

Welcome
Gold (& mkts) Charts R Us
subscribers via e-mail

FOR YOUR EYES ONLY
DO NOT FORWARD

UNAUTHORIZED DISCLOSURE NOTICE

CONFIDENTIALITY NOTE: The information contained in this communication is private, legally privileged and confidential information intended only for the use of registered *HSL* or *Gold (& mkts) Charts R Us* or *FMU* subscribers. If the reader of this communication is not the intended recipient, you are hereby notified that the reading, dissemination, distribution, forwarding or copying of this communication is strictly prohibited and grounds for the immediate termination of the subscription, without the right of refund, of any registered *HSL* subscriber who participates in such distribution, dissemination, forwarding or copying. *HSL* reserves the right to monitor the use of this communication, by whichever electronic means it deems appropriate. If you have received this communication in error, please immediately notify us by e-mail to arrange for return of the message to us. It is the intention of the sender of this communication to preserve all protections and privileges attendant to the enclosed communication. Thank you. hslmentor@racsa.co.cr

WARNING: Reproduction of any of the material contained in *HSL*, forwarding of *HSL*, or any portion thereof, by e-mail, fax, photocopying or any other means, substantial quotation of any portion of *HSL*, or any other use of *HSL* by any person other than the registered subscriber, without the written permission of *HSL*, may violate copyright laws and subject the violator to legal prosecution. Violations are punishable by fines up to \$100,000 per incident under the US Copyright Act. All rights reserved.

-Gold (& mkts) Charts R Us-

Welcome to GCRU #395 on April 7, 2010 (in its 9th year). •••• Gold bullion is back on the boil, up about \$29 since lastime, & having convincingly broken above its most recent December downtrend line ☺. Bullion has therefore overcome the first resistance barrier we outlined last week, but still requires a decisive push above top resistance of its January-April sym/triangle (which it is probing in European trading this AM), & the \$1153.90 neckline resistance of its 4-month reverse H&S, to *definitively* lay the December consolidation to rest and tip this gold bull market into a more rewarding stage. Encouragingly, friend John Brimelow reports last “Thursday’s \$11.60 rise in June gold to \$1,126.10 involved volume of 126,124 lots and an astonishing 14,982 lots (46.60 ton or 3.18%) increase in open interest. This is the biggest jump in open interest since the 16,796 contract leap on Dec 31st, which saw a \$22.10 rise in nearby gold and the *start* of January’s rally-leg.” Clearly, major buyers are driving gold’s new upswing but we mustn’t underestimate the determination of the Anti-Gold Cabal, who have repeatedly capped every gold run-up for the past 15-weeks. So, at minimum, a 2-dc over \$1153.90 is needed to demonstrate this up swing has legs, and before we uncork the champagne! If not, bullion will likely slip back to extend its current sideways consolidation cum bull vs bear “combat zone” -- with a break below its Oct 2008 uptrend line (now \$1087.80) triggering a yellow alert that would turn to red if the recent February \$1053.80 closing low failed to hold. •••• Go to *KingWorldNews.com* for an exclusive radio interview with GATA director Adrian Douglas, & Andrew Maguire, an independent metals trader turned whistleblower at the center of a storm for exposing the precious metals price suppression scheme. •••• The Canadian Dollar traded at parity with the US\$ on Tuesday, for the first time since July 2008. As we’ve long preached, buying gold shares is also a currency decision – and preserving *purchasing power* is a paramount consideration. •••• Bullishly, the 3 gold share indexes (SGI, HUI, XAU) & our in-house gold share *Advance/Decline* line have broken above 4-month downtrend lines. If they manage to conserve & reinforce their breakouts it will mean strength for those stocks already poised for rises. There’s obviously more upside to go before the cloud cover of possible H&S tops dissipates, but new positive crosses in weekly *Spinner* lines hint this rally-leg is for real. Fortunately, several of the weaker R/S gold shares have pulled back from (stoploss) cliff-edge, but as mentioned last week, unless they develop immediate & above average sector strength we plan to sell them (even with a small loss), in the same way that U prune a tree to make it (or your portfolio) healthier. We frequently do *Relative*

Strength chart comparisons between shares to reveal the strongest leaders, & the \$ profit differences can be amazing, & confirm the need to constantly upgrade. •••• The euro has turned messy, balking below resistance of its December downtrend line, & threatening to add another down-leg to its precipitous decline. If the March low holds, price action *may* taper into a shorter bull wedge &/or the (double) head of a 2-month reverse H&S base. However, a break above 1.3760 (we are a long way off) is needed to kick-start a reliable corrective recovery towards the 50% 1.4820 Fibonacci retracement level of the 4-month decline. If the March low is breached, a re-test of the 1.2800-1.2900 level looks possible. Prudence calls for switching out of euro bonds. A-\$ is best option as per last *HSL*. •••• The big cap gold shares have been generally “unresponsive” over recent months, while they’ve been consolidating their lead run-up from the Oct 2008 lows. However, signs of life are emerging, so we plan to dust off & reinstate Agnico Eagle as a possible bellwether. We’re still holding core positions from much lower levels, but a close above \$61.50 (NYSE version: AEM) would trigger a new trading signal, with a stoploss at 1-dc below 51.50. •••• Silver is carving out the right shoulder of a 2-year reverse H&S base, with 28.40 provisional upside target (basis July futures). Price is flirting with a neckline breakout (basis the weekly L/O/C chart), but a decisive close above Nov-Jan peak resistance (ie, 19.36) is our preferred level for aggressive buying. •••• Bullish Consensus rank gold at 72 (up 3 from last week). The US\$ is listed at 56 (up 2). B/C say gold is “neutral to bullish.” •••• Monday’s market pushed US Bonds closer to a possible rout, with a break below 112^00 (basis the 30-Year T-Bond continuation cx) required to validate the Oct 2007-Apr 2010 H&S top, which would also break the 26-year uptrend line support. Higher bond yields would create *unsustainable* fiscal pressures, as the cost of servicing debt, which is already choking many govts, will rise. This will make bondholders, who are savvy investors, even more reluctant to invest in Treasuries. The longer-term effects will be the *loss of confidence* in the US govt’s ability to hold the system together, & hence the US\$. •••• Note: our traditional *GCRU* Spring skip week will be on April 28, 2010 (ie, no *GCRU* on Wed April 28). We are announcing this break well in advance as it may help for planning purposes. •••• Gold is up \$1.10 in European trading this AM. The \$ is up 20 cents. •••• Hopefully, gold’s – *newtest* – (today’s password) will morph into a confirmed breakout. Meantime, be cautious & wait for broad based strength to justify adding heavily to positions, & in any case buy only the strongest charts while selling or keeping stops very close in the weakest charts. •••• Bye from **Uncle Harry**, & Paul. •••• If it’s Wednesday, it’s *Gold (& Mkts) Charts R Us*.

