

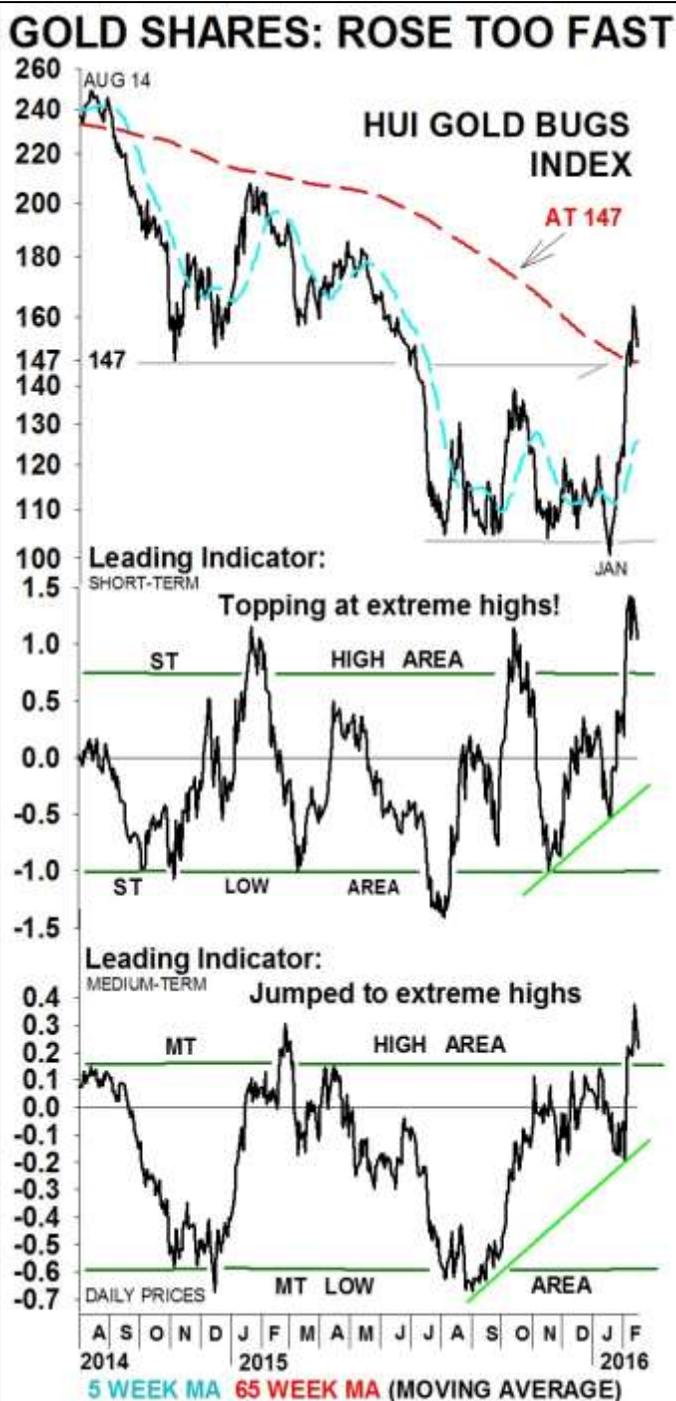
- GCRU -

Weekly Trading Service



●●● GCRU #676

●●● February 17, 2016 (in its 15th year)



“... there’s a clear cause and effect here that is as neat and predictable as the laws of physics: as government expands, liberties contract...” —

Ronald Reagan —

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KEY PRICES

Name/Symbol	February 16, 2016 price	Change	February 9, 2016 price
Gold (GCZG16)	1208.20	9.60	1198.60
Silver (SIH16)	15.334	-0.115	15.449
HUI (HUI)	151.16	5.58	145.58
Copper (H6H16)	2.0510	0.0115	2.0395
Oil (CLG16)	29.04	1.10	27.94
S&P500	1895.58	43.37	1852.21
U.S.Dollar (DXZ15)	96.88	0.781	96.09
30 Year T-Bond (ZBH16)	165 - 23	-0.13	166 -04
10 Year T-Note Yield	1.7800	0.0500	1.7300
13-week Treasury bill	0.273	-0.025	0.298

ALL THAT GLITTERS IS GOLD

Gold had its best weekly gain last week since the 2008 financial crisis. It was on a tear, breaking clearly above its key resistance at \$1200, reaching a one year high last Thursday as appetite for safe haven assets exploded.

