

- GCRU -

Weekly Trading Service



●●● GCRU #685

●●● April 20, 2016 (in its 15th year)

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KEY PRICES

Name/Symbol	April 19, 2016 price	Change	April 12, 2016 price
Gold (GCM16)	1254.30	-6.60	1260.90
Silver (SIK16)	16.972	0.750	16.222
HUI (HUI)	207.23	0.12	207.11
Copper (HGK16)	2.2235	0.0765	2.1470
Oil (CLM16)	42.47	0.30	42.17
S&P500	2100.80	39.08	2061.72
U.S.Dollar (DXM16)	93.947	-0.438	94.385
30 Year T-Bond (ZBH16)	165-02	0.01	165 - 01
10 Year T-Note Yield	1.7830	0.0020	1.7810
13-week Treasury bill	0.215	-0.015	0.230

"Things don't have to change the world to be important"
- Steve Jobs -

MANY NEW HIGHS FOR THE MOVE!

Silver is taking off! It jumped up to an 11 month high yesterday and it's finally following gold. And it's not just silver. Gold shares also kept rising with the XAU index soaring to an 18 month high, see the **chart below**. Gold, meanwhile, is holding near the highs.



The stock market continues its rise too. Bonds are firm, and other precious metals and commodities are bouncing up. The weaker U.S. Dollar is boosting the markets across the board.

Silver was the biggest winner.

It's up more than gold for 2016 and it's now one of the best investments for this year. Silver rose about 4.5% just yesterday alone, and it's approaching our second profit target at \$17.50.

The silver to gold ratio (we showed you last week) is also soaring in silver's favor to its October highs. And most interesting, it looks like a major change is starting to favor silver over gold. We'll soon see, but

if it confirms, it's a very bullish action for both.

We sold half of our silver position recently for a 10% gain, and for the second time this year. We had taken a separate 10% profit as well in Q1-16. We'll now let our profits ride, and we'll be selling our full position at our second profit target.

But dollar weakness is not the only thing pushing silver up. Strength in copper, after a surge in demand from China (currently accounts for 45% of total global demand), coupled with resilience in the gold market has created the perfect scenario for silver to shine at its brightest since last May.

Our **Chart of the Week** shows silver's breakout. It's now following gold's lead. Gold shares took off in an additional burst of strength this past month, and they're both catching up to gold.

Silver is also having a bullish crossing with its 5 week and 65 week MA coming together this week. And it's just a matter of a few weeks before the 15 week MA crosses the 65, like gold did last week. This would be a very bullish moment, and the \$15.50 key support level will be reinforced.

This week's surge is very bullish because silver tends to take off and outperform gold during bull markets. If silver can stay above its 5week MA near \$15.60, it'll remain strong with good upside potential.

It's no secret that signs of a sputtering recovery and a looming recession are also adding to gold and silver's allure.

Last week alone the IMF scaled back on its world economic outlook requesting countries to de-regulate certain activities and work on increasing labor participation. At the same time, the U.S. prints a 5% deficit as of the start of the fiscal year.

Housing starts turned negative for a second consecutive quarterly decline in the first quarter 2016. This as well as Industrial Production and Retail sales are lower than expected.

Could this be why Obama requested a private meeting with Fed chairwoman Janet Yellen last week?

It's the first time the President meets in private with the Fed chairman during an election year since 1951!

We'll likely never know what was discussed. However, a request from the President to maintain rates at current levels or even lower was most likely on the agenda.

Interestingly, William Dudley from the Federal Reserve Bank of New York and a close ally of Yellen issued a dovish statement this week saying, "Monetary policy adjustments are likely to be gradual and cautious as we continue to face significant uncertainties, and headwinds to growth from the financial crisis have not fully abated."

Low to negative interest rates worldwide is clearly adding to the boost in all asset classes.

Gold also welcomed dollar weakness and broke above ST resistance at \$1240 (5wk MA). **Its resilience is proving to be bold.** The longer gold stays above the \$1200 level, the stronger the bull market will become.

However, gold must follow through and break above the Mar closing highs on a 2dc above \$1274. If it does, we'd see renewed strength that could push gold above the \$1300 level and into our profit target at \$1400.