IN THIS ISSUE

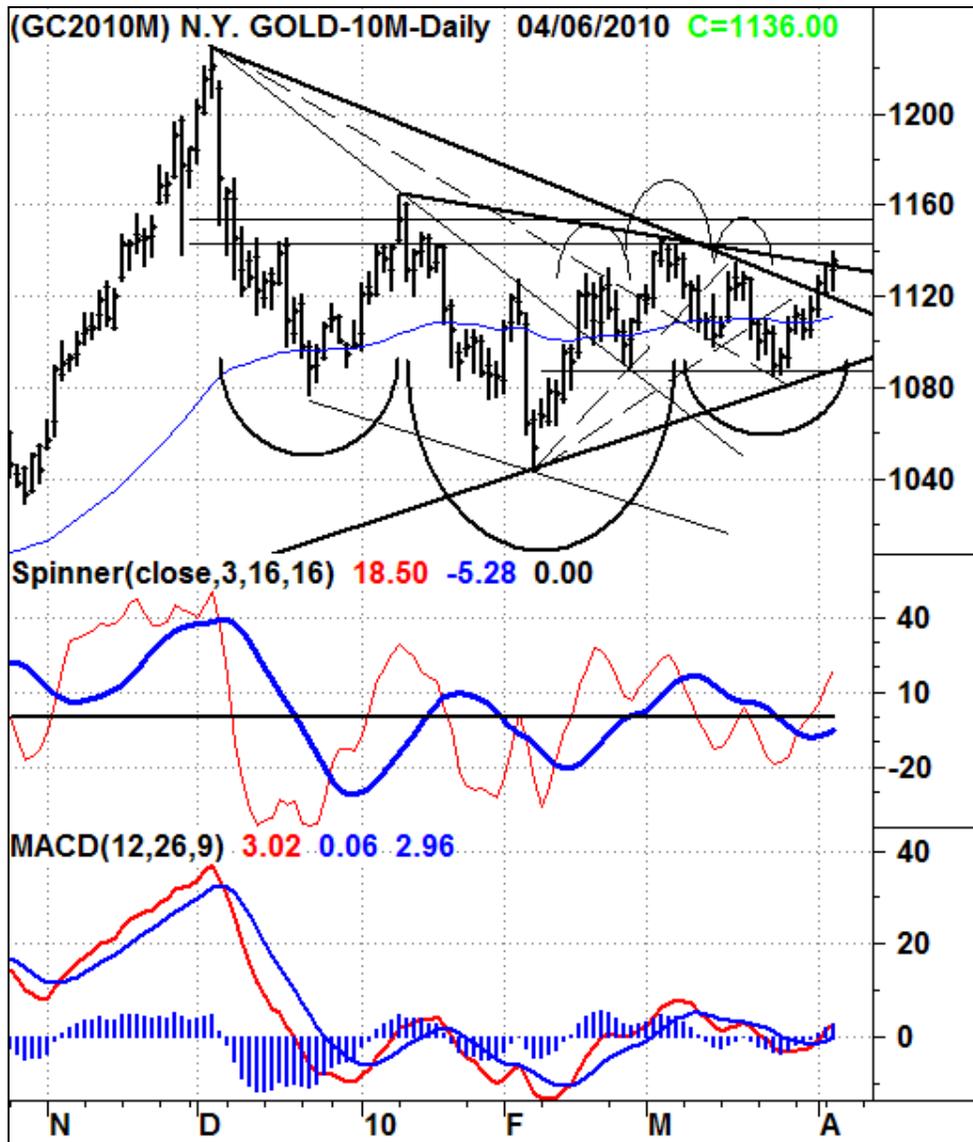
Coffee (futures)	13
Corn (futures)	14
Crude oil (NYMEX)	14
Editorial Section	19
Eldorado Gold (Tor & NYSE)	7
Franco Nevada (Tor)	16
Gold daily (NY)	5
Gold tick chart (NY)	6
Iamgold (NYSE & Tor)	8
Jaguar Mining (Tor)	8
Lake Shore Gold (Tor)	9
Northern Dynasty (Tor & NYSE)	9
Osisko Mining (Tor)	10
Paramount Gold & Silver (Tor)	10
Randgold (Nasdaq)	11
Red Back (Tor)	11
Royal Gold (Nasdaq)	12
S&P500 (CBOT)	15
Semafo Inc (Tor)	12
Silver Wheaton (NYSE/Tor)	17
US\$-Index	15

••Our 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.
L/O/C = Line On Close.
L/T = Long Term.
M/T = Medium Term.
N/L = neckline.
P/F = Portfolio.
P/O = Price Objective.
Recom = Recommended.
R/H&S = Reverse Head & Shoulder.
R/S = Relative Strength.
S/T = Shortterm.
Sym/tri = symmetrical triangle.
Tgt = Target.
Unch = unchanged.
Vol = Volume.
Wk = week.
Ystdy = yesterday.

