

# **-GCRU-**

*Gold Charts R Us*

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**\*DO NOT FORWARD\***

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# - GCRU -

## Gold Charts R Us

●●●● GCRU #480 on February 1<sup>st</sup>, 2012 (in its 11<sup>th</sup> year)

### \*\*\* ALERT \*\*\*

**More target levels were reached today for the first time on Randgold (GOLD) and the Junior Gold Miners ETF (GDXJ). We recommend the following:**

- 1) Sell half of RandGold (GOLD) at 115;
- 2) Sell half of GDXJ at or near 30;
- 3) Sell the rest of B2 Gold (BTO.TO) at 3.80 or higher;
- 4) Sell the rest of on New Gold (NGD) at 12 or higher.

## GOLD'S BULL MARKET TURNS 12 YEARS OLD THIS MONTH

Several of our profit targets were reached this past week, which prompted our special alerts.

**This week was action packed because we finally got some clean moves instead of the choppy markets we saw during 2011.** Our profit targets were reached completely on AUJ while hitting first profit levels on silver, GOLD, GDXJ, BTO and NGD.

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The year is starting off on a good profiting leg and we look forward to many more!

**Gold's bull market turns 12 years old this month while GCRU turns 11.** It's been a great bull market but it's not over yet... We believe the current global environment and loose monetary policy, while central banks

build their gold reserves, will continue giving us the nod to higher prices ahead.

The **Federal Reserve reinforced this last week when they announced that short term interest rates will stay close to zero at least through 2014.** This pushed up gold, commodities, the stock market and some currencies, while the U.S. dollar declined further from its high posted in mid January.

Then safe haven flows came back to gold last Friday when the delicate Eurozone debt crisis surfaced once again. The Fitch rating service downgraded Italy, Spain, Belgium and others and Italy's already lowered rating was reaffirmed. In Fitch's opinion, the Eurozone crisis will only be resolved when there is a broad economic recovery.

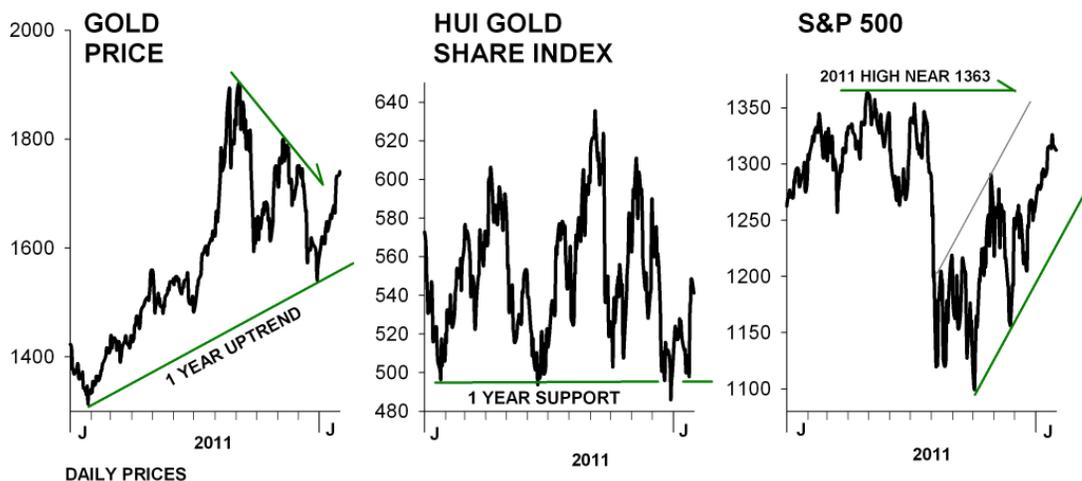
And that is **not anywhere in the near future.** This is clearly reflected in gold demand. India and China have started to buy Iranian oil with gold! Asians are the leaders in the world when it comes to hoarding gold bars. China and India, for instance, are now over half of the world's gold jewelry consumers.

**Demand for gold continues to grow.** This persistent bull market and demand will draw more people to the gold market.

Gold closed at an 8 week high today, rising almost 13% since its late December lows. Silver reached a 10 week high on Friday, gaining 22% from its lows.

Most markets are up since December. The S&P500 is up 10% from it's mid December lows while the HUI gold share index is up 12% from its late Dec lows.

### MOVING UP TOGETHER



It's been a solid gain in many markets but the chart is an example of the different moves. Even though gold, gold shares and the stock market are all bouncing up from their December lows, you can see gold is rising in a renewed rise while the S&P has been rising since October.

The good news is that this New Year bounce helped gold shares hold at its one year support and it's bouncing up from this strong support. The MT favors gold shares as they look ready to continue catching up to the others.