We're currently holding a small position in gold at near break-even levels. However, we must be careful and avoid loading up on gold at current levels. Our indicators are still showing an overbought situation MT, and some downtime is still likely. Our open order to buy near \$1200 and more near \$1170 remains.

The stock market also rose with strength as it approached all-time highs. Keep in mind, both averages must rise above their own closing highs to overturn the bear market that is in place. These levels are 18312 for the Dow Industrials and 9217.44 for the Transports.

The combination of both stock market and gold strength is boding well for gold shares.

HUI pulled back to the 190 level, its previous resistance and breakout point, only to jump up to test the Apr highs showing impressive strength! The pullback

allowed us to jump back into gold shares at a low for the move. We picked up positions in AEM, GG and NGD.

Keep in mind gold shares are still in “catch up” mode with gold and are looking very strong, despite indicators showing their extreme overbought nature.

Both the HUI and XAU gold share index, **see both charts**, have remained impressively above their 5 week (25 day) MAs since January. This alone is remarkable. And gold shares will remain extremely strong above them in spite of their overbought condition.

Keep in mind any significant signs of weakness in gold or the stock market could push gold shares back down in the correction we've been waiting for.

The rally in gold shares has been so strong this year (HUI rose over 100% from the lows to the highs) that a 25% decline in HUI to its 75 wk MA near 160 would still paint a bullish picture for gold shares. If the 5 week MA is clearly broken, we could see this level tested.

This 5 week MA is key ST for this month.

Moreover, keep in mind we're at the onset of a strong bull market rise in gold that could last a few years. This alone could allow us to make triple digit returns in gold shares. HUI has a strong support level near 175 that was temporarily broken last year. We're keeping a close eye at this level as it could become a key support moving forward for HUI.

The stock market is also overbought ST. The **Chart to the Right** shows that we may just see another "sell in May and go away" time-period. Note the S&P500 is approaching the high area while the ST indicator continues to a top in an overbought area. We'll see because momentum is still strong on the upside.

Crude oil declined sharply shortly after OPEC announced a no deal on a proposal to curb production. Some producers such as Iran are hesitant as they're just coming out of imposed sanctions while others are showing producers outside of OPEC scaling back and global demand picking up.



However, crude jumped back up on dollar weakness and speculation that demand will be picking up. It rose to its recent high and remains within the top side of a sideways band. If crude fails to break clearly above the resistance on a 2dc above 42, it'll likely decline back down to the lower end of the band near 30. We'll continue to hold on to our put spread since we have until Nov before it expires.

Bonds have taken a back seat during the past few weeks. However, they remain within a bullish uptrend and positioned to rise further. We continue to hold our position in UBT and it's solid above 86.50.

Our strategy this week is to sit tight and watch. We have positions in three gold

shares, bonds, gold and a partial position in silver. Keep a close eye on profit targets and be quick to sell if these are reached.

Good luck and good trading,

Omar



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MARKET LEADERS

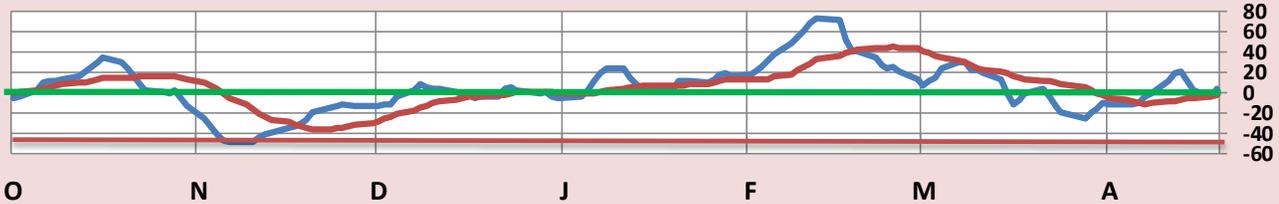


GOLD JUNE 2016 (GCM16) 4/19/2016 CLOSE = 1254.3



SPINNER (3, 16, 16)

TURNING BULLISH!



