

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

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The Force Is Strong With This Market

It was another absolutely fantastic week. Our miners have bottomed from the recent correction which some didn't even participate in, our dividend stocks are strong as always and near the tops of they're ranges and our swing trading portfolio has been doing smashingly well the past two weeks.

As they say, let the good times roll.

I do know many who just didn't believe in this move and have missed the best money making couple weeks we've seen in several years. [Luckily we have participated.](#)

Admittedly we're not perfect, we missed some of the move but we rarely get the absolute bottom, or top. All in all we've got nothing to really complain about though.

There have been many lesson to learn from the market the past few powerful weeks and one main lesson that resonates with myself is that the markets care not what you or I think. It's going to do what it wants, when it wants and for how long it wants.

All we can try to do is join along for the ride.

The news has been bad with the most recent news being a [\\$3 billion Euro loan being approved for Greece.](#) It's debatable whether this is good or bad news but overall news hasn't been great. This came after all markets had closed for the week so we'll see how a weekend of digesting this news affects things.

When news is bad and the markets are still strong it's an incredible signal that we will continue to be strong.

Also, earnings season begins this week so there is going to be mad volatility in the coming months.

Let's check out some precious metals charts with gold and especially silver shaping up very nicely here and perhaps having already even put in their summer bottoms.

Metals review

The gold chart this week is back to normal and it's a futures chart once again, however the issues still remains with silver, platinum and palladium where only a line chart is available for futures so I will once again use their respective ETF charts.



Gold rose 3.98% this past week in a strong rebound off the 100 day moving average. I mentioned last week that it's the summer months when we see a low for gold put in historically. Could this be the low already?

We're building a nice looking symmetrical triangle now which should contain gold for a couple more weeks or so and the pattern should then be resolved higher.

Of course things can always change, but that's my read on things at the moment.

If you're looking to buy some physical gold it wouldn't hurt to begin stepping into the market now I think.

I don't really see much point in trying to trade gold since it's such a slow mover. Trade the fast moving leading stocks who are doing so well lately.

We're lucky enough to have had two smashing weeks in a row which basically made our year in the swing trading portfolio.

The GLD ETF is showing good volume back into this triangle pattern which looks ready to push it a tad higher still.



Silver soared 8.45% for the week and is very close to breaking out higher. I may try a trade if the 50 day moving average is bested here, only a penny away.

Silver keeps trying to move to \$30 then it stops. There is really no telling what silver will do as it's volatile, controlled to a degree for now, and famous for false breakouts.

If you try and trade it use tight stops or [see how we do it](#).

If you're in the market for physical silver you should already have a good portion of your allocation and be ready to fill the order soon if we head higher.

The volume was good but nothing special and indicative not yet indicative of an imminent move higher. We need larger volume if a breakout occurs to confirm a breakout.



Platinum edged up 0.92% for the week and is now in a zone with some heavy resistance with the 21 day and 200 day moving averages near, as well as some horizontal resistance at this level.

The chart remains pretty sloppy and needs time to cleanup.

Volume was quite heavy Thursday as the price breached the important 21 day moving average but the breach failed Friday as price moved back lower, although on very light volume which means chances are good we at least move up to horizontal resistance this coming week.



Palladium had a nice week moving higher by 2.92% in a nice uptrend here but some resistance is on the horizon now so a little slowdown would be good.

The chart looks good for higher prices though once we clear the level just above \$78.

Volume isn't telling me anything at this time.

Fundamental Review

A great article came out this past week which enrages me. In 2008 in the thick of the crisis [a softer approach to charging corporations with crimes was quietly adopted](#) and not really made public. It allowed the banks to rape us even more with little or no fear of being prosecuted.

These white-collar criminals are the reason why America is falling from superpower status and they're getting the green light to speed it up.

It really peeves me off the amount of trouble you or I have getting through an honest life and the simplicity these criminals have in getting through a life of lying, cheating and criminal behaviour.

The article states; "The guidelines left open a possibility other than guilty or not guilty, giving leniency often if companies investigated and reported their own wrongdoing. In return, the government could enter into agreements to delay or cancel the prosecution if the companies promised to change their behaviour."

That's like saying I raped and pillaged your country and the damage is done now, but I am changing my ways and won't do it again here. Actually I'm moving to Greece, then Portugal, then Spain and on and on.

Sick, stuff. I can half ignore it while owning physical metals as my wealth won't be affected much, but god help you if you don't.

Got gold?

There were [three failed banks this past week](#) to join this years shortlist of biggest losers. It's almost not worth monitoring the failed bank situation anymore, but I guarantee if I begin to neglect, they will be going to fail en masse.

[Portugal's debt was cut to junk](#) with a negative outlook this past week and European politicians were none too happy about this and [voiced their opposition](#). Once again, the question has to be asked who will be bailed out when it comes down to it. Portugal or the investment banks?

