

2016: A SAFE HAVEN YEAR?

CHINA KNOCKS THE MARKETS FOR A LOOP!

The New Year started off with a bang.... Down for stocks and up for gold. The Industrials had their biggest fall to a new trading year in over 80 years, and reinforcing the sluggish market in 2015.

It started in China when the Shanghai market plunged 7% on weak manufacturing data causing circuit breakers to halt trading. This also pushed down the Asian markets before hitting the U.S. and all the world markets.

This global stock market rout rekindled concerns over slowing global growth, which caused a run to safety. Gold was the big winner, jumping \$15 on Monday. Treasuries, the US dollar and the yen also rose.

Gold got an additional push upward on tensions in the Middle East, namely Iran and Saudi Arabia. This is interesting because it's the first time in a long while that gold is getting a safe haven boost.

And it's happening as it closes the year down for the third straight year. Perhaps it's because gold's nearing the end of the 11 week decline we call "B". In fact, if gold would've closed the year on that mid-October peak where the B decline started, it would've been an up to breakeven year for gold.

Meanwhile, if gold now stays above the mid-December low near \$1050, and rises

further above \$1095, this decline will most likely be over.

We now feel safe to unleash our gold insurance by selling our put spread. Plus, we also recommend buying a position in DGP, an ETF that doubles the price of gold. We'll also keep our silver position.

We picked up more silver under \$14 last week. It's a good position. And in fact, if you haven't bought silver yet, buy under \$14.

In our last edition, we showed the importance of 4 key levels to watch. And this still carries weight for the New Year.

The Dollar index is telling a story. For all of the commodity weakness and volatility, the Dollar index has been unable to surpass the March highs. This makes the 102 level a very key level to watch as the Dollar index approaches the highs.

Plus with the yen now breaking out of the floor mat to an 11 week high, it's helping to keep the Dollar below the highs.

The U.S. doesn't need a strong Dollar. It hurts manufacturing, and indeed U.S. manufacturing is now at its worst level since 2009. It shrank for the second straight month in December, and the ISM index has fallen for six straight months now.

For now, the Dollar is firm above 98.50, but it has the strong 102 hurdle to surpass.

Our **Chart of the Week** on the front page shows a daily rundown of the major markets in 2015. First of all it clearly shows how uneventful the year was. It was a chugging year for the stock market, a down market for gold, a sideways market for the Dollar and a neutral to gradual rise in the 30 year yield.

That is, bonds are neutral with an upward bias.

Here you can see the 102 level on the Dollar index, and the \$1050 level on the gold price. The \$35 level on crude oil is also a key (not shown). Continue to keep an eye on these levels. If all were to be broken at the same time, for instance, it'd be deflationary indeed! If not, it's good for gold and the commodities, at least for the ST.

The Transports are suffering the most with the weakness in the manufacturing sector.

The Transportation Average continues to decline, reaching a 20+ mo low on Monday as they sink into a bear market. The Dow Industrials have held up stronger, but they're also declining, reaching lows last seen in Oct. Keep in mind the Aug lows at 15666 are key. If the Industrials break below this level, they would confirm weakness in the Transportation Average, and it would trigger a bearish Dow Theory confirmation.

As the saying goes, the first trading day of the year is a bellwether of the full calendar year. We'll see soon enough but it's clearly not a good sign.

Gold shares are benefitting from gold's strength. And gold shares look ready for take off!



The **Chart Above** shows the solid strength gold shares are forming. The HUI index has been bottoming above its 104-105 low level since early August, for 5 months now. This is the other key level to watch as well.

Impressive is the relative strength in gold shares, and the chart shows this well. Note how well the ratios have been holding up in recent months. Whether it be gold shares compared to gold, bonds or stocks, you can see they all have been forming a good looking base in gold shares' favor.

It's saying the time is getting closer for gold shares to outperform, even if for the ST-MT.

Our gold shares are doing well. NUGT is holding strong and we're currently sitting on a 10% profit. Plus we picked up more NUGT last week when it triggered our buy order.

Also, our position in GDXJ remains up-trending and it's likely to continue as long as junior gold miners continue to outperform the seniors.

The resource sector is chugging after being slapped down on the same weak manufacturing data. Copper failed to break above a ST resistance level near 2.15 showing weakness which put a damper on resources across the board.

