

Precious Metal Stock Review

Bridging Wealth Protection and Wealth Creation

www.preciousmetalstockreview.com
20, 2010

November

The Bad Luck Of The Irish

It was one of the slowest weeks on record which showed absolutely no direction. Rise, fall, rise, fall. All within the first half hour of the the day only to have traders watch nearly nothing happen the rest of the day.

The good news is the metals did splendidly well and appear to have the wind at their back coming into this new week.

The metals may continue to do well this coming week but options expiration for Gold and Silver do occur Tuesday November 23rd so it's definitely something to be aware of.

It's also American Thanksgiving week coming up so more football! I expect markets in general to be quite subdued although the Irish debt crisis may spark some strong moves.

But after Wednesday there should be very little movement. I will not be publishing a weekend letter next weekend but will get out an update on Wednesday before the Turkey is cooked.

Let's get into the fun from the week just passed.

Metals review



Gold fell 1.10% for the week but staged a very impressive move higher off of the uptrend line where the 50 day moving average lies. Gold did not move above the 21 day moving average though as of yet and that level is now resistance.

I'm not thinking it will be too long before we move above that moving average though and head towards next resistance at \$1,385. From there on it's clear sailing back into uncharted waters.

The GLD ETF saw huge volume on the down days and very small volume on the up days. That has been the case on most moves higher now since early October. My thinking has been and remains that investors are simply buying

the physical product or futures contracts for delivery instead of buying into GLD.

I'm looking for more upside in Gold this coming week and I have still a heavy physical weighting as well as a decent sized trading position as well from the recent lows.



Silver rose another 4.99% for the week. Silver continues to impress the socks off me. It has been and still is leading Gold as I'd expected on this next run higher although I was six months early on my thinking. Can't win 'em all.

Silver tested the 21 day moving average and moved higher off of it sharply and very decisively. It just doesn't get any prettier. It's also holding its uptrend line from late August which is most impressive.

Silver is heading back to test resistance at \$28 and looking to do so in very short order. Could be Monday in fact!

Next week is options expiry for the metals and that could awaken some angry bears, but so far there is no indication of an impending downswing, but if it does come, take advantage of it and buy more physical, or initiate more short term trading positions.

I am far too heavily weighted into trading positions in Silver, but they are working so I can't complain and there are times to go big or go home.

The SLV ETF saw above average volume all week but no extremes. It was basically flat for every day although a slight uptick did occur on the final push into the lows. It looks bullish.



Platinum slid 0.89% for the week but rebounded strongly from the lows of the week near \$1,625. This level is a Fibonacci level and it held. I am pretty sure Platinum has now bottomed. It may be a good time for a trading position in this metals ETF now or very soon.

The PPLT ETF saw decent volume on the big down day at the low, but it was small in comparison to the top day the week before. Volume isn't really telling me anything in the ETF realm for Platinum, but everything points to a bottom being in for me right now.



Palladium rose 3.23% for the week as it led Platinum once again. It's chart is akin to that between Gold and Silver. Palladium is doing much better than Platinum and having shallower corrections along the way higher.

It found support at the 21 day moving average and turned sharply higher abruptly. Palladium also broke the downtrend line. The bottom is in it appears.

The PALL ETF saw heavy volume as it fell and even higher volume as the low was put in and it began to move higher. It gapped up the following day and volume remained strong, but not extraordinary, as price moved higher into the end of the week.

Fundamental Review

It seems the luck of the Irish has been all bad lately and they seem to be nearing an aid deal. Details are unclear as of this writing but I'll bet you a dollar it will consist of printing money, and probably a bit of money printing as well!

But really who's getting bailed out? Do you own any countries sovereign debt let alone Irelands? I certainly don't. But I assure you banks do and central banks as well. So really, who's getting bailed out here?

I say let them default, but I've said that many a time in the past to no avail.

Why in God's name they have to make so many cuts to spending and hurt students or the general population while bailing out the big banks who've gotten us to where we are today is beyond me and I simply cannot grasp it.

I can wrap my head around most things usually and I suppose I do get this too when it comes down to it.

Banks are the true powers of this earth, but why the people allow this is beyond me. There are measures being taken to try and take down banks and institutions though and they are great, peaceful ways of doing this. Unfortunately in order to take these actions they have to be widely publicized, alerting the institutions of the coming protests or whatnot, so they'll be ready.

For example I mention below about a plan to mass withdraw money from banks on a certain date. If the banks think this is serious enough they'll just close their doors and stem this form of protest.

A new bill being introduced by the great Ron Paul sounds fantastic. For starters it's only one paragraph long! It basically says that government is not allowed to do anything we as people are not allowed to do.

In this speech he talks about how it would be applied to the TSA fiasco whereby groping and "nude" pictures are being taken of many people now. He

says rightly that people have been far too complacent when we are truly not actually any safer. He calls for people to stand up and demand their rights and not be led around like cattle any longer.

I've long said that I don't advocate violence but I do strongly believe in demonstrating for what you believe to be right. Personally I believe buying physical Gold and Silver takes me out of the realm of the sheeple and it is a form of protest against fiat money.

Things are truly escalating and perhaps even coming to a head soon. People are finally beginning to wake up. You have to stand up for your rights and do what's right and if there are consequences then so be it.

I just watched a great movie actually the other night; "[The Most dangerous Man in America](#)" I recommend watching it whether you purchase it, find a place online to watch it or download it from your favourite torrent site.

Daniel Ellsberg said he would go to jail in the movie, without hesitation, since he believed in what he was doing, and that it was right. That's the spirit we need to embody today. Stand up for yourself god dammit!