The breakout was very bullish for gold! It also broke above its key 23 month MA, now at \$1193, for the first time since early 2013, as you can see on the **Chart Below**. This level is converging with the October high and both are key levels to now watch at the \$1187-\$1193 level. Gold is strong above this level.



Gold shares were more impressive, jumping up 60%+ in a 4 week time span, from January 19 to February 12, last Friday.

Our strategy earlier this year was to buy gold near a proven bottom at \$1085 and to take partial profits as gold rises and up to its key resistance at \$1200.

We executed our strategy almost perfectly and gained handsomely from moves in gold, silver and gold shares. Gold brought in an approximate 10%. DGP (2x ETF for gold) brought in 15% gains while gold shares were up 23% for AEM and an average 60% for NUGT (70% on the second half of our position).

Our indicators were showing gold and gold shares at extreme overbought levels. But gold still managed to move up another jaw-dropping \$50!

While we didn't capitalize on gold's last blow out day, the action is eye opening, showing us a bullish path for gold in 2016. All signs point to 2016 becoming a pivotal year for gold.

Meanwhile, gold and gold shares remain impressively overbought. Gold gave back \$30 today, and it's likely to give back some more this month. Keep in mind we could still see gold and HUI decline to \$1130 and 130, their respective 5 week MAs, and still remain bullish, see the charts.

We have new open orders to buy AEM and silver on weakness, and to take advantage of securing a position for the next leg up in

gold and gold shares. We'll be adding to our open orders and fine tuning the next purchase as the market develops.

The HUI index merits being on our **Chart of the Week** today because it rose too far too fast. You can see HUI shot above its 65 week MA for the first time in 1 ½ years. This declining MA at 147 is converging with the old 2014-15 support level, also at 147. This is saying if HUI stays above this level, it'll be incredibly strong.

You can see HUI fell below 147 last June into a deeper bear market. But this is what makes up the stepping stones on the upside. The fact that HUI was able to peek above it shows good strength in the rise, but it looks set to give some of the rise back.

Both the ST and MT indicators are clearly overbought, at extreme highs. This alone tells us a correction is due, and yesterday's decline is most likely the start of this ST weakness.

The 5 week MA is the next good ST support. If HUI declines to this MA now at 130 from current levels (151) it'll pose a great opportunity for profit.

This is why we're adding DUST to our stable today. We recommend buying DUST. It's essentially a short on gold shares. And it's a 3X inverse ETF of HUI. This makes it an easy way to gain from the downside in gold shares.

We know this kind of trade is not for all of you, but if you're prepared to buy and be

quick to take a profit if volatility dictates, you may want to consider it.

DUST seems to be sitting above a temporary bottom while starting to break above a bullish downside wedge with an upside target that could double our trade value.

Silver followed gold in a delayed rise in February. But in true fashion it jumped up from a saucer bottom, **see the chart.** It's now resisting at its 65 week MA, but it's firm by staying above \$14.50.

U.S. Bonds also rose with strength. The 10 year bond being the most impressive as it rose to a 3 year high!

And with negative interest rates (NIRP) in vogue as several central bankers around the globe implement measures to further stimulate their economies, we could see bonds rise further!

Unfortunately, we missed the opportunity to gain from strength in bonds during its most recent rally. We were left with open orders on UBT. However, we still think bonds will be a great investment during 2016 and it's not too late to buy. We'll continue patiently waiting on the sidelines to jump in when our open order is triggered.

The U.S. dollar index continued to decline which also added to gold's bullishness. However, the dollar is holding above solid support at the bottom side of an almost year long sideways band at 93.75. It's starting to rebound and it's likely to re-test its resistance at the 100 levels.

All eyes seem to be on crude oil as several OPEC members, together with other oil producers try to reach an agreement to limit production. However, a post-sanction Iran has been clear on its stance and it will not budge as it looks to gain for loss time. Without all members of OPEC agreeing to curb production, its unlikely crude will go up anytime soon. Yet it's very oversold and due for a bounce up.

The stock market remains wishy washy. And although the Transports continue to rise from the lows in Jan, and it could be leading in a ST rebound, Trans hasn't yet broken key resistance levels. If it break above its Nov downtrend, we could see it pull the Industrials with them.