Although weakness in copper also affected silver, silver has held above a key support level at \$13.65. We'll continue to hold on to our positions as long as this support holds.

PALL also took a hit despite strong numbers posted in the auto industry. This tells us PALL is likely to see a small rally and catch up on the good auto sales news.

Moreover, a positive outlook in 2016 could develop with oil and interest rates staying near low levels. Although our stop loss for PALL was triggered, we recommend not selling, and keeping it for a while longer.

Our strategy for this week is to pick up some gold and/or DGP. Keep a close eye on our key support and resistance levels as these could be tested. Breakouts or breakdowns are likely to hint towards the next major move in commodities and stocks. Keep an eye on the profit targets, and sell if reached.

Good luck and good trading,



Omar Ayales

Chief Trading Strategist

GCRU

A division of Aden Research

www.goldchartsrus.net

MARKET LEADERS

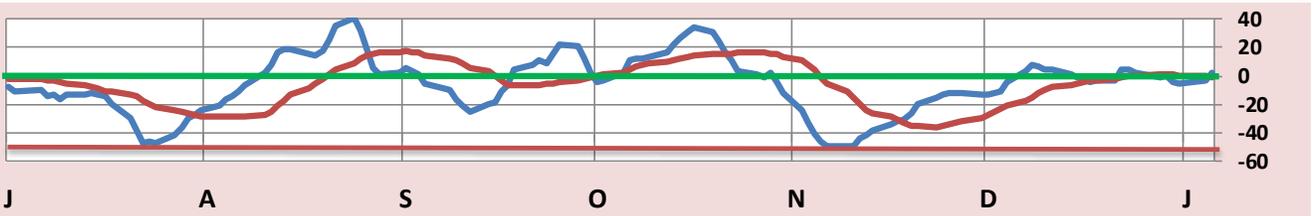


GOLD FEBRUARY 2016 (GCG16) 1/5/2016 CLOSE = 1078.4



SPINNER (3, 16, 16)

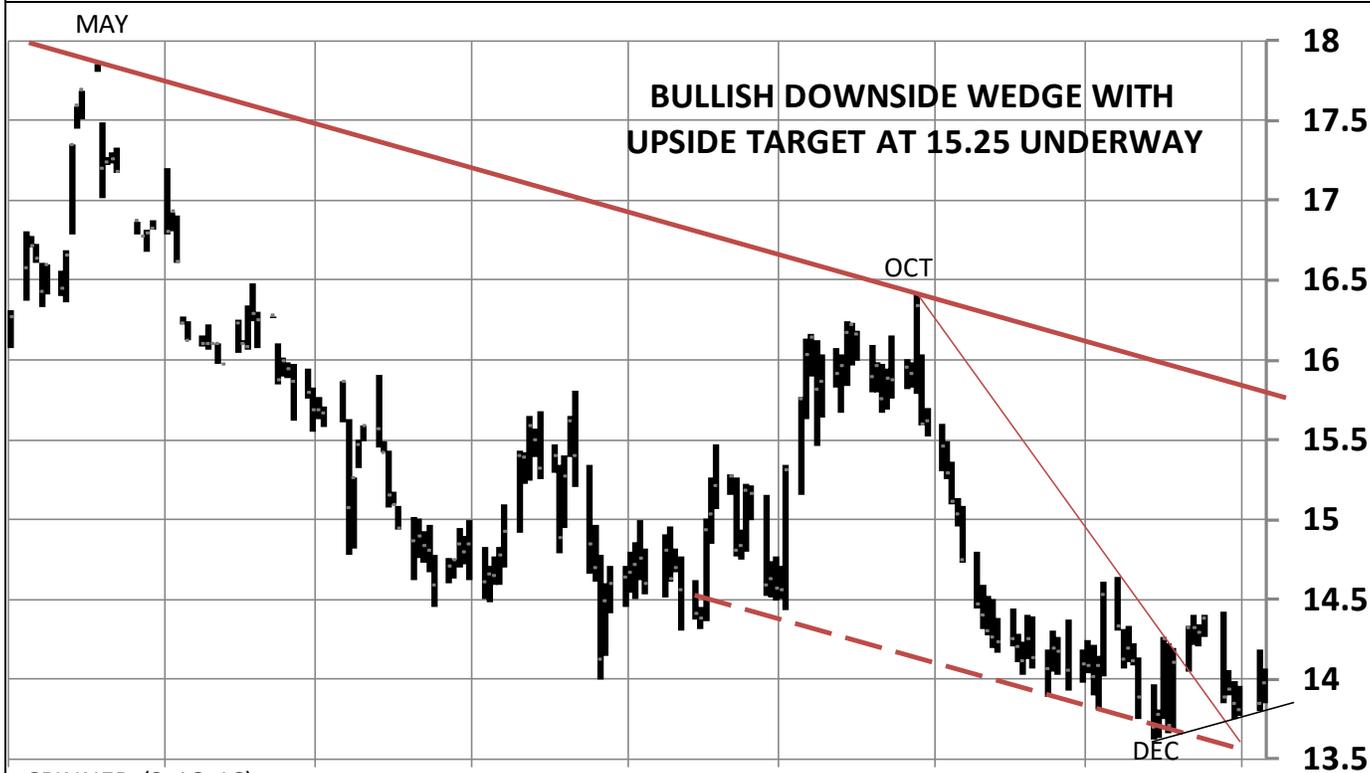
PEEKING ABOVE ZERO...