Put Spread	Bought Jun 2016 1140/1080 gold put spread at \$400. Sell on a deep break below 1200.
Long	1260 (Mar-4 & 7 - 16) (GLD: 121)
Stops	2dc below 1145 (GLD: 109)
Profit Targets	1400 & 1500 (GLD: 133 & 143).
New Long Recom	Keep your positions. Buy some again near 1200 and more on a decline to 1170.

Resilient! Gold continued to show impressive strength by holding above the 1200 level on recent weakness. It quickly bounced up, breaking above its 5wk MA at 1240, reaching its next resistance level at 1260. Some resistance was evident today towards the close of the trading day. However, higher lows are telling us a break above the 1260 resistance is likely. If gold breaks clearly above the March highs on a 2dc above 1274, it'll confirm strength that could catapult gold past the 1300 level and to our profit target at 1400. Notice Spinner holding at its MT MA and zero line after giving back some space. This tells us gold's momentum remains to the upside and poised to rise further. On the downside, the 1200 level is gold's first real key support. A break below it could push gold to its Dec uptrend & support at 1150. We recommend accumulating near different support levels on a probable decline to the Dec uptrend.

SILVER MAY 2016 (SIK16) 4/19/2016 CLOSE= 16.972



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; 14.75 (Feb-26-16) (SLV: 14.05), 14.90 (Apr-1-16) (SLV: 14.20). Sold half at 16 for an average 10% gain.
Stop	2dc below 14.75 (SLV: 2dc below 14.45)
Profit Target	16 (reached!) & 17.50 (SLV: 17) (almost reached!)
New Recom:	Keep your positions. Sell all positions at second profit target. Buy more below 15.50.

Blast off! Silver's rise has been impressive to say the least! It followed up on its bullish break above 16, reaching the top side of its Dec upchannel near 17 on a close. Silver was a quarter or so away from our second profit target and it's now positioned to rise further. Weakness in the dollar, plus strength in both the resource sector and gold created a 'perfect storm' for silver to rise. Silver will remain very bullish by staying above it's 5wk MA near 15.60. On the downside, Spinner is at an extreme overbought level telling us upside is limited ST. This means we could see a pull back from current levels before silver continues its rise. Keep your position for now and buy more if silver declines to the Jan uptrend near 15.

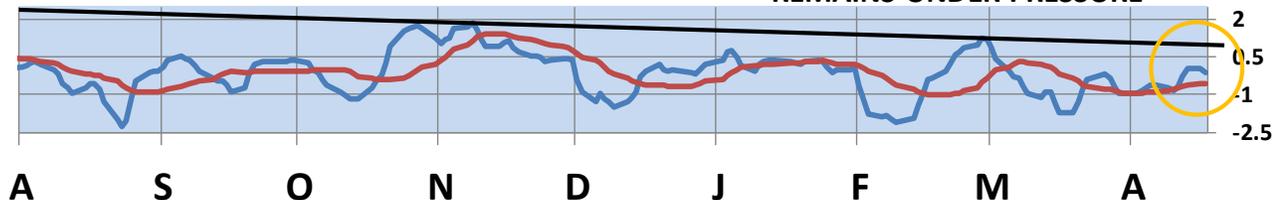
U.S. DOLLAR INDEX JUNE 2016 (DXM16) 4/19/2016 CLOSE= 93.947

FLIRTING WITH KEY SUPPORT



SPINNER (3, 16, 16)

REMAINS UNDER PRESSURE



New Recom

Stay out.

The dollar continued to weaken this past week. It's currently hovering over a key support level at 93.75. A break below this key level on a 2dc could trigger a trend reversal and more downside would then be likely. However, if the dollar holds at 93.75, it'll prove resilient and a renewed rise to the top side of it's year + long sideways band near 101 would then be likely. Dollar weakness is boosting asset classes across the board. Keep a close eye on this level this week, because it'll give us an insight to the moves in commodities and currencies alike.