The Industrials are forming a bearish H&S top formation with the neckline at 15666, the key lows. A clear break below this

level could confirm the raging bear that could push the Industrials to the 13000 level.

We'll be watching the stock market closely to see if the bearish pattern is confirmed before looking to place a trade.

Our **strategy for this week** is to take a second to pat yourself on the back. It has been a great start of the year and the path forward looks promising. A slight second, place an order to buy DUST and gain from a potential pull back in gold shares. Keep your triggers ready as volatility is to be expected. Continue to hold on to the second half of your position in silver as long as key uptrend since Dec holds near \$14. We'll patiently await for another opportunity to buy back into gold, gold shares and silver as they're looking to be the best investment for 2016.

WELCOME NEW SUBSCRIBERS!

It's a great time to start following GCRU as we're back to looking at fresh clean trades with great profit potential.

At GCRU our main objective is to help you profit from short term (ST) trades. We look to gain from both strength and weakness, upside markets or downside. We use several trading vehicles including ETFs, futures, shares and options.

All of our weekly Wednesday editions have five key sections.

The first section is the first page with a chart of the week, weekly prices and a table of contents.

The second section is an editorial where we look to highlight market action and key events of the week, including a second chart that is used to highlight a particular trade or market movement.

The third section are our market leaders. It shows charts in gold, silver, the U.S. dollar, crude oil, HUI and an advance-

decline line for gold shares that together with sir Harry Schultz have fine tuned over the years. We'll also show other charts from time to time such as interest rates and copper. On any given moment we might recommend trades within these markets. However, the main purpose is to get a key understanding of what is happening in the world by interpreting charts in key markets.

The fourth section are individual shares or ETFs that we recommend buying. This section usually has a higher rotation where we include a variety of stocks and ETFs we recommend buying in the different markets.

The fifth section is a position recap where we summarize our specific positions and recommendations.

Trade recommendations tend to be time sensitive. Our report is available every Wednesday morning well before the U.S. stock market rings its opening bell.

All of our positions will have stop losses and profit targets with specific numbers and instructions. Stop losses may vary. Sometimes we use trailing stops and others we just place a stop at a key support level with a specific number of consecutive days that support must be broken before selling (for example: Sell on 2dc (day close) below 100). Profit targets tend to be at key resistance levels and we recommend taking partial profits along the way and at these targets.

We'll not always pick a rock bottom or a sky high top. However, we do try to recommend trades that have great potential

so that we can get a nice chunk from the middle.

As you become more experienced in your trading, you'll start seeing our targets and strategy as a guide, rather than specific instructions. You'll develop a feel for the market, if you haven't already, that'll allow you to make timely trades that consistently beat the market. It's important to avoid falling into the extremes of greed and fear. These are negative emotions that go against your better judgement.

We follow a momentum indicator that was developed by sir Harry called Spinner. All charts will have Spinner below. Spinner will allow us to identify strength and weakness within a particular trade.

We use certain abbreviations when describing our interpretation of charts. The last page of our report will always have a table with abbreviations used in case you do not pick up on them.

Lastly, feel free to contact us if you're having trouble with a specific trade or with language used. It'll be a pleasure to assist you in making solid gains in your trades moving forward.



Omar Ayales
Chief **Trading** Strategist
GCRU

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A division of Aden Research Group
If it's Wednesday, it must be a GCRU day.

MARKET LEADERS

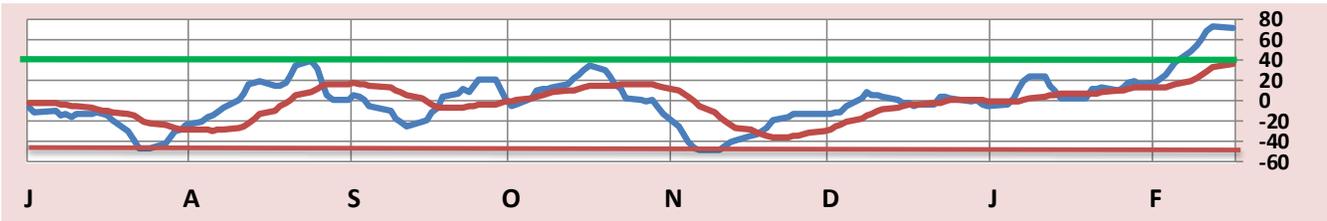


GOLD APRIL 2016 (GCJ16) 2/16/2016 CLOSE = 1208.2



SPINNER (3, 16, 16)

LOOKING TOPPY AT AN EXTREME HIGH



New Recom

You may have sold last Wednesday for a 10% gain. Waiting to get back in.