Put Spread	Feb 2016 Gold 1000/950 @ \$400 (Nov-25-15).
New Recom	Sell bear put spread at mkt. Buy long gold at mkt or consider buying DGP at mkt (page 15) Place stops at 2dc below 1050. Profit target at 1135 & 1200.

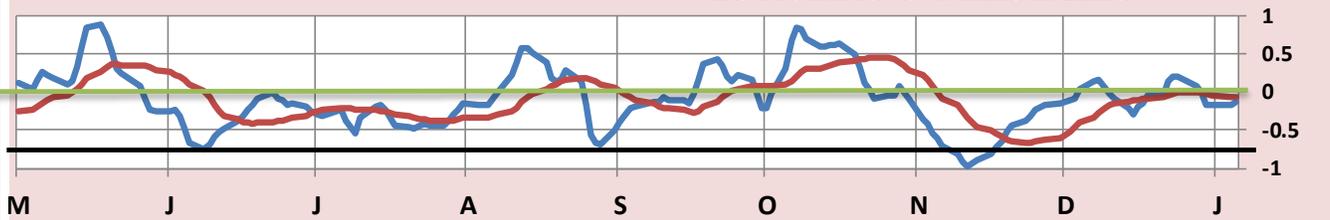
Gold received a boost from safe haven demand on concerns over the global economic recovery and Middle East tension. Gold is now at the top side of a 1+ mo long sideways band as Spinner peeks above the zero line showing potential for upside. Gold must now break clearly above the top side of the band on a 2dc above 1095 to show strength that could fuel a rise to the Oct downtrend near 1140. A break above this next resistance level would be bullish and likely followed by a rise to 1200. Keep in mind gold's key support is at 1050. If gold holds at this level, it'll signal the end of the "B" decline and the start of a "C" rise. Remember "C" rises tend to be the strongest. However, if gold's support at 1050 is broken, a new leg down in gold's bear mkt is likely to develop. Secure a position in gold or DGP to take advantage of upcoming strength.

SILVER MARCH 2016 (SIH16) 1/5/2016 CLOSE= 13.971



SPINNER (3, 16, 16)

BOTTOMING JUST BELOW ZERO



Long at:	13.75 (Dec-17-15) (SLV: 13.10), 13.90 (Dec-28-15) (SLV: 13.15).
Stop	2dc below 13.65 (SLV: 2dc below 13.05).
Profit Target	15.50 & 17.50 (SLV: 15 & 16.80)
New Recom:	Keep your positions. If not in, buy below 14.

Silver pulled back after breaking above both its bearish descending triangle and bullish downside wedge with upside target at 15.75. Silver is holding well above its support as Spinner forms a bottom just below the zero line in an attempt to turn bullish. Moreover, silver has ST resistance at 14.50. A clear break above this level on a 2dc could push silver to the May downtrend near 15.75. On the downside, the Dec low near 13.65 remain key. Keep your position as long as this level holds.