GOLD

Comex gold June futures – daily – 6 month view



Comex gold June 2010 futures – 480 min – 7wk view



Comex gold June 2010 futures Cx - 480-min tick chart (all sessions):

Open trades:	Long at:	Initial entry price: 1122.90 (basis <u>June</u> Cx). Traders re-bought at 1126.10.
	Stop:	S/T: 1087.80-stop. M/T: 1-dc below 1087.80.
	Profit targets:	1195.80 &/or 1222.50 &/or 1248.80.
New Recom:	If out, <u>wait</u> to buy strength after next dip &/or buy June after 1-dc (must be decisive) over 1137.80; stop: exit, or sell ½ at 1087.80-stop, ½ after 1-dc below 1087.80; sell bits at 1195.80 &/or 1222.50 &/or 1248.80. All buy again after 1-dc over 1154.10. Hedgers <u>exited</u> June shorts via 1122.50 stoploss ☹. Re-sell short June if breaks below Nov 2008 uptrend line support (now 1087.80); stop: 30 points above your entry level; cover ½ at 1053.80, & trail stop rest.	
Comment:	Feb-Mar H&S top undermined via sharp reversal/rise cum potential right shoulder of 4-month reverse H&S. Spinner rounding out to bullish in weekly & daily charts. A dynamic breach of 1154.10 resistance is needed to confirm the reliability of this up move. One small step away from success!	

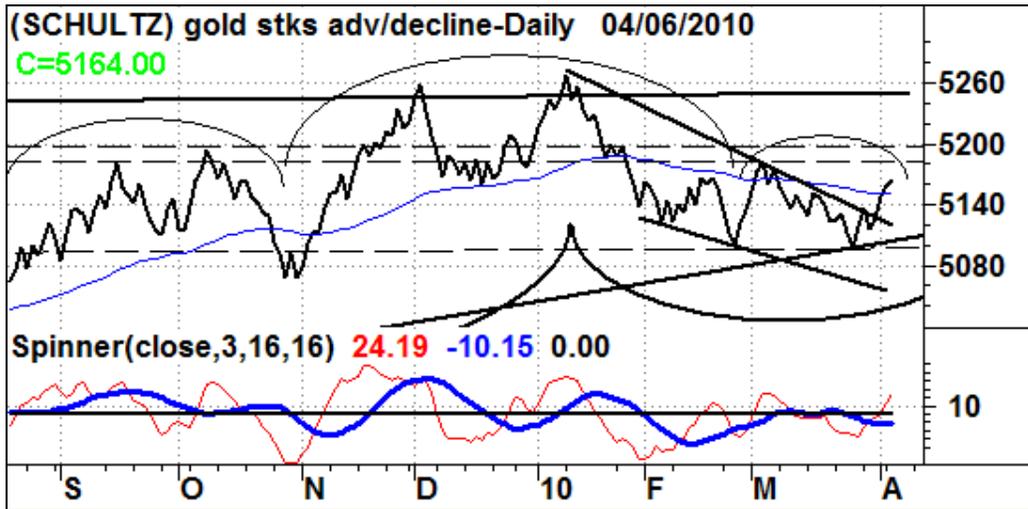
Schultz Gold Share Index (SGI) -- daily



Schultz Gold Index (SGI) – daily chart:

Comment:	Dec bull flag & gap-up breakout reinforces Mar 2008-Sept 2009 reverse H&S base; 47.60 upside target. Spinner in positive cross with (thick) confirming line rounding out to neutral; raises odds for continued strength in price.
-----------------	---

Schultz Gold Stocks Advance/Decline Line -- daily



Schultz Gold Stocks Advance/Decline Line (SGS A/D) daily chart:

Comment:	Dec peak bull wedge & upside breakout; 5268 theoretical target. Spinner in strengthening base mode. Requires a determined break above 5180-5195 to conclusively void 7-month H&S top risk. This chart is updated <u>daily</u> on our website. Go to the <i>GCRU</i> download page & click: <i>View Gold Stocks Advance/Decline Line</i> .
-----------------	---

GOLD SHARES



Centerra Gold (Canada: CG-T); gold: CAD\$:

Open trades:	Long at:	Traders bought at 13.54 (Apr-06-10).
	Stop:	S/T: 11.20-stop. M/T: 1-dc below 11.20.
	Profit targets:	16.35 &/or 17.50 &/or 18.70.
New Recom:	If out, spec buy at mkt & if dips to 13.20; stop: 1-dc below 11.20.	
Comment:	3-month bullish ascending triangle & tentative upside breakout; 16.35 measured target. Spinner hooking to positive & placed to confirm sustained strength in price. Ready to "Rumba."	



New Gold (Amex: NGD; Canada: NGD-T); gold: US\$:

Open trades:	Long at:	Traders bought at 4.79 (Apr-05-10).
	Stop:	S/T: 3.85-stop. M/T: 1-dc below 3.85.
	Profit targets:	5.45 &/or 5.92 &/or 6.40.
New Recom:	If out, spec buy if dips to 4.62 & 4.47; stop: 1-dc below 3.85. And/or buy after 1-dc over 4.80.	
Comment:	Testing top resistance of 3-month consolidation range cum Jan peak sym/triangle; 5.92 upside target. Spinner (thick) confirming line rounding out to neutral. Good R/S. Coiling.	