Gold blasted past 1200, its resistance level, and reaching highs last seen in Feb 2015! Gold's C rise has been explosive and the breakout above 1200 is very bullish for the longer term. Gold now has a bias towards the upside with its next target at 1300. However, our indicators are telling us the upside is now overdone and exhausted, and some down time is more likely. Keep in mind gold has support at its 23 mo MA near 1193. Moreover, it'll remain very bullish above 1150 and moderately bullish above 1100, its Dec uptrend. But gold's rock bottom support is at the Dec lows near 1050. It'll be important for the overall bullishness this year for gold to stay above 1050 on a close. We've made great profits with gold since the start of the year, but we'll stay out for now and until we can see gold form a bottom near any of the above support levels.

SILVER MARCH 2016 (SIH16) 2/16/2016 CLOSE= 15.334



Long at:	13.75 (Dec-17-15) (SLV: 13.10), 13.90 (Dec-28-15), 13.90 (Jan-8-14) (SLV: 13.15). Sold half at 15.25 (SLV: 14.50) for an average 10% return.
Stop	2dc below 14.50 (SLV: 2dc below 14)
Profit Target	15.50 (reached!) & 17.50 (SLV: 15 & 15.40).
New Recom:	Keep the second half of your position, and buy more near 14.

Silver followed gold in breaking above a key downtrend showing potential for more upside. Spinner jumped up from its MT MA and zero line to a high and bullish level showing strength! Silver continues to move closely with gold despite weakness in the resource sector. This explains why gold has been stronger. It also tells us silver is likely to take a breather as gold consolidates. Silver will prove its bullishness if it can hold above the Jan uptrend near 14.50. However, if silver fails to hold at this level, it'll show subtle signs of weakness. Keep in mind silver will confirm weakness only by closing below the Dec uptrend near 13.90. Silver's potential for upside remains in tact. Keep your positions for now, and buy more near 14 (SLV:13.20).

U.S. DOLLAR INDEX MARCH 2016 (DXH16) 2/16/2016 CLOSE= 96.875



New Recom	Stay out.
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The U.S dollar index found support above the bottom side of an almost year long sideways band as Spinner forms a bottom near an extreme oversold level. Dollar weakness seems to have reached a halt, at least momentarily, and the rise has resumed. Keep in mind, the dollar remains bullish on a longer term basis as long as it stays above 93.75. However, the year long sideways band should not go unnoticed, as well as Spinner's year long downtrend which unavoidably exposes a weakening tendency. The dollar needs to break clearly above 100 to show renewed strength. Failing to do so will continue to reflect a vulnerable dollar and it'll provide gold a solid base.

CBOE Interest Rate 10 Year T No (^TNX) 2/16/2016 CLOSE= 1.78 US\$



CBOE Interest Rate 10 Year T No (^TNX) - Chicago options

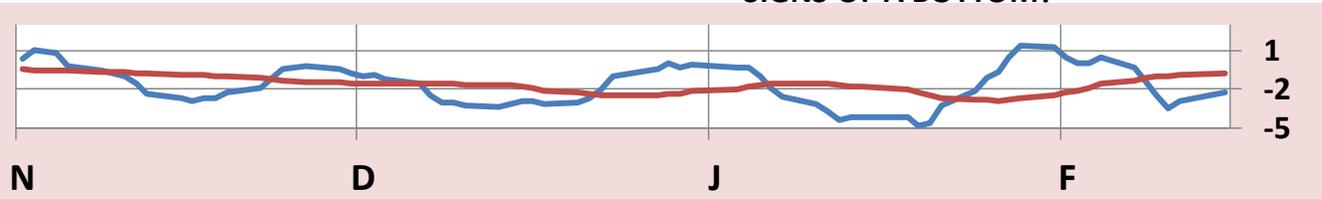
Interest rates jumped up after reaching a new 3 year low. TNX is now approaching the Dec downtrend near 1.80, it's next key resistance level. TNX must break above this level to start a rebound rise that could push it to the Dec highs. Keep in mind, TNX will remain weak with a downward bias unless it breaks above this resistance level on a 2dc. A bearish Spinner threatens TNX's chance to break above the resistance, but its clearly oversold and could become bounce up. A treacherous path for interest rates in today's deflationary environment will continue to fuel strength in bonds, after a TNX bounce up is over. Buy UBT on weakness.