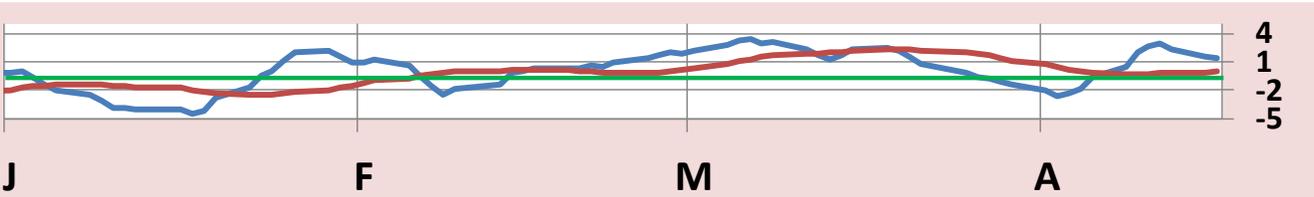
LIGHT CRUDE OIL JUNE 2015 (CLM16) 4/19/2016

CLOSE= 42.47



SPINNER (3, 16, 16)

ABOVE ZERO & MT MA



Put Spread Nov 2016 33/20 Bear Put Spread at \$600 (Mar-30-16).

Recom: **Keep your put spread.**

Crude's rise reached a halt at a key resistance and declined after OPEC announced it failed to reach an agreement to curb production. However, crude is holding above its bullish Jan uptrend near 38 forming a bullish ascending triangle. Remember an ascending triangle is a bullish continuation pattern. If crude breaks above 43 on a 2dc, it'll show strength, paving the way for a rise to the higher 40s. Spinner rose above zero and its MT MA showing rising momentum and strength. However, supply and demand fundamentals remain heavily influenced by over-supply. Keep your longer term bear put spread for now. We'll be looking to sell on a decline below the Jan uptrend.

CBOE Interest Rate 10 Year T No (^TNX) 4/19/2016 CLOSE= 1.78 US\$



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

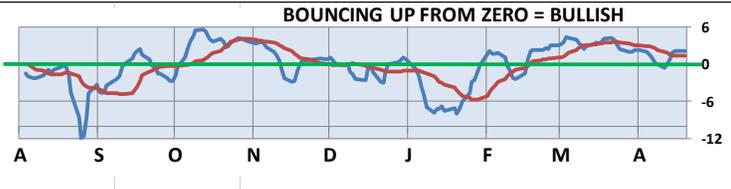
Interest rates rose this past week, reaching a high for Apr today. TNX must now rise above the Dec downtrend on a 2dc aobve 1.85 to see renewed strength that could push TNX to its major resistance level near 2.20. However, by staying below 1.85, TNX will remain under pressure. Spinner is near zero and looks poised to rise. We recommend staying out of interest rates for now and hold on to your position in UBT (bonds).

COPPER MAY 2016 (HGK16) 4/19/2016 CLOSE= 2.2235

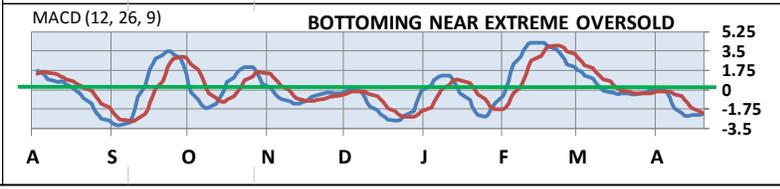
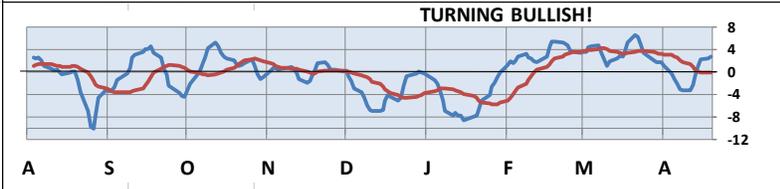


Copper rose sharply, reaching the mid-channel line of its bullish Jan upchannel. Spinner is turning bullish for the first time since Mar showing potential for upside. However, keep in mind copper must break above the Sept downtrend on a 2dc above 2.30 to show renewed strength. Speculation on China's improving economy is fueling demand for copper. Keep in mind, China accounts for approximately 45% of global demand for copper. Strength in copper will continue to give silver support and likely boost it to higher highs.