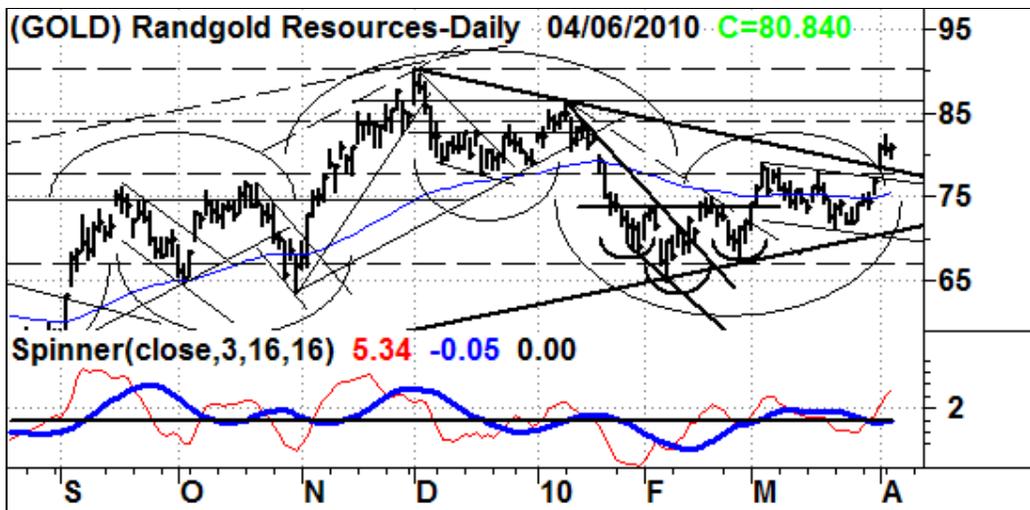
Northern Dynasty Minerals (Canada: NDM-T; NYSE: NAK); copper/gold/molybdenum; CAD\$:

Open trades:	Long at:	Initial entry price: 9.52 (Feb-17-10). Traders re-bought at 9.68.
	Stop:	S/T: 8.30-stop. M/T: 1-dc below 8.30.
	Profit targets:	10.60 &/or 11.65 &/or 12.75 &/or 13.80.
New Recom:	If out, spec buy if dips to 9.70 & 9.50; stop: 1-dc below 8.30. And/or all buy again after 1-dc over 10.20.	
Comment:	Rise to build would-be right shoulder of 1-year reverse H&S base; 13.80 target. Spinner in positive hook/cross. Volume plus. Probing.	



Osisko Mining (Canada: OSK-T); gold: CAD\$:

Open trades:	Long at:	Initial entry price: 5.90 (May-13-09).
	Stop:	S/T: 7.58-stop. M/T: 1-dc below 7.58.
	Profit targets:	9.75 &/or 10.50 &/or 11.20 &/or 12.45.
New Recom:	All buy after 1-dc over 9.15; stop: 1-dc below 7.58. Buy more after 2-dc.	
Comment:	5 th rise to challenge top resistance of Sept-Apr bullish ascending triangle; 11.20 upside target. Spinner verging on major bull cue. Sharp rise expected when 9.15 brick wall resistance finally defeated!	



Randgold Resources (Nasdaq: GOLD; London: RRS); gold: US\$:

Open trades:	Long at:	Initial entry price: 74.42 (Feb-17-10). Traders re-bought at 80.99.
	Stop:	S/T: 66.80-stop. M/T: 1-dc below 66.80.
	Profit targets:	83.85 &/or 90.30 &/or 96.30.
New Recom:	If out, buy at mkt & if dips to 77.65; stop: 1-dc below 66.80.	
Comment:	H&S top threat <u>voided</u> via surge break above Dec downtrend line. Spinner in positive rotation above zero line. May balk at or below 86.40 resistance to build right shoulder of 4-month reverse H&S.	



Red Back Mining (Toronto: RBI-T); gold: CAD\$:

Open trades:	Long at:	Initial entry price: 6.76 (Dec-11-08). Gamblers re-bought at 21.50.
	Stop:	S/T: 18.40-stop. M/T: 1-dc below 18.40.
	Profit targets:	22.90 &/or 24.80 &/or 26.70.
New Recom:	If out, spec buy at mkt & if dips to 20.70; stop: 1-dc below 18.40.	
Comment:	Mar peak bull flag & gap-up breakout. Spinner (thick) confirming line rounding out to bullish. Needs more volume to underpin price. Trader friendly & profitable staircase uptrend!	



Royal Gold (Nasdaq: RGLD); gold: US\$:

Open trades:	Long at:	Initial entry price: 45.46 (March-01-10). Traders re-bought at 49.04.
	Stop:	S/T: 40.90-stop. M/T: 1-dc below 40.90.
	Profit targets:	54.60 (if bot low) &/or 57.65 &/or 60.90.
New Recom:	If out, spec buy at mkt & if dips to 48.15; stop: 1-dc below 40.90.	
Comment:	Dec-Mar reverse H&S & upside breakout (57.65 target) gaining credibility over 7-month H&S top. Volume +. Spinner in positive cross/cycle above zero line. Primed for new burst of strength.	



Semafo Inc (Toronto: SMF-T) gold: CAD\$:

Open trades:	Long at:	Initial entry price: 5.00 (March-03-10). Traders re-bought at 5.60.
	Stop:	S/T: 4.70-stop. M/T: 1-dc below 4.70.
	Profit targets:	6.32 &/or 6.90 &/or 7.50.
New Recom:	Spec buy at mkt & if dips to 5.65 & 5.45; stop: 1-dc below 4.70.	
Comment:	Nov-Mar flat top triangle; 6.32 nearby target. Spinner in corrective bull mode; hints at mini price dips only. Bullish above Sept 2009 uptrend line (now 4.85); defensive below. Enjoy!	



Silver Wheaton (NYSE: SLW; Toronto: SLW-T); gold: US\$:

Open trades:	Long at:	Initial entry price: 15.84 (Feb-17-10). Traders re-bought at 16.22.
	Stop:	S/T: 12.95-stop. M/T: 1-dc below 12.95.
	Profit targets:	19.90 &/or 21.70 &/or 23.50.
New Recom:	If out, spec buy at mkt & if dips to 16.10; stop: 1-dc below 12.95. All buy again after 1-dc over 17.70.	
Comment:	Rising to complete head of Dec-Apr reverse H&S cum possible right shoulder of 2-year R/H&S base. Spinner in burgeoning positive cross. Growing R/S. Preparing for a major breakout?	