The whole system is a sham if you think about it. The banks loan you money for everything you need within reason and then you work your whole life to pay them off with far more interest than they ever have to pay.

Personally I like to think of my credit card as a debt card since that is what it is. I'm not in debt and don't care to be and will continue to live within my means. If you begin into the trap of debt, it's a very very hard thing to get out of and many never do.

The system is now designed to have you well on your way to a life of serfdom even before you get your first real job out of any form of secondary education.

There was an article circulated this past week where it's said [Russia has become a seller of gold](#) into this strength. Immediately, it sounded fishy to me. The article says the domestic gold producers are selling their gold, but don't all miners sell their gold?

The article also says the Russian central bank is just buying gold at a pace that barely keeps up to their overall accumulation of foreign currency reserves.

So, it seems they are buying gold, as admitted in the article with such a bearish title.

Let's look a tad, and only a tad deeper here. So far in 2011, up to July 1st, [Russian foreign currency reserves have increased](#) by \$49.4 billion, valued in US dollar terms.

So if we divide \$1,540 (the gold price) into \$49.4 billion we get that Russia would have bought 32,077,922 ounces of gold in only the first half of the year.

With 32,150 ounces in a tonne of gold that means they bought ten tonnes of gold already this year. That's not a huge amount, but certainly nothing to sneeze at either as if they were to buy more, openly, they would drive the price much higher.

The bottom line, without doing too much research is that the propaganda against owning gold is rampant and even a cursory read of the article should raise some red flags that took me no more than ten minutes to check into.

No matter what governments tell you, there is a hefty chance they are doing many more things they don't tell you. Who knows how much gold Russia is buying, or China or anyone else.

Who really knows if there is any gold in Fort Knox? Why can't we look?

Even a quick tour with a phone camera down into the vaults would be a start and could be shown to the world.

Don't trust governments to take care of you, they won't. If you're trying to live off interest or your pension, good luck. I have tremendous sympathy for you. You've been duped by your own government.

I can't stress enough the importance of having a decent percentage of your wealth in physical gold and silver. It will save you.

Then have some fun with the rest. We have a mining stock portfolio, some great dividend stocks which you actually could live off with enough invested in them and our fun, swing trading portfolio has gone up 71.68% in the past two weeks alone.

I like to call it the icing on the cake. It doesn't take too many runs like the one we're into now to really make that icing thick and so, so sweet!

Fund managers in China are raising funds to invest in precious metals as soaring inflation begins to become more widely acknowledged. Don't believe the bubble talk. The precious metals aren't yet in the bubble stage but once they are it's likely to be the largest bubble we've ever seen.

I say this because so much of the world will be involved, and it will be more life or death type of a bubble unlike the recent tech boom which was frivolous and the housing bubble which was mainly constrained to the US and really only involved a small portion of the populous.

As wage negotiations were coming due in South Africa you could almost guarantee a strike was on the way or at least the threat of it. Unions are threatening strike action now if their unreal demands aren't met. They want a 14% rate hike. Who really gets a 14% rate increase every year other than those who invest or trade properly, work on Wall Street, or work extremely hard in their own business.

I'm blessed enough to say I'm in the lucky category, but only due to my hard work and at times smart choices!

India is set to import even more massive amounts of precious metals through 2012. Rising demand is spurring the country to estimate increasing imports at 250 tonnes of gold and 1,200 tonnes of silver. Apparently India already buys 4,000 tonnes of silver every year along with 960 tonnes of gold.

China is buying even more gold than India now for the first time ever this year. Silver will be next. At this rate there won't be much left for the rest of the world.

In India \$20 billion in diamonds, gold and other valuables were recently discovered under a temple in a long forgotten sealed vault. I'm thinking about taking off for a long vacation and doing some temple exploring. Anyone else in?

Here is an interesting video on [the top five places not to be](#) if and when we experience an economic collapse. While the video has many holes it's still great and I've preached for years to not live in a city unless absolutely necessary. Cities will be the areas where the chaos is most prevalent and I want to avoid that at all costs.

The stories of security at airport being just a bit too much lately are disturbing at best, but it's going to get even worse, especially if you've had surgery lately.

If you've got a large fresh scar maybe just stay home as terrorists are apparently looking at [implanting bombs inside humans](#). I swear I see this story every summer travel season!

The comments below the story are especially critical and quite entertaining and one in particular rang true with me when this person said "I would rather die in a terrorist attack than lose any more of the few freedoms I have now."

Amen to that.

Until next week take care and thank you for reading and I highly suggest using Twitter if you aren't. You can find some really great quick information out there, but as well you can waste a lot of time on junk.

If you do use or decide to use Twitter please follow me at "iTraderz" and I promise to give you good and sometimes entertaining and informative information.

Until next week take care and thank you for reading.

Warren Bevan

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