### **Our patience is paying off.**

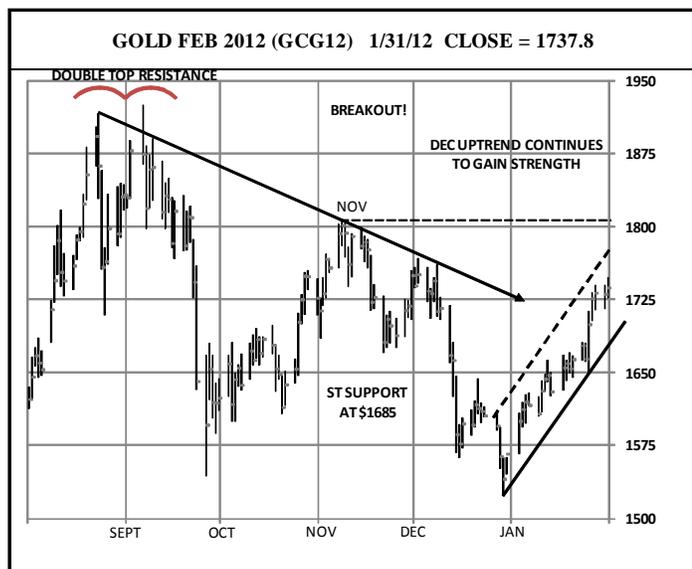
We've been holding several of our positions since last year.

From August through November we've been buying at opportune prices, waiting for gold, silver and their shares to jump start as signs of an improving global economy started to be reflected in the market. As a result, several of our gold shares hit profit targets. Your inbox was filled with special alerts as it was an exciting (and profitable) week! You can pat yourselves on the back... Gold has been impressive to say the least.

It's been **rising with strength** as it broke above both its September downtrend and its 75 day MA on high volume. Spinner continues to rise firmly and it's still above its MT MA. Despite Spinner's consistent rise, it still has room to rise further, telling us that gold hasn't reached overbought levels yet. Instead, it's telling us that gold is strong and we'll most likely see it continue to rise a bit more.

**Gold's next important resistance level is \$1800.** Gold must break above this level on high volume to see renewed strength, otherwise, we'll likely see it resist and correct, back down to probably the 75 day MA, its next support. Remember to cash in a fourth of your position at \$1800 (see chart).

Gold is trading well above its 75 day MA (\$1685 level) and is very strong above it. Its 75 day MA coincides with the Dec uptrend line thereby becoming an important ST support.



During the past couple of days, gold's been resisting below its Dec (closing) high, below \$1751.30 as its Relative Strength Index (RSI) lingers around 80 and gold hugs the top side of its Bollinger Band. **Normally this could be perceived as an overbought sign, but in this particular situation, it's reflecting gold's strength.** This means that it's possible for gold to rise a bit further as it continues to hug the top side of its Bollinger Band and holds above 70 on its RSI chart.

On the downside, if gold breaks below this support, we'll see weakness and a trend reversal. Because of this, we recommend raising your stops to 3dc below \$1650 (as opposed to 3dc below \$1600).

### **Silver continues to shine... but it's not looking as strong as gold...**

Silver broke above both its Aug downtrend line and its 75 day MA and it's strong above its Dec uptrend line at the \$32 level. However, it's resisting at the \$34 level (see chart). **The \$34 level is becoming an important resistance** as its silver's 65 wk MA and the upside target of its Dec/Jan Reverse H&S. Normally after a clearly defined pattern has reached its target, we'll see a pull back, depending on the strength behind the move at any particular moment.



If Silver can hold above its Dec uptrend, it'll show a clear sign of strength and it'll likely continue rising. However, if silver breaks below the Dec uptrend support (\$32), it could decline to the \$30 level or lower. We took some profits at \$33 thinking that silver might resist below \$34, and it has. However, underlying fundamentals are strong and we purchased at great prices, so we recommend holding them even if a correction develops. If

silver dips to \$30 and holds, we'll be looking to buy once again.

**Silver must clearly break above \$34 to confirm strength in rise.** A break above this level could take silver to test its April downtrend at the \$38 level. Look to sell another fourth of our position at \$37 as silver could resist at this level.

## **Gold shares have broken to the upside, hitting our profit targets!**

We've been taking profits on several of our positions as they reach important resistance levels. We've maintained our strategy and it's paying off. However, a top may be upcoming and we recommend protecting profits, at least on some of our positions such as Junior Gold Miners ETF (GDXJ), RandGold (GOLD), B2 Gold (BTO.TO) and New Gold (NGD).

**We sold all of our Yamana (AUY) position at our targets and made great profits.** AUY reached the top side of its Oct upchannel (\$17.50 level). Its Spinner reached extreme overbought levels and its likely to see it correct a bit. We'll be looking to buy again on this correction.

**RandGold (GOLD) still has room to rise.** It's looking strong and we recommend selling only half of your position at 115. It reached 115 today for a moment and it'll likely do so again tomorrow or sometime this week. So be ready and cash in on some profits.

**New Gold (NGD) has been strong and it's one of our favorites.** We sold half of our position at (or near) \$11.50 and have been waiting for it to reach \$12.50. Resistance below the 12 level is strong and we recommend selling the rest of your position at \$12 or higher.

**B2 Gold (BTO.TO) has risen strongly but its resisting below \$4** while Spinner and other indicators are at extreme overbought levels. Sell the rest of your position above \$3.80 for an average 24% profit.