FUTURES



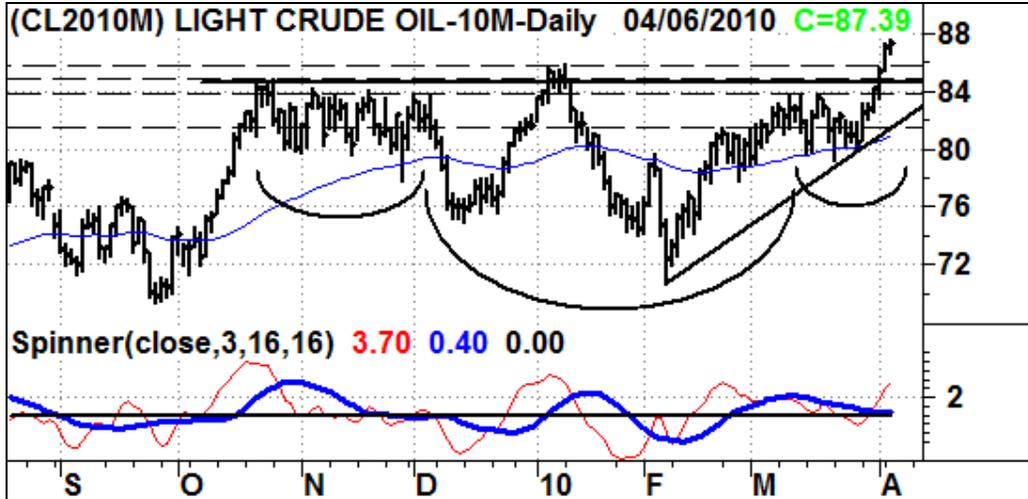
Cocoa May 2010 futures – daily chart:

Open trades:	Long at:	Initial entry price: 2925 (Mar-29-10). Traders re-bought at 2930 & 2890.
	Stop:	S/T: 2770-stop. M/T: 1-dc below 2770.
	Profit targets:	Sell bits at 3125 &/or 3260 &/or 3380 &/or 3512.
New Recom:	If out, wait to buy strength after dip &/or buy May (or July?) after 1-dc over 2995; stop: exit, or sell ½ at 2770-stop, ½ after 1-dc below 2770; sell bits at 3125 &/or 3260 &/or 3380 &/or 3512.	
Comment:	Jan peak down wedge; 3512 upside measured target. Spinner predominantly bullish. Unexpectedly weak on Tuesday, but clawed back ½ of intraday losses. Has yet to find its feet.	



Coffee May 2010 futures – daily chart:

Open trades:	Long at:	Initial entry price: 133.75 (Mar-11-10). Traders re-bought at 137.25 & 135.75
	Stop:	S/T: 131.90-stop. M/T: 1-dc below 131.90.
	Profit targets:	141.80 &/or 144.80 &/or 147.80.
New Recom:	Buy May at mkt & if dips to 136.90; stop: exit, or sell ½ at 131.90-stop, ½ after 1-dc below 131.90; sell bits at 141.80 &/or 144.80.	
Comment:	Jan-Mar reverse H&S base; 144.80 initial upside target (basis L/O/C). Spinner in steadfast uptrend. Jan bull wedge; 148.70 theoretical target. Gaining positive momentum.	



Crude Oil NY June 2010 futures – daily chart:

Open trades:	Long at:	Exited May shorts with loss ☹. Traders then bought at 83.76 (Mar-31-10).
	Stop:	Basis May: S/T: 81.40-stop.
	Profit targets:	Basis May: Sell ½ at 87.80, & trail stop rest.
New Recom:	If out, buy <u>June</u> (mini Cx) if dips to 85.85 & 84.80 & 83.80; stop: 79.50-stop; sell bits at 89.30 &/or 91.95 &/or 94.50 &/or 96.90.	
Comment:	Surge break above 5½-month jagged reverse H&S; 96.90 upside target. Initial dips likely to be supported by belated buying.	



S&P500 Index June 2010 futures – daily chart:

Open trades:	Long at:	Initial entry price: 1146.60 (Mar-12-10). Gamblers re-bought June at 1169.20.
	Stop:	S/T: 1172.40-stop. M/T: 1-dc below 1154.40.
	Profit targets:	1194.80 (if bot low) &/or 1215.80 &/or 1232.80.
New Recom:	<u>Wait</u> to buy after next dip &/or buy June bit after 1-dc over 1187.50; sell at 1215.80 &/or 1232.80. Sell, or sell short June after 1-dc below 1154.40; stop: 1-dc over 1173.70; cover ½ at 1103.80.	
Comment:	Shortterm wedge look. Must hold Feb uptrend line (now 1169.50) to keep shortterm higher hopes alive. Spinner fading. On thin ice.	



US\$ Index June 2010 futures-daily chart:

Open trades:	Long at:	Initial entry price: 82.40 (Mar-25-10). Traders re-bought at 81.20.
	Stop:	2-dc below 80.50.
	Profit targets:	Sell ½ at 83.40, & trail stop rest.
New Recom:	If <u>out</u> , buy June after 1-dc over 81.80; sell ½ at 83.40. Sell, or sell short June after 2-dc below Nov uptrend line (now 80.50); stop: 1-dc over 81.70; cover ½ at 78.10.	
Comment:	7-day bull flag & timid upside breakout. Must rise from here to keep Spinner positive. Slight H&S top look. Undetermined.	