LIGHT CRUDE OIL MARCH 2015 (CLH16) 2/16/2016
CLOSE= 29.04



SPINNER (3, 16, 16)

SIGNS OF A BOTTOM?

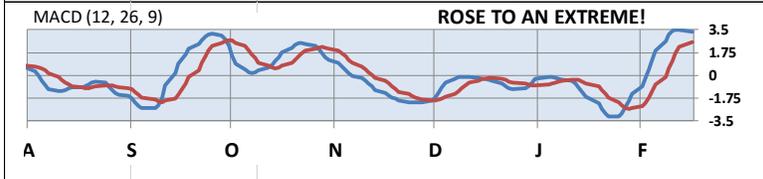
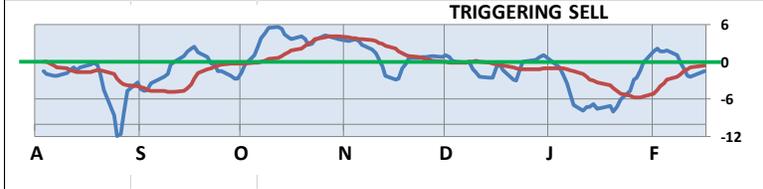


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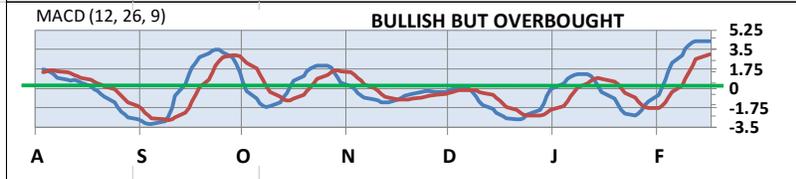
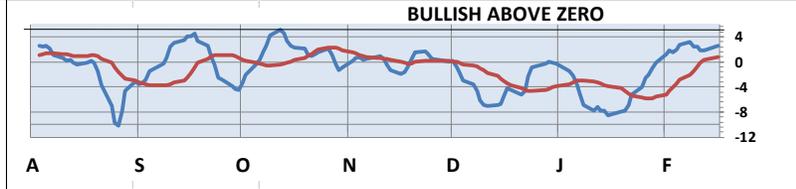
Stay out for now.

Crude's failed attempt to break above the Oct downtrend exposes continued weakness despite talks amid OPEC producers to cap production. Crude must rise above 32 on a 2dc to see ST strength that could fuel a rise to the Jan highs near 40. Keep in mind, from a fundamental point of view, the market will likely remain bearish unless OPEC can agree on curbing production. Something that seems unlikely given the fact that Iran has recently ramped up production as sanctions were lifted. Stay out for now.

SPDR DOW JONES INDUSTRIAL (DIA) 2/16/2016
CLOSE= 162.2



Shares Transportation Average (^IYT) 2/16/2016
CLOSE= 129.34



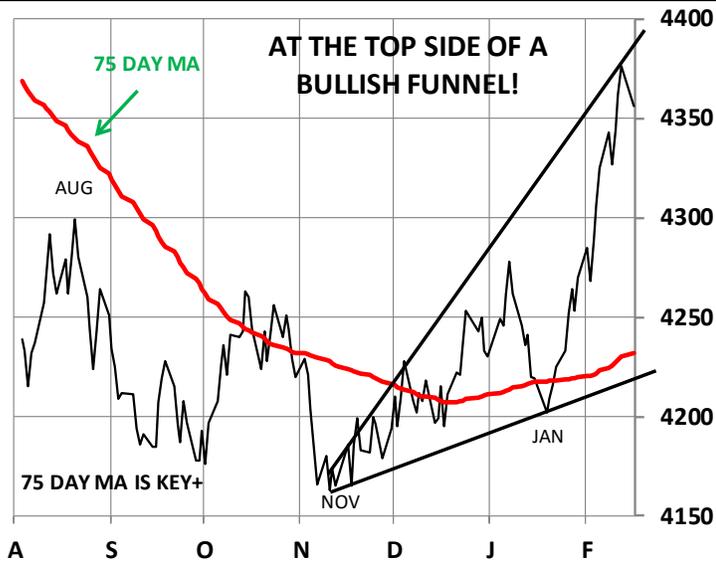
New Recom

Stay out.