**SPDR DOW JONES INDUSTRIAL (DIA) 4/19/2016
CLOSE= 180.32**



**Shares Transportation Average (^IYT) 4/19/2016
CLOSE= 145.24**



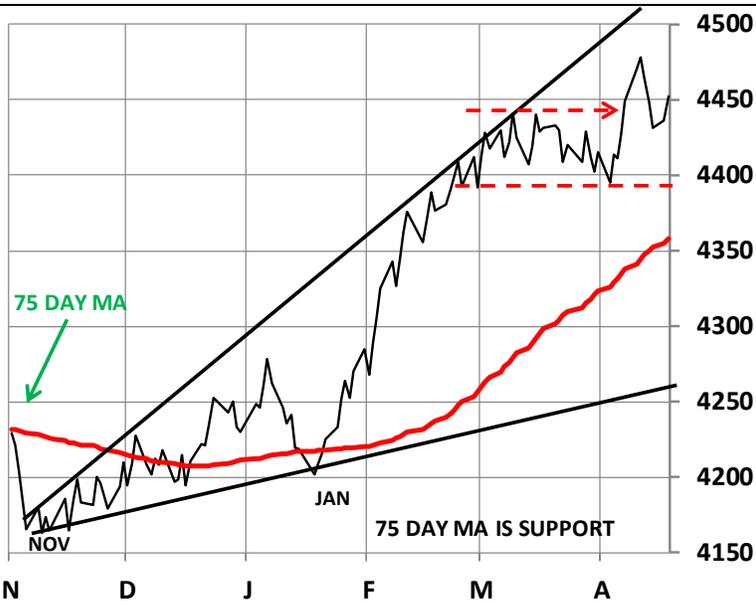
New Recom

Stay out.

The Industrials approached highs last seen in Jul 2015 showing impressive strength! Spinner for the Industrials has turned bullish with room for more upside. On the downside, the Transports have been lagging. Even though the Transports have held above their bullish Jan uptrend, they've failed to break above a key downtrend & resistance of its own. If the Transports fail to break above this level, it'll likely decline, pulling the Industrials with it. However, if the Transports break above this resistance, they would confirm strength seen in the Industrials and both Averages would then be positioned to rise to new highs. Keep in mind, the stock market will remain bearish until both averages rise to new highs.

ADEN GOLD STOCKS ADV/DEC LINE 4/19/2016

CLOSE = 4452



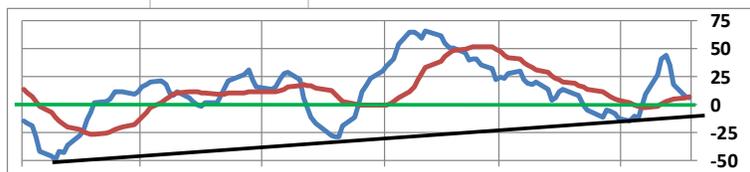
HUI GOLD BUGS INDEX (HUI) 4/19/2016

CLOSE= 207.23



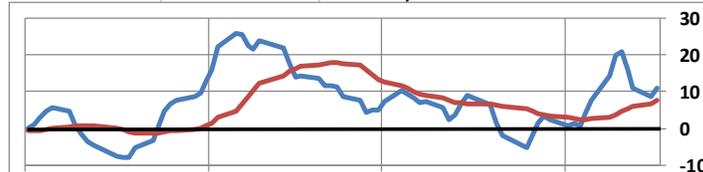
SPINNER (3, 16, 16)

BULLISH ABOVE UPTREND



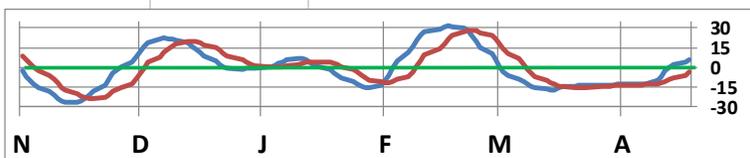
SPINNER (3, 16, 16)

ONE STEP BACK, TWO STEPS FORWARD?