April-07-10

OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
Gold shares											
Centerra Gold	CG-T	If out, spec buy at mkt & if dips to 13.20; stop: 1-dc below 11.20.	L	Apr-06-10	13.54		13.54	11.20-stop 1-dc U/11.20	16.35	17.50	18.70
Eldorado Gold	ELD-T	Spec buy (or average down) after 2-dc over most recent downtrend line from Jan peak (now 13.40); stop: 1-dc below 11.70.	L	Feb-12-10	13.31		12.73	11.70-stop 1-dc U/11.70	15.50	16.70	17.50
Franco Nevada	FNV-T	If out, spec buy (or average down) after 2-dc over 28.40; stop: 1-dc below 24.90.	L	Sep-16-09	30.99		27.97	24.90-stop 1-dc U/24.90	30.30	32.90	35.60
Iamgold Corp	IAG	Traders re-bought at 14.89. Spec buy (or average down) after 1-dc over 15.70; stop: 1-dc below 12.20.	L	Feb-17-10	14.90	14.89	14.89	12.20-stop 1-dc U/12.20	17.80	19.30	19.95
Jaguar Mining	JAG-T	Spec buy (or average down) after 1-dc over 11.65; stop: 1-dc below 9.30.	L	May-20-09	8.65		10.59	1-dc U/9.30	13.55	14.75	16.15
Lake Shore Gold	LSG-T	Spec buy (or average down) after 2-dc over Jan 4 downtrend line (now 2.85); stop: 1-dc below 2.48.	L	Feb-17-10	3.31		2.63	1-dc U/2.48	4.38	4.90	5.35
New Gold	NGD	If out, spec buy if dips to 4.62 & 4.47; stop: 1-dc below 3.85. And/or buy after 1-dc over 4.80.	L	Apr-05-10	4.79		4.73	3.85-stop 1-dc U/3.85	5.45	5.92	6.40
Northern Dynasty Minerals	NDM-T	If out, spec buy if dips to 9.70 & 9.50; stop: 1-dc below 8.30. And/or all buy again after 1-dc over 10.20.	L	Feb-17-10	9.52	9.68	10.02	8.30-stop 1-dc U/8.30	10.60	11.65	12.75

April-07-10

OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
Gold Shares											
Osisko Mining	OSK-T	All buy after 1-dc over 9.15; stop: 1-dc below 7.58. Buy more after 2-dc.	L	May-13-09	5.90		9.03	7.58-stop 1-dc U/7.58	9.75	10.50	11.20
Randgold Res.	GOLD	If out, buy at mkt & if dips to 77.65; stop: 1-dc below 66.80.	L	Feb-17-10	74.42	80.99	80.84	66.80-stop 1-dc U/66.80	83.85	90.30	96.30
Red Back Mng	RBI -T	If out, spec buy at mkt & if dips to 20.70; stop: 1-dc below 18.40.	L	Dec-11-08	6.76	21.50	21.34	18.40-stop 1-dc U/18.40	22.90	24.80	26.70
Royal Gold	RGLD	If out, spec buy at mkt & if dips to 48.15; stop: 1-dc below 40.90.	L	Mar-01-10	45.46	49.04	49.88	40.90-stop 1-dc U/40.90	54.60	57.65	60.90
Semafo Inc	SMF-T	Spec buy at mkt & if dips to 5.65 & 5.45; stop: 1-dc below 4.70.	L	Mar-03-10	5.00	5.60	5.84	4.70-stop 1-dc U/4.70	6.32	6.90	7.50
Silver Wheaton	SLW	If out, spec buy at mkt & if dips to 16.10; stop: 1-dc below 12.95. All buy again after 1-dc over 17.70.	L	Feb-17-10	15.84	16.22	16.95	12.95-stop 1-dc U/12.95	19.90	21.70	23.50
Futures											
Cocoa	CC KO	If out, wait to buy strength after current dip &/or buy May (or July?) after 1-dc over 2995; stop: exit, or sell ½ at 2770-stop, ½ after 1-dc below 2770; sell bits at 3125 &/or 3260 &/or 3380 &/or 3512.	L	Mar-29-10	2925	2930 2890	2913	2770-stop 1-dc U/2770	3125	3260	3380

April-07-10

OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
Futures											
Coffee	KC KO	Buy May at mkt & if dips to 136.90; stop: exit, or sell ½ at 131.90-stop, ½ after 1-dc below 131.90; sell bits at 141.80 &/or 144.80.	L	Mar-11-10	133.75	137.25 135.75	139.20	131.90-stop 1-dc U/131.90	141.80	144.80	147.80
Crude oil	CLKO	If out, buy June (mini Cx) if dips to 85.85 & 84.80 & 83.80; stop: 79.50-stop; sell bits at 89.30 &/or 91.95 &/or 94.50 &/or 96.90.	L	Mar-31-10	83.76		87.39	81.40-stop (Basis May) 79.50 (Basis June)	89.30 (Basis June)	91.95 (Basis June)	94.50 (Basis June)
Gold	GC MO	See page 6.	L	Mar-10-10	1122.90	1126.10	1136.00	1087.80-stop 1-dc U/1087.80	1195.80	1222.50	1248.80
S&P500	SPMO	Wait to buy after next dip &/or buy June bit after 1-dc over 1187.50; sell at 1215.80 &/or 1232.80. Sell, or sell short June after 1-dc below 1154.40; stop: 1-dc over 1173.70; cover ½ at 1103.80.	L	Mar-12-10	1146.60	1169.20	1185.80	1172.40-stop 1-dc U/1154.40	1194.80	1215.80	1232.80
Soybeans	S-KO	Prior trading signal not triggered. No new buy recom this week.									
US\$-Index	DXMO	If out, buy June after 1-dc over 81.80; sell ½ at 83.40. Sell, or sell short June after 2-dc below Nov uptrend line (now 80.50); stop: 1-dc over 81.70; cover ½ at 78.10.	L	Mar-25-10	82.40	81.20	81.57	2-dc U/80.50	Sell 1/2 at 83.40	Trail stop rest	