**Junior Gold Miners (GDXJ) is also resisting below \$30.** It's risen strongly since the low about a month ago. It's been moving with the stock market and has reached overbought levels where it's topping. Sell half or all of your position at mkt. The recent rise will allow us to reduce our losses during the past couple of months.

**Gold Corp (G.TO) benefited from the overall rise,** but unlike the juniors and other intermediate shares, it's not overbought. Our indicators have room to rise further. Keep your positions and sell at our profit targets (\$50 and \$53).

**Goldfields (GFI) is moving similarly to G.TO as it's benefited from the uprise in gold shares,** but it hasn't exploded as the juniors and intermediate shares have. GFI is holding above its 75 day MA which is a bullish signal. GFI's Spinner as

well as other indicators are showing that GFI still has some room to rise. Sell all of your position at \$17 or higher.

**El Dorado Gold (ELD.TO) has been our worst performer as it hasn't been rebounding as we'd have liked.** It broke above its 25 day MA on higher than average volume while Spinner crossed above its MT MA showing signs of strength. Spinner still has room to rise. Nonetheless, ELD.TO may resist below its 75 day at \$16.50. Sell half of your position at 16 and keep the rest to see if ELD.TO breaks above this next resistance. If so, sell at \$18.50.

Crude continues to move within the upper side of its sideways band, unable to break above its resistance (July-Nov highs). **Crude still not giving us a clear indication so we continue to stay on the sidelines.**

This past week we also recommended shorting the S&P 500. Keep in mind that even though we think the S&P is due for a correction, it's still bullish for the MT, and we're looking to make some profits on its correction. For our gamblers who shorted the S&P500, cover your short at the 1260 level for a gain....or offset on a 2 dc above 1320 for a loss.

The dollar has been weak and it'll likely continue weak. We had recommended selling your position last week at market for a small loss. So as it stands, **we're out of the dollar** and will remain on the sidelines until we see a clear indication to buy again.

### ***So, what does this tell us?***

- 1) Gold is looking strong. Look to sell a fourth of your position at \$1800.
- 2) Keep your silver. Despite weakness, we bought at good prices and will giving it some room. Look to sell another fourth of your position (or more) at 37.
- 3) Be looking to exit your gold share positions as we've reached or are reaching a top area and recommend cashing in on profits built up. Sell as per our recommendations.

●●●● Golden regards from *the Adens...* Pamela, Mary Anne, and Omar

●●●● If it's Wednesday, it's *Gold Charts R Us*

## OPEN POSITIONS

Symbol	Trade Update &/or Current Position	Status (L=Long, S= Short, O= Out)	Initial Entry Date	Initial Entry Price	Traders re-bot/ sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2
<b>GOLD &amp; SILVER SHARES</b>									
AUY	Sold all of position last week for an average 14% profit. Looking to buy back in.	O				17.27			
BTO.TO	Sell the rest of your position at or above 3.80 for an average 20% gain.	L	Nov-23-11	3.40	2.85 and 2.95	3.84	2dc below 2.75	3.55	4.05
ELD.TO	Keep your positions. Sell half at 16 and the rest at 18.50.	L	Aug-31-11	19.55	18, 17.30, 17.50, 17.30, 15 & 13.90.	15.19	2dc below 13	16.00	18.50
G.TO	Keep your position. Sell half at each profit target.	L	Dec-22-11	45.65		48.50	2dc below 44.	50.00	53.00
GDXJ	Sell half of position at market and the rest at 35.	L	Nov-30-11	29.40		29.65	2dc below 25	30.00	35.00
GFI	Sell all at 17 or higher.	L	Nov-20-11	15.40	15.40	16.43	2dc below 14.75	17.00	18.50
GOLD	Sell half of your position at 115 and the rest at 125.	L	Nov-30-11	105.50		114.41	2dc below	115.00	125.00
NGD	Sell all at 12 or higher.	L	Sept-28-11	11.00	10.95, 10.60, 10, 10.85 & 9.75	11.71	2dc below 10	11.50	12.50
<b>FUTURES</b>									
Gold GCG12	Keep your positions. Sell a fourth of your position at 1800.	L	Oct-18-11	1655.60	1710, 1750, 1725, 1600 &	1737.80	3dc below 1650	1800.00	1900.00
Crude CLF12	All buy after a decline that holds above 94 after a 2dc.	O				98.95			
Silver SIH12	Keep your position. Sell a third of your position at 33 and then again another third at 37.	L	Sept-28-11	29.65	29, 29.95, 31, 28.75 & 28.80.	31.975	2dc below 27	33.00	37.00
S&P SPH12	Gamblers keep your short position. Cover all at 1260.	O	Jan-26-11	1315.00		1311.40	2dc above 1320	1260.00	
US Dollar	Sold position at 80.15 for a small loss.	O	Jan-10-11	81.20		79.47			

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**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.

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E-mail: [gcru@adenforecast.com](mailto:gcru@adenforecast.com)

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ABBREVIATIONS	
1dc	1-day close (the share price must close above or below the indicated price level, before our recommendation is activated)
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