Let's try and keep this short on this beautiful long holiday weekend.

Metals review

Note the ETF charts are once again being used.



Gold fell 1.22% for the week and just about tested it's 100 day moving average and held. The chart is sloppy with support areas shown at \$145, \$142.5 and \$140.50.

The large volume Friday as price moved off it's day lows suggests a bottom is in. We'll see about that.



Silver slid 2.73% for the week and looks ready to head lower to test major support at \$30. There really isn't much support at \$32 but it's holding so far.

I still am overweight with silver when compared to gold and I think it's the prudent way to go still.

Just remember that the metals almost always put in a low during summer months so you can try and pick up some more physical on any spike lows or excessive weakness that we experience over the next month or two.



Platinum rose 2.12% on the week but the chart is a mess. I haven't a clue where this one is heading next and I wouldn't touch it with Bernie Madoff's money on a trading basis.



Palladium climbed 3.57% this past week and is trading in a big triangle pattern with the upside around \$80 in the ETF and the downside at \$70.

I see no reason at all to trade this at all at the moment.

The precious metals charts are certainly a mess but that's quite typical of this time of year. Let's take a quick look at a few of the leading stocks we've been trading this past week. I can't show the stock symbol, nor price, but the beautiful chart action says it all.



An absolutely awesome breakout from a flat base with large volume. I'm looking for a bit of consolidation before we break above the highs seen in April, May and June. We sure did make a bundle in only a few days on this trade, but we did miss the spike of the last two days which would have been the real fun.

There will be another setup pretty soon though with this exact same stock and we'll be ready. I absolutely love [following the leading stocks and](#)

trading them over and over again, the gains can be absolutely awesome, or as I like to say, the icing on the cake.



We've traded this stock many times so far this year and done well. A break above the base area is when we bought it and sold a couple days later for nearly a double. Unfortunately we missed the large move up Friday but there

will soon be another chance as this leader is soon to punch through the 50 day moving average as well as the descending trend-line.

There are many leading stocks setting up for much higher prices and I keep a very close eye on them and am always ready to put on a trade, or sell it quickly if it doesn't move right away.



Most recently this stock has been my favourite to swing trade. We made about 300% on the downside a couple weeks ago on this one and doubled our money in a day this past week. The chart is absolutely beautiful, to me at least.

A nice tight range for a few days which then broke out higher while also breaking the descending trend-line. When stocks set up like this you go heavy, and we did, but not heavy enough and we did miss the additional \$15 move on Friday.

I realize complaining about missing the additional moves after making so much is almost a mute point but the fact is I didn't follow the rules and normal trading methods I employ and lost many thousands of dollars in potential gains as a result.

Subscribers are happy nonetheless and have a little spare change for the long weekend!

I'm not at all trying to say I'm the best or that I don't make errors, I did this past week! But we do well and have a solid overall portfolio with the bulk in physical precious metals.

This is followed by a large percentage paying dividend portfolio and a mining portfolio which is admittedly down lately, but will rise in the longer term as I have a long-term view for them

Our smallest portfolio is the swing trading portfolio but it's by far the most fun and it can pay the bills while we wait for the precious metals and their related equities slowly ramp up.

I always talk about how I do love the slow steady pace of the precious metals ascent. Once we begin to see parabolic moves it will be time to begin scaling out.

When we're swing trading the large mining stocks, it will be getting close to the end of this run, but I've rarely traded them to date.

We have much more to go and I think the summer is best spent accumulating some physical precious metal and mining stocks while swing trading for quick, large profits.

I'll skip out on all the bad economic news this week and keep things light and cheerful!

Happy Canada Day weekend and July 4th weekend.

I hope you're all happy, healthy and a little bit wealthier and wiser than last year at this time. I know I am and I'm extremely grateful for it.

Thank you so much for your time and support. I look forward to getting back into the swing of things after a nice relaxing long weekend.

Until next week take care and thank you for reading.

Warren Bevan

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