U.S. DOLLAR INDEX MARCH 2016 (DXH16) 1/5/2016 CLOSE= 99.496



New Recom

Stay out.

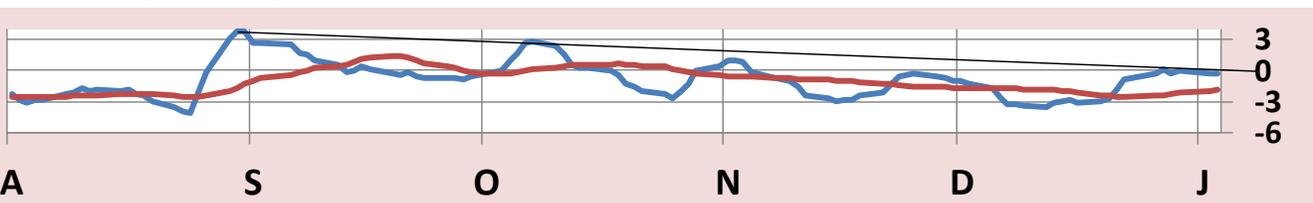
One mo high today! The US dollar index is showing strength by staying above the Oct uptrend, above 98. Also, Spinner is turning bullish with room to rise further. However, keep in mind the dollar's key resistance level remains the Mar highs near 102. As long as the dollar stays below this level, it'll show subtle signs of exhaustion. Weakness could eventually develop into a decline that could test the dollar's key intermediate support near 93.75. A break below this level on a 2dc would trigger a reversal in trend in a toppy-looking sideways band pattern it has developed since reaching the highs last Mar.

COPPER MARCH 2016 (HGH16) 1/5/2016 CLOSE= 2.0955



Up trending for much longer? Copper is looking good above the Nov uptrend. It'll continue to show potential for upside if it holds above this level. However, notice copper also resisting at the mid channel line as Spinner starts to decline. A Spinner break below zero could trigger the start of a decline in copper that could test the Nov low. Keep in mind, if copper breaks below the Nov uptrend, it could put pressure on PALL and silver.

LIGHT CRUDE OIL FEBRUARY 2015 (CLG16) 1/5/2016
CLOSE= 35.97



Recom:

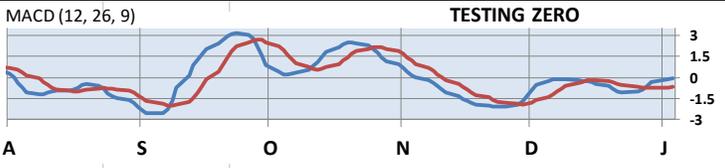
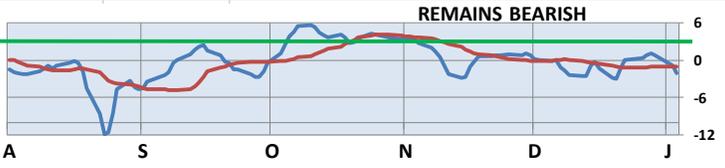
Stay out for now.

Crude continues to flirt with multi year lows as it hovers above 35. Keep in mind a clear break below 35 on a 2dc would push crude to the lower 30s. Moreover, crude will remain extremely bearish as long as it stays below 40. Spinner confirming weakness as it resists at a 4+ mo downtrend. Downside pressure will remain in driver's seat as long as the oil glut continues. Watch the lows.

SPDR DOW JONES INDUSTRIAL (DIA) 1/5/2016
CLOSE= 171.39



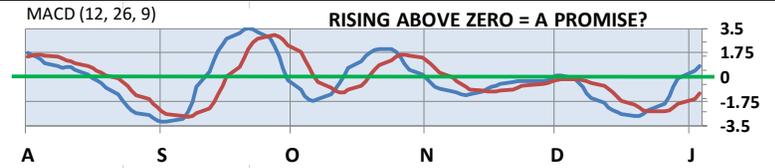
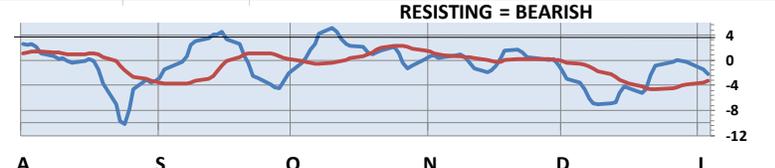
SPINNER (3, 16, 16)



Shares Transportation Average (^IYT) 1/5/2016
CLOSE= 132.12



SPINNER (3, 16, 16)



New Recom

Stay out.

