

# Precious Metal Stock Review

*Bridging Wealth Protection and Wealth Creation*

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11, 2010

September

## Don't Be A Sucker

The first week back after Labor day wasn't what it was cracked up to be with even lower volume in the S&P index than was seen all summer long. It was a holiday shortened week, but still I would have thought volume would have been stronger.

I am pondering this weekend whether the low volume seen all summer and now so far into September is a result of the new financial regulations. At least one prominent investment house is selling their proprietary trading division which has represented basically free money for them in the past.

I'm sure the investment banks will come up with new clever ways to do the same lucrative thing they've always done. It's not like they'll just sell that division or close it down all together. They will find a way to recreated and likely increase those profits.

So many investors are being pushed into bonds for yield and the perceived safety they represent. This could not be further from the truth and in general bonds offer no advantages over stocks. In most cases dividend yields outpace bond yields so why bother?

In fact I hold one stock that's closer to 15%!

The bond bubble is alive and well and won't pop until the last sheeple is invested. Don't be one.

# Metals review



Gold was flat, sliding only 0.06% for the week. There was a major battle mid-week at the \$1,250/\$1,260 level, which the bears have won for now. Technically the uptrend line was broken, but barely, so that could just be a ploy to suck in the bears and shake out some bulls.

Although, the down day after Wednesday's Doji candle is bearish. But not quite bearish enough for me to sell my trading position yet.

The 20 day moving average (not shown) was hit exactly early Friday in the October futures contract. That is very constructive.

I'm still tentatively long Gold trading-wise, and I don't even think about selling my physical position. Physical Gold has a long way to go on the upside, in time.

The \$1,260 level was defended vigorously and so far effectively. Support lies at the aforementioned 20 day moving average right at \$1,240. Below that \$1,220 would be a very strong area of support.

The GLD ETF saw the highest volume day of the week on Thursday as price slipped below \$122. Still though, the volume was not very high or indicative of a directional move.



Silver rose by a scant 0.15% for the week. Silver remains in the stratosphere and above support levels. \$18.50 looks so far away, but it could

be tested again in the blink of an eye so you cannot marry your trading positions, you must be nimble.

The \$20 level is one that certain interests do not want to see bested, thank god it's not going to be up to them much longer. It's only now a matter of time until \$20 is beat once and for all. How much time I only wish I knew, but it's getting close.

The SLV ETF saw very strong volume on up days this week, and weak volume during down days. Friday's trade saw price open and close very near to each other and volume was mediocre, meaning the market is a bit indecisive at the moment.



Platinum moved lower by 0.83% but is still motoring towards the upper reaches of the \$100 range range. A nice break midway to \$1,600 is all this is I suspect.

Any consolidation should end at the 50 day moving average at \$1,535.

The PPLT ETF saw volume that was very non-telling all week, although the moves lower late in the week did see even lower volume than the up days which is bullish.



Palladium fell 2.18% for the week after touching the rising wedge's upper limits. Palladium continues to lead Platinum and remains in a much more bullish stance.

The PALL ETF saw very weak volume all week indicating nothing.

We could see a correction now to test the \$490 area and it would not change the bullish stance at all.

## Fundamental Review

So far in the first 19 months of Obama's presidency he's raised the national debt by \$2.5260 Trillion. That's more than all the debt combined from George Washington all the way to the end of Ronald Reagan's presidency.

That's 200 years.

Does the government truly think they are playing with monopoly money. Please protect your wealth before it's too late.

You know I'm no fan of politicians in general, but this guy's awesome! At least he has passion and would always make me laugh. He's like Jesse "The Body" Ventura, but better!

Another important step in skirting the use of the US dollar is underway now. China and Russia plan to begin using their respective currencies in trade with each other. The step is said to be within weeks of fruition.

In typical fashion, the Chinese Commerce Minister released a statement almost immediately stating that; "There is no stronger currency than the (US) dollar for supporting world economic activities,".

As in the great Wizard of Oz, "Pay no attention to that man behind the curtain".

There was only one biggest loser this past week making it the only bank to have failed since August 20, 2010. This is quite a stretch and I expect the failure rate to pick up again next week.

The IMF announced they sold 10 tonnes of Gold to Bangladesh in early September. This raised a whopping \$403 million for the IMF. That is chump change when talking about businesses, let alone the International Monetary Fund these days. The US sold \$21 billion in 10-year notes this past week alone. They also sold \$33 billion in three-year notes this past week. I won't go into more numbers since it's simply depressing.

But the fact remains. You cannot create this much money out of thin air and expect it to hold it's worth.

Remember, the IMF said they decided to sell some Gold in order to raise funds. If they really needed cash they could have gotten it. The amounts they are raising are insignificant. The real purpose in my opinion was to continue the Gold suppression effort.

The Washington Agreement where central banks were allowed to sell 500 tonnes of Gold per year was failing. Central Banks are accumulating Gold now, not selling as before and the IMF decided/had to step in.

Gold is still rising despite these efforts and will continue to. Gold's rise will only accelerate in the months and years to come as less and less supply is for sale and more is being bought.

Chinese Gold output slipped 5.8% year over year in July. July 2010's number was also 2.6% below June's 31.897 tonnes. They are still far and away the leading Gold producer having produced 190.298 tonnes in 2010 through July, up 10.08% from 2009 levels. That's stunning growth no matter what you're talking about.

I've got some other issues to deal with this weekend so I'll cut it short this week.

We should be really getting back to things next week now that the kids are all solidly back into school and everyone is back from vacations, at least I hope.

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