The Transports continue to pave the way for a rebound rise in the stock market. It remains steady above the Jan uptrend at a new high today, as it approaches a key resistance at the Nov downtrend. Transports must break above this level to show renewed strength that could stretch the rebound rise to possibly the Dec highs. The Industrials, on the other hand, have formed a bearish H&S Top with the neckline at the 15666 level (DIA: 156). A clear break on a 2dc below 15666 would confirm the pattern that could push the Industrials to 13000 (DIA: 131). The Industrials did slip below the neckline support, but quickly jumped up, following the Transports, breaking above the Dec downtrend. Keep in mind, however, the Industrials must break above the Jan highs (16,466; DIA: 164) for the bearish H&S pattern to fail. We'll be looking to sell short if the Industrials break below 15666 on a 2dc. For now stay out.

ADEN GOLD STOCKS ADV/DEC LINE 2/16/2016

CLOSE = 4356



HUI GOLD BUGS INDEX (HUI) 2/16/2016

CLOSE= 151.16



SPINNER (3, 16, 16)

OVER-EXTENDED?



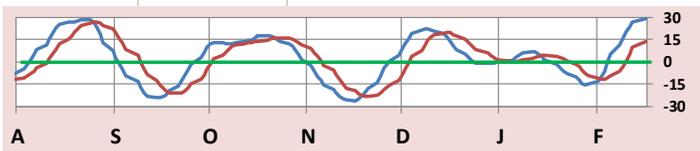
SPINNER (3, 16, 16)

BULLISH BUT OVERBOUGHT



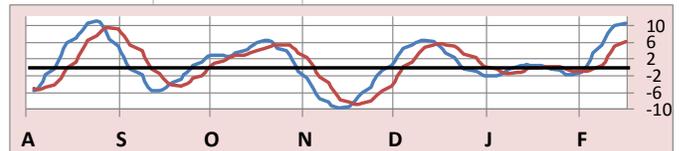
MACD (12, 26, 9)

BULLISHNESS WANING AT HIGHS?



MACD (12, 26, 9)

LOOKING FOR A TOP NEAR HIGHS



Receding... Gold shares have been on fire since the Jan lows. They've risen over 60% in an explosive rise. It sling-shot past the Oct peak reaching highs last seen in June 2015. The A/D Line had been leading the rise since Nov, forming a bullish uptrend together with the Jan lows. Spinners and MACDs also went literally off the charts showing strength and bullishness in the gold shares and the gold universe. This allowed us to profit handsomely from our positions. However, our indicators have turned and are now showing signs of maturity. The bullishness is wearing off, and we could see more downside or consolidation ST. Moreover, our in-house Spinner is telling us both the A/D Line and HUI are extremely overbought, confirming limited upside for gold shares ST. Keep in mind, gold shares will remain very bullish above the 65wk MA near 147, and it would remain with upside bias if it stays above its 5wk MA near 130. On the downside, however, a break below 130 on a 2dc could push gold shares down more, and a decline to the Jan lows could occur. The A/D Line has formed a bullish funnel and it's showing signs of a top near the higher side. This tells us a likely downside target for the A/D Line is the 4225 level, where the Nov uptrend and its 75 day MA are converging into a strong support level. We now recommend buying DUST (a 3x inverse ETF to gold shares) to gain from a gold share decline. Remember we believe gold is starting its next cyclical bull mkt this year, and any declines in gold or gold shares may be short lived. Keep your triggers ready as the trade may prove to be a quick one.

STOCKS

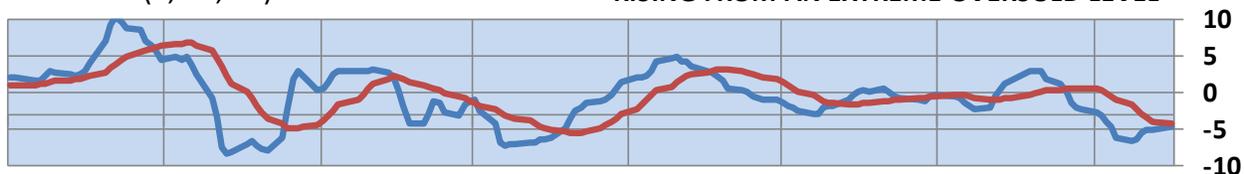


DIREXION GOLD MINERS BEAR 3X Shrs (DUST) 2/16/2016 CLOSE= 6.33



SPINNER (3, 16, 16)