The Transportations fell once again to a new 20+ mo closing low on Monday. Downside pressure remains strong. Spinner is showing continued weakness as it failed to break above zero. The Industrials have not broken below the Aug lows at 15666 and therefore have not confirmed a Dow Theory bear market. However, the Industrials broke below the bottom side of the Nov downchannel reaching a 2+ mo low. Notice the Industrial's Spinner as it turns bearish with room for further weakness. This tells us if the Industrials break below 17000 on a 2dc, it could decline to 16000 initially, and then likely test the key level at 15666. A break below 15666 would trigger a bearish Dow Theory confirmation. Stay out for now as volatility is likely to remain high and downside pressure is likely to continue driving the stock market.

ADEN GOLD STOCKS ADV/DEC LINE 1/5/2016

CLOSE = 4246



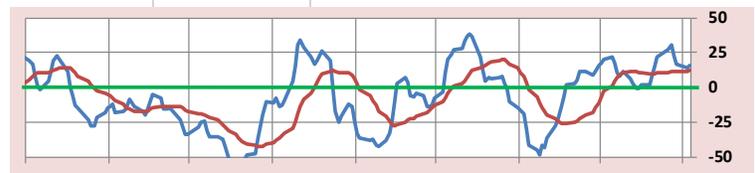
HUI GOLD BUGS INDEX (HUI) 1/5/2016

CLOSE= 114.05



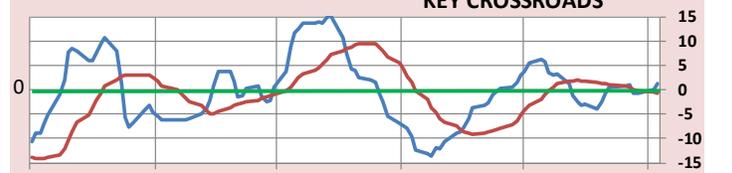
SPINNER (3, 16, 16)

BULLISH ABOVE ZERO



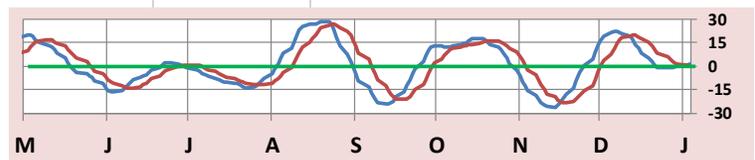
SPINNER (3, 16, 16)

TESTING THE ZERO LINE = KEY CROSSROADS



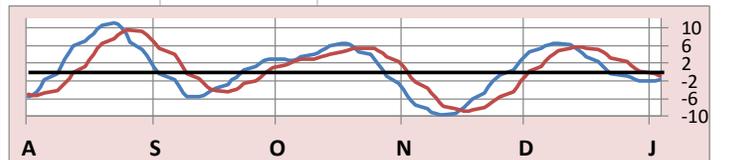
MACD (12, 26, 9)

HOLDING AT KEY LEVEL



MACD (12, 26, 9)

DECLINE CONTINUES TO BOTTOM



Rising with strength! Gold shares have proven support at the Nov lows. HUI has been uptrending since it last tested its support during Nov. HUI broke above the Oct downtrend and its now poised to rise to the Oct highs near 140. Notice the A/D Line on the left. It rose to the Oct highs, showing impressive strength. It's resisting at 4250, near the Oct highs. However, if the A/D Line breaks above 4250 on a 2dc, it'll be positioned to rise to its next resistance near the Aug highs. This would bode well for gold shares and could pave the road for HUI to rise to the Oct highs near 140. On the downside, HUI's Nov uptrend is converging with the 5 wk MA (113) creating a solid uptrend & support. If this level is broken, HUI could then go on to re-test its support at 104. We continue to hold NUGT and GDXJ. Both of which should benefit most if gold shares turn bullish.