••• **It's official, America now enforces capital controls.** It couldn't have happened to a nicer country, chides Tyler Durden at *ZeroHedge.com*. "On March 18, with very little pomp and circumstance, president Obama passed the most recent stimulus act, the \$17.5 billion **Hiring Incentives to Restore Employment Act** (H.R. 2487), brilliantly goalseeked by the administration to abbreviate as HIRE. As it was merely the latest in an endless stream of acts destined to expand the govt payroll to infinity, nobody cared about it, or actually **read** it. Because if anyone **had** read it, the act would have been known as the **Capital Controls Act**, as one of the lesser, but infinitely more important provisions on page 27, known as *Offset Provisions - Subtitle A—Foreign Account Tax Compliance*, institutes just that. In brief, the **Provision requires that foreign banks not only withhold 30% of all outgoing capital flows (likely remitting the collection promptly back to the US Treasury) but also disclose the full details of non-exempt account-holders to the US and the IRS.** And should this provision be deemed illegal by a given foreign nation's domestic laws (think Switzerland), the foreign financial institution is **required to close the account.** It's the law. If you thought you could move your capital to the non-sequestration safety of non-US financial institutions, sorry you lose. **Capital Controls are now here and are fully enforced by the law.**" Capital Controls are traditionally sneaked into place long before they are suddenly & aggressively enforced. We've studied the Act, and it appears that Americans with less than \$50,000 in assets abroad are "exempt." However, as we know, they can & *will* keep lowering that figure. The aim seems to be to keep anyone with assets abroad from transferring them back "home," without losing 30% of it plus any privacy they may have had. ••• **Chinese gold consumption has the potential to double during the next decade**, according to the *World Gold Council*. "Demand from China's two largest sectors (jewellery and investment) reached a combined total of 423 tonnes in 2009 but domestic mine supply contributed only 314 tonnes during the same year. **This shortfall creates a 'snowball' effect as China's gold industry may not be able to keep pace with the annual leap in domestic consumption, despite rising to be the world's largest gold producer since 2007.** The People's Bank of China (PBoC) is also playing an increasingly supportive role for gold on the demand side. PBoC's gold holdings are currently at 1.6% of its US\$2.4 trillion total reserves – a fraction by international standards. If PBoC decides to rebalance its books to its recent peak gold holding as a proportion of reserves of 2.2% in Q4 2002, **WGC estimates it could account for a total incremental demand of 400 tonnes at the current gold price.**" The bullish implications for gold are longterm, but the wind will catch sail. ••• **At the tipping point.** Jim Willie CB (*GoldenJackass.com*) brings to light

some interesting analysis by James Rickards, director of market intelligence at *OmnisInc.com*. “Rickards builds a foundation that the financial sector has grown to the grotesque. He makes a grand alert that in this dynamically complex system, the size of the *maximum* potential catastrophe is exponentially greater than ever. He calls it *inescapable*. Imagine a pendulum swinging left and right, with each move farther and higher, producing greater supposed wealth and prosperity on the positive swing and greater recognized destruction and poverty on the negative swing. **Here are some facts to point out the extraordinary extremes that make return to normalcy impossible.** The ratio of world financial assets to world GDP grew from 100% in 1980 to 200% in 1993 to 316% in 2005. Over the same 25 year period, the absolute level of global financial assets increased from \$12 trillion to \$140 trillion. The total notional value of all credit swap contracts (bond insurance) increased from \$106 trillion to \$531 trillion between 2002 and 2006. The notional value of equity derivatives (stock index contracts) increased from \$2.5 trillion to \$11.9 trillion over the same period, while the notional value of credit default swaps increased from \$2.2 trillion to \$54.6 trillion. Margin debt of US brokerage firms more than doubled from \$134.6 billion to \$293.2 billion from 2002 to 2007, while the amount of total assets per dollar of equity at major US brokerage firms increased from approximately \$20 to \$26 in the same period. To say that such extensions represent fantastic and monstrous leverage is a gross understatement. **Resolving the current extreme situation is not possible or feasible.**” We concur. So much fantasy debt has been created out of derivative “thin air,” there simply isn’t enough “real” money to pay it back.

••• **Irish taxpayers face pouring billions *more* euros into their troubled banking sector.** The govt is expected to take bigger stakes in banks & building societies as the property lending spree that took place before the 2007 credit crunch *continues* to knock holes in their battered balance sheets, reports the UK *Guardian*. “In Ireland the financial crisis has yet to abate as the economy weakens and the govt follows through on an **austerity budget that has imposed cuts in public sector pay, after €1 billion was injected into the banks.** The Irish govt took control of Anglo Irish Bank last year and holds stakes of 16% in Bank of Ireland, and 25% of Allied Irish. Local speculation is focused on the govt stake rising to more than 70% in Allied Irish and more than 40% in Bank of Ireland, while building societies EBS and Irish Nationwide may also need taxpayer involvement as the authorities continue to tackle the losses **caused by bad lending.**” Instead of punishing the perpetrators & reimbursing defrauded citizens, towns, municipalities, & even countries, the govt continues to reward the ultra-rich bankers. Why? Because the hoi polloi don’t “fund” the govt. The bankers do. That’s why the bailouts will never end. We repeat: they will NEVER end. ••• **Is America ‘yearning for fascism?’** The impoverishment of a working class