RISING FROM AN EXTREME OVERSOLD LEVEL



J A S O N D J F

GOLD MINER BEAR 3X DIREXION (NYSE: DUST)

New Recom: **Buy some at mkt! Place stops at 2dc below 5.50. Profit target at 12.**

DUST is a 3x inverse ETF to HUI. This means that DUST acts as a short for gold shares. DUST will move opposite to HUI three fold. Notice the chart above how DUST has found support near 5.50. Moreover, DUST is forming a bullish downside wedge with an upside target near 15. The chart above is showing DUST breaking above the Jan downtrend and downside wedge today. However, we must see a more clear breakout to confirm the bullish pattern. We recommend buying some to take advantage of upcoming weakness in gold and gold shares as demand for safe havens continue to tame ST.

Agnico Eagle Mines Limited (AEM) 2/16/2016 CLOSE= 34.12



Agnico Eagle Mines Limited (AEM) - Nyse

New Recom: Buy on a decline to the Sept uptrend near 28.

AEM remains one of the best gold shares. It's impressive rise above the top side of the Sept upchannel is proof of it. However, Spinner is showing signs of a top as it starts to decline from an extreme high. This tells us the rise for now is likely over and some down time is likely. AEM will remain strong above the Jan uptrend at 32, but a decline below it means it could then test the Sept uptrend. We'll be looking to buy on a decline to the Sept uptrend near 28.

PROSHARES ULTRA 20+Year Treasury (UBT) 2/16/2016 CLOSE= 86



ProShares Ultra 20+ Year Treasury (UBT) -NYSEArca

New Recom: **Buy on a pull back below 80. Place stops at 2dc below 74. Profit target at 88.**

UBT has started to decline from its recent highs as appetite for safe haven assets tame. UBT is approaching the Dec uptrend as Spinner starts to decline from an extreme overbought. A break below 84 on a 2dc would show weakness that could push UBT to the Nov uptrend in the mid 70s. We're lowering our entry level to allow room for weakness.

DIREXION GOLD MINERS BULL 3X ETF (NUGT) 2/16/2016
CLOSE= 42.31



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

Long at:	24 (Jan-27-16). Sold the rest at 41 for a 70% gain. Average gain for the entire trade 60%.
Profit Target	32 (reached!) & 52 (reached!)
Recom:	Stay out for now.

NUGT surpassed the Oct highs showing impressive strength! However, indicators across the board are showing gold shares have limited upside ST and that some down time is likely. We recommend staying out for now.

DIREXION DAILY S&P500 Bull 3X ETF (SPXL) 2/16/2016 CLOSE= 65.3



Direxion Daily S&P500 Bull 3X ETF (SPXL)-NYSEArca

Long at: 64.50 (Jan-27-16). Sold at 62 for a 4% loss.

New Recom: **Stay out for now.**

SPXL bounced up after reaching the Jan lows. It's breaking above a steep Dec downtrend today showing some ST strength. However, Spinner remains lackluster below zero and its MT MA. This tells us SPXL must break above the recent highs on a 2dc above 70 to see a stronger rebound rise. We'll wait for confirmation on recent strength before buying again.

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									
AEM	Buy on a decline to the Sept uptrend near 28.	O				34.12			
DUST	Buy some at mkt! Place stops at 2dc below 5.50. Profit target at 12.	O				6.33			
NUGT	Stay out for now.	O				42.31			
UBT	Buy on a pull back below 80. Place stops at 2dc below 74. Profit target at 88.	O				86.00			
SPXL	Stay out for now.	O				65.30			
COMMODITIES									
Gold - GCI16	You may have sold last Wednesday for a 10% gain. Waiting to get back in.	O				1208.20			
Crude-CLH16	Stay out for now.	O				29.04			
Silver SIH16	Keep the second half of your position, and buy more near 14.	L	Dec-17-15	13.75	13.9	15.33	2dc below 14.50	15.50	17.50
US Dollar DXH16	Stay out.	O				96.88			

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All charts in *GCRU* are daily prices.

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

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.

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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