STOCKS



MKT VECTORS JR. GOLD MINERS (GDXJ) 1/5/2016 CLOSE= 19.84



Junior Gold Miners ETF (GDXJ) - NYSEArca

Long at:	19 (Nov-6-15), 18.95 (Nov-11-15).
Stop:	2dc below 18.35.
Profit target:	21.50 & 23.
New Recom:	Keep your positions. Sell half at first profit target.

Higher lows... GDXJ broke above the Oct downtrend showing good signs of strength! GDXJ is now at a key resistance level near 20. A break above this level on a 2dc would show follow through after the recent breakout, and a rise to the May downtrend would then be likely. Spinner testing both its MT MA and zero line suggesting GDXJ is not completely out of the woods just yet. However, GDXJ will remain bullish by staying above the Nov uptrend near 19. Continue to hold on to your positions as long as the triple bottom support at 18.35 holds.

DB Gold Double Long ETN (DGP) 1/5/2016 CLOSE= 18.79



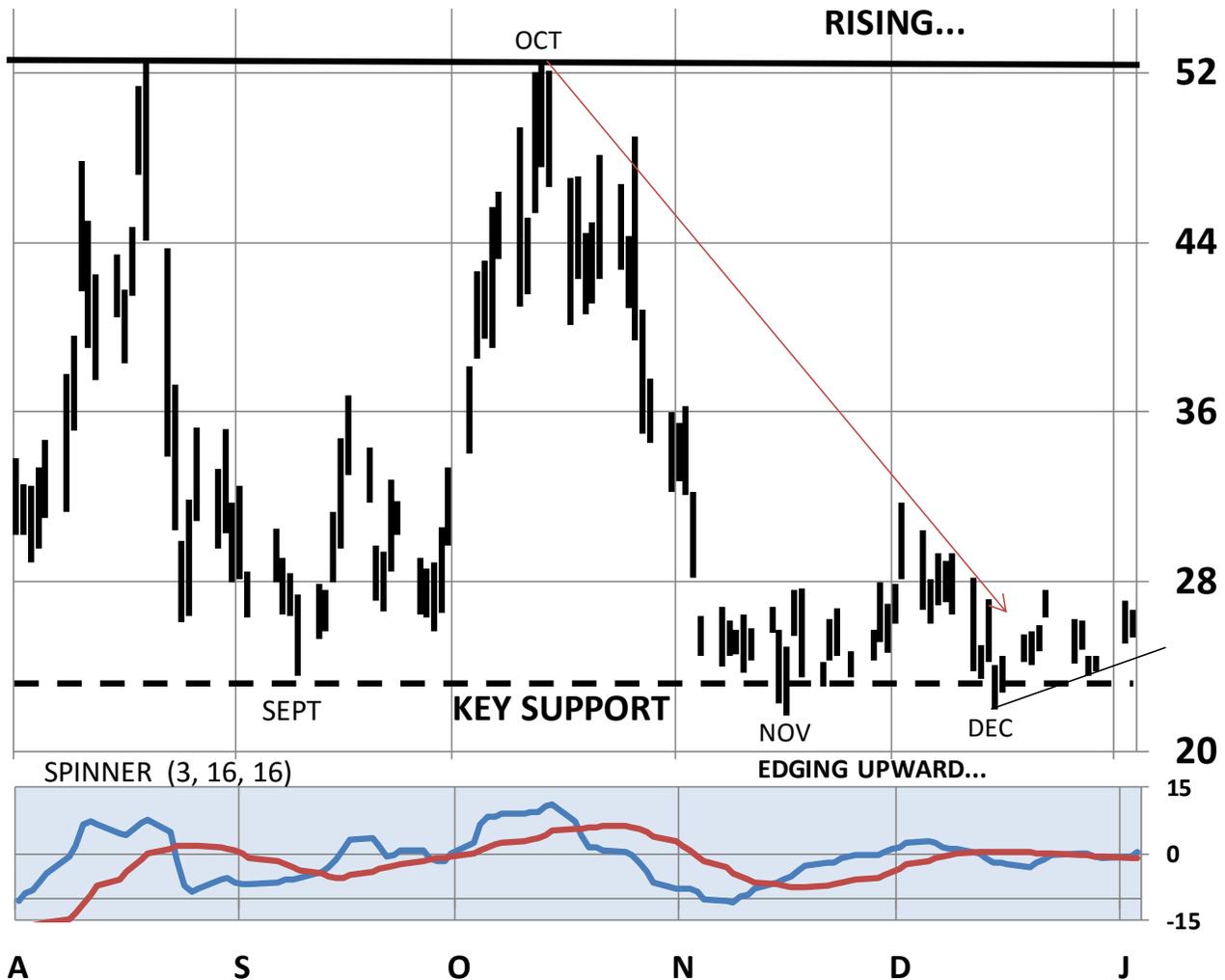
DB Gold Double Long ETN (DGP) -NYSEArca

New Recom: **Buy at mkt. Place stops at 2dc below 17.75. Profit targets at 20.50 & 23.**

Rising from the Dec lows, forming a bullish ascending triangle between the Dec uptrend and the top side of the 1+ mo long sideways band. A break above 19 on a 2dc would show solid strength that could push DGP to the Oct downtrend & resistance level near 21. Notice Spinner looking to turn bullish. If Spinner continues to break away from both its MT MA and zero line, it'll show a bullish shift in momentum in DGP. On the downside, the Dec lows are key. Sell if Dec lows are broken on a 2dc below 17.75. Buy some at mkt and take advantage of increasing strength.

DIREXION GOLD MINERS BULL 3X ETF (NUGT) 1/5/2016

CLOSE= 25.96

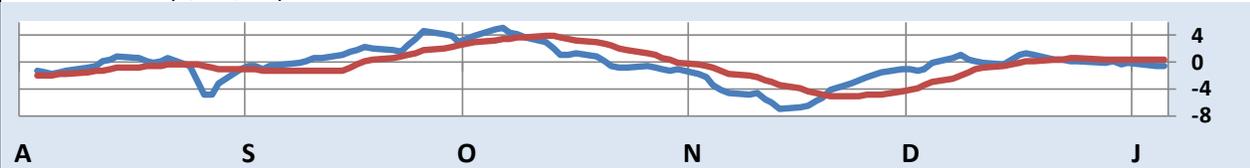


Direxion Daily Gold Miners Bull 3X ETF (NUGT) -NYSEArca

Long at:	22.85 (Dec-17-15), 23.90 (Dec-30-15).
Stop:	2dc below 22.
Profit Target	30 & 44.
Recom:	Keep your positions.