and the snuffing out of hope and opportunity always produce angry mobs, ready to kill and be killed, pens Chris Hedges at *CommonDreams.org*. “A bankrupt, liberal elite, which proves ineffectual against the rich and the criminal, always gets swept aside, in times of economic collapse, before thugs and demagogues emerge to play to the passions of the crowd. As I was told by Fritz Stern, a scholar of fascism who has written about the origins of Nazism, **‘In Germany there was a yearning for fascism *before* fascism was invented.’ It is the yearning that we now see, and it is dangerous. If we do not immediately reincorporate the unemployed and the poor back into the economy, giving them jobs and relief from crippling debt, then the nascent racism and violence that are leaping up around the edges of American society will become a full-blown conflagration.**” It’s too late to diffuse the global financial, political & social time bomb. On the contrary, the banksters continued amoral, reckless, & hypocritical greed is shortening the fuse. **All G7 countries, except Canada & Germany, will have debt-to-GDP ratios close to or exceeding 100% by 2014**, according to the IMF. That’s soon, & Western govts have exhausted most of their economic tools besides monetizing debt via quantitative easing, which puts us on the same slippery slope as counties like Argentina & Weimar Germany ☹. **Golden times at Royal Canadian Mint.** Gold and silver sales have exploded past the \$1-billion mark at the federal mint, with spooked global investors snapping up the precious metals as a hedge in uncertain times, reports *FinancialPost.com*. “The astounding **266%** increase in bullion and refinery revenues, to \$1.04 billion from \$283.9-million in 2007, is revealed in the Royal Canadian Mint's 2008 annual report. The mint's Ottawa operation sold 896,701 ounces of gold in coins, wafers and kilo bars in 2008, a 222% increase from 278,616 ounces in 2007. Sales of silver coins soared, too, to 8.8 million ounces from 3.5 million the previous year.” Physical gold demand is *surging* while paper gold prices are being held like a basketball below water. Market forces soon to be unleashed by the speculative/panic phase of this gold bull market will force a brutal realignment of values. **US state debt woes grow too big to camouflage**, according to Mary Williams Walsh of the *NYT*. “They are showing many of the same signs of debt overload that recently took Greece to the brink - budgets that will not balance, accounting that masks debt, the use of derivatives to plug holes, and armies of retired public workers who are counting on benefits that are proving harder and harder to pay. **And states are responding in sometimes desperate ways, raising concerns that they, too, could face a debt crisis.** New Hampshire was recently ordered by its State Supreme Court to put back \$110 million that it took from a medical malpractice insurance pool to balance its budget. Colorado tried, so far unsuccessfully, to grab a \$500 million surplus from Pinnacol Assurance, a state workers’ compensation insurer that was privatized in 2002. Connecticut has tried to issue its own

accounting rules. Hawaii has inaugurated a four-day school week. California accelerated its corporate income tax this year, making companies pay 70% of their 2010 taxes by June 15. Some economists fear the states have a potentially bigger problem than their recession-induced budget woes. **If investors become reluctant to buy the states' debt, the result could be a credit squeeze, not entirely different from the financial strains in Europe.**" *Everywhere* we look, coherent financial limits have been transgressed or abused via regulatory changes, govt bailouts, FASB fantasy value accounting, off balance sheet liabilities, gimmicks (a la Lehman's Repo 1015), and outright lies and fraud. This "anything goes" if it helps put out the bonfires kind of capitalism is creating disasters *far* larger than the system can handle. •••• **The crux of gold's historical role relates to its status as the basic element on top of which the fractional reserve model blossoms**, comments Ned Naylor-Leyland at *Stockopedia.co.uk*. "Gold, almost uniquely custodied for nearly a century in New York and London, is the asset of *last resort* against which govts can borrow. Central Banks and Sovereign Wealth Funds alike are presently trying to remove gold from the UK and US fractional reserve custodial centres (LBMA, NY Fed and COMEX), where many times the underlying have been sold on into the market. **Testimony from last week at the CFTC highlighted that the LBMA (the OTC market) operates an astonishing 100:1 game of golden musical chairs. This means that the 'hedging' that the bullion banks claim is in truth the *sham* that many suspected it to be.** They, at best, hold (assuming they even have offsetting-long positions on the LBMA) an unsecured and unbacked paper claim to gold on the long side. It is now clearer than ever that a run on physical supplies would have *devastating* consequences for the spot price of both primary precious metals. So long as this ridiculous game of 'paper gold' musical chairs keeps going, the fractional reserve model is underpinned by the managed gold price. Once the music stops, however, you do not want to be short." Serious cracks are starting to appear in the gold & silver price suppression schemes. Even if certain truths remain elusive, growing public exposure is fast eroding confidence in the paper gold Ponzi trade – which is destined to implode at the first sign of physical gold delivery default. The obvious danger, as Adrian Douglas of GATA recently commented, is that "investors in their droves [including govts & sovereign wealth funds], who have purchased gold in good faith in 'unallocated accounts,' are going to demand delivery of their metal. **They will then discover that there is only one ounce for every one hundred ounces claimed. They will find out they are 'unsecured creditors'.**" IE, it would be a "run on the gold bank." Conclusion: get physical, or get reamed.

“When the Government fears the People, that is Liberty. When the People fear the Government, that is Tyranny.” - Thomas Jefferson

••• **NOTE:** all payments for *HSL* or *GCRU* services should be made payable to **FERC Ltd.**

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

.....
.....

Fax subscribers please note this week's password to access ***Schultz Gold Index & Schultz Gold Share Advance/Decline Line*** charts daily via our website is: *newtest*.

•Subscribers can obtain free online chart updates for all gold shares in *GCRU* via: www.bigcharts.com. To view Canadian stks the following prefix must be used before the symbol: CA: (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 (red) timing line crosses above or below the slower (blue) 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.

•Australian mkts are 1 day ahead of US time.

•All charts created with *TradeStation* by Omega Research 2000.

.....

Gold (& mkts) Charts R Us is published weekly. You may sign up for 3-mos at €213 (\$316), 6-mos at €416 (\$618), 9-mos at €608 (\$903) or 12-mos €789 (\$1,172).

E-mail: info@hsletter.com

.....

- DISCLAIMER -

Due to the electronic nature of e-mails, there is a risk that the information contained in this message has been modified. Consequently *HSL, HSL Jr or 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, *HSL, HSL Jr or 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 *HSL, HSL Jr or 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. *HSL, HSL Jr or 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!