And if you can't or don't feel like it then just buy some physical metal.

There is also a movement beginning where people are trying to get everyone to [spend \\$30 and buy a silver coin](#). This would bust banks and major shorts in Silver and is a great idea. Everyone can afford an ounce of silver and in reality it doesn't take very many people to bust this market wide open.

Not a bad idea, but even better is the movement in France which is spreading around the world, to [withdraw your money from the banks on December 9th](#). This could in theory take down some banks and cause a bank holiday of at least a day or even longer. I suggest getting some or all of your cash out of the banking system before that date just in case.

Students are [protesting in San Francisco against hikes in school fees](#). Good for them. Students should not be punished for something they did not do, and why would these be a measure that has to take place anyhow? Why hinder the coming generation?

Why not halt a war here or there and save much much more?

I apologize for forgetting to post the failed banks list, aka biggest losers, the past few weeks. I'm far from perfect! This past week there were [three failed banks](#) at the same time as usual, as everyone was on their second plate of hot wings and halfway through the first pitcher of beer on Friday evening. So far there are ten failed banks in November.

Here is a great visual which shows [the Global debt comparisons](#). Scary stuff. Notice Ireland is no worse off than the US, the difference being the US can directly print their own money.

Tanzania has been a favourite region to invest in as it's pro-business and favourable mineralogy abundance become clearer to the masses. The country earned [\\$4.7 billion over the past five years](#) from mining activity. Look for this to increase as companies look for countries with great potential as the more traditional areas exhaust their reserves. Today the country stands as Africa's fourth largest Gold producer.

George Soros cited low interest rates, China's increasing dominance and heavy hedge fund involvement as reasons for [Gold's "pretty perfect" conditions](#). He did caution that having the hedge funds so heavy into Gold means they could rush out and crash the price quickly.

George did reduce some Gold exposure by reducing his positions in certain companies but he did leave other positions untouched. He also [increased his position in some derivative products](#) of Gold.

I'm personally not worried about a major fall in Gold at this time for a few reasons but the obvious one is that according to Soros, the present world order is on the brink of breaking down with the US falling and China rising.

It's funny sometimes.

There is nothing I can do about China's rise. Like it or not it's here. This past week an infuriated [subscriber](#) left us since we took a short term trading position in a Chinese search engine company. He was adamant about not supporting Chinese companies. It's these types of attitudes that must change.

It matters not if you like something or not. If it's happening you have to adapt to it, and better yet, take advantage of it.

I am all for protesting against shrinking personal freedoms, but the fact is history is full of regime changes and shifts in power. It happens. It's life and there is nothing we can do about it other than take advantage of it. I highly recommend a great book by Paul Kennedy; ["The Rise And Fall Of The Great Powers"](#). It details many such examples and they all have one major thing in common.

It's military expansion. If a country worried more about what's happening on it's home turf rather than expanding and fighting wars, they would be much more sustainable. I ask you, how many countries does the US have it's arms into today? Far too many, and that is a prime reason why they are falling from their place in history as the major power.

Please don't email me enraged at this. It's fact, I didn't cause it. Educate yourself if you have issues with this. It is inevitable.

I really just care about living a good life, keeping my freedoms that I enjoy, and educating myself as well as others, [along with making money](#). I'm not looking for a place in history as my ego for that is just not there. I have and much prefer a quiet, private life.

I accepted long ago that many things will be beyond my control and change in my lifetime. I have to adapt and accept it, and really that's part of the fun and gives me great joy. History unfolds every day and these days it's quite prevalent and I'm happy to be here to see it whether I like it or not.

Anyhow, rant over, as George Soros said above, more hedge Fund's are interested in Gold now than ever before. This [article lays out a few more investors](#). The unfortunate thing they don't yet understand is that they have to buy the physical metal to ensure it's actually there and adding to demand. They will learn this one day and I hope you've already gotten your physical allotment by that time. That will be the time when physical Gold is simply not available.

I'm hearing of Silver shortages right now in fact. The US mint has also [temporarily halted production of uncirculated Silver American Eagle](#) coins as they simply cannot keep up with "unprecedented demand".

The US mint says they will resume production once they receive sufficient investors of silver bullion blanks. No guesstimate was given.

China is set to [consume 430 tonnes for Gold](#) this year but import will reduce the need to import more Gold as domestic production rises. The country is expected to import 100 tonnes as their production is set to be about 320 tones of Gold this year.

There were also calls of China running through reserves too fast this past week but then China said they are [finding new Gold reserves](#) faster than they are exhausting known reserves. Who knows for sure, but I do know China's demand for Gold is insatiable and they are the world's largest Gold producer.

An impressive testament to Chinese efficiency is [shown in this two minute video](#) where it's a time lapsed building of a 15 story hotel built in only 6 days. They've really got it down to a science and rather than be jealous, we should try and learn from them. In my humble opinion.

To send you off on a funny note on a not so funny subject I direct you to an old video from the Rick Mercer Report up here in the Great White North. At

the time of it's production it was meant to be quite satirical, unfortunately it's all but true now, not even a year later.

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 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](#).

If you found this information useful, or informative please pass it on to your friends or family.

Free Service

The free weekly newsletter "Precious Metal Stock Review" does not purport to be a financial recommendation service, nor do we profess to be a professional advisement service. Any action taken as a result of reading "Precious Metal Stock Review" is solely the responsibility of the reader. We recommend seeking professional financial advice and performing your own due diligence before acting on any information received through "Precious Metal Stock Review".

*To unsubscribe send an email to newsletter@preciousmetalstockreview.com with "unsubscribe" in the subject line.