NUGT continues to rise steadily since the Dec low and forming an uptrend near 22 (NUGT's key support). If NUGT holds, it could then rise to the Dec highs (near first profit target), initially. Notice Spinner peeking above MT MA and zero for the first time since early Dec. This tells us momentum could be shifting to the upside. If it does, we could see NUGT eventually rise to the Oct highs near 52. Keep your positions as long as support at 22 holds.

ETFS Physical Palladium (PALL) 1/5/2016 CLOSE= 51.55



ETFS Physical Palladium (PALL) - NYSEArca

Long at:	51 (Dec-2-15).
Stop:	2dc below 51 (adj).
Profit Target	55 (adj) & 69
New Recom:	DON'T SELL. Keep your position. Sell half at first profit target.

PALL slipped below our stop for a second consecutive day today. Moreover, notice Spinner turning bearish showing weakness is likely to continue ST. However, news that 2015 was one of the best years for auto sales on record (of the past 10) could boost speculation that demand will remain high during 2016. We recommend keeping your position and lowering your stop loss back to 51, PALL's key support, in anticipation of a rebound rise to possibly the Oct downtrend.

OPEN POSITIONS

Symbol	Trade Update &/or Current Position	Status (L=Long, S=Short, O=Out P= Put C= Call)	Initial Entry Date	Initial Entry Price	Traders re- bot/ -sold at	Last Closing Price	Stops	Target #1	Target #2
--------	------------------------------------	---	-----------------------	------------------------	------------------------------	--------------------------	-------	--------------	--------------

SHARES

NUGT	Keep your positions.	L	Nov-25-15	25.00	24.25	25.94	2dc below 22	30.00	44.00
GDXJ	Keep your positions. Sell half at first profit target.	L	Nov-6-15	19.00	18.95	19.84	2dc below 18.35	21.50	23.00
DGP	Buy at mkt. Place stops at 2dc below 17.75. Profit targets at 20.50 & 23.	O				18.79	2dc below 17.75	20.50	23.00
PALL	DON'T SELL. Keep your position. Sell half at first profit target.	L	Dec-2-15	51.00		51.55	2dc below 51	55.00	69.00

MARKET LEADERS

Gold - GCG16	Sell bear put spread at mkt. Buy long gold at mkt or consider buying DGP at mkt (page 15) Place stops at 2dc below 1050. Profit target at 1135 & 1200.	P	Nov-25-15	400.00		1078.40	2dc above 1050	1135.00	1200.00
Crude- CLF16	Stay out for now.	O				35.97			
Silver SIH16	Keep your positions. If not in, buy below 14.	L	Dec-17-15	13.75	13.9	13.97	2dc below 13.65	15.50	17.50
US Dollar DXH16	Stay out.	O				99.50			
COPPER HGH16	Stay out.	O				2.10			

Quoting *GCRU* is permitted provided *GCRU* name, website address & subscription price are given.

All charts in *GCRU* are daily prices.

Fax subscribers please note this week's password to access *GCRU* daily edition via our website is: (*newyear2016*).

Subscribers can obtain free online chart updates for all gold shares in *GCRU* via: www.bigcharts.com. To view Canadian stks please use CA as prefix (ie, to view Agnico Eagle (Toronto) you must use CA:AEM).

Note: U should NOT feel our recommended prices are set in concrete. If mkts suddenly feel hot or cold to U, or dramatic news occurs, U can buy or sell, or stop at slightly higher or slightly lower prices. It also hinges on your experience level. Some people can use our prices as guides & know when they can take bigger risks.

Spinner: Spinner is an in-house momentum indicator (not always shown on charts). Momentum indicators use the rate of change in price to determine predominant energy flows. Spinner trading signals are generated when the faster timing line crosses above or below the slower confirming line. Upside crosses in the lower range of positive territory offer the most reliable signals for longs; downside crosses in the top range of negative territory for shorts. Avoid trading against the timing line, ie, buying/selling if the timing line is in corrective mode (against direction of trade) unless the confirming line is positioning for a new 'confirming cycle'. It's important to always be aware of location, direction & cycling phase of the confirming line. Spinner signals are more effective in trending mkt's than in trading ranges where indicators such as Stochastics & Williams %R should be used.

NOTE: payments for *GCRU* services should be made payable to **MAP CUSTOMER SERVICE**. *Gold (& mkts) Charts R Us* is published weekly. You may sign up for 3-mos at \$300, 6-mos at \$585, 9-mos at \$855 or 12-mos \$1,110.

E-mail: gcru@adenforecast.com

ABBREVIATIONS	
	1-day close (the share price must close above or below the indicated price level, before our recommendation is activated)
1dc	
2dc	2-day close (consecutive)
bot	bought
CAD\$	Canadian dollar
H&S	head & shoulder
LOC	line on close
LT	long term
MT	medium term
NL	neckline
PF	portfolio
PO	price objective
Recom	recommended
RH&S	reverse head & shoulder
RS	relative strength
ST	short term
Sym/tri	symmetrical triangle
Tgt	target
Unch	unchanged
Vol	volume
Wk	week
Ystdy	yesterday
C	close

- DISCLAIMER -

Due to the electronic nature of e-mails, there is a risk that the information contained in this message has been modified. Consequently *Gold (& mkts) Charts R Us* can accept no responsibility or liability as to the completeness or accuracy of the information. Whilst efforts are made to safeguard messages and attachments, *Gold (& mkts) Charts R Us* cannot guarantee that messages or attachments are virus free, do not contain malicious code or are compatible with your electronic systems and does not accept liability in respect of viruses, malicious code or any related problems that you may experience. Information in *Gold (& mkts) Charts R Us* is for general information only & is not intended to be relied upon by individual readers in making specific investment decisions. Appropriate independent advice should be obtained before making any such decisions. *Gold (& mkts) Charts R Us* do not guarantee or assure that readers will make money, or accept liability for any loss suffered by readers as a result of any such decision. Futures and share trading involves risk and is not for all investors. Past performance is NOT indicative of future results. Trading involves risk and should be pursued with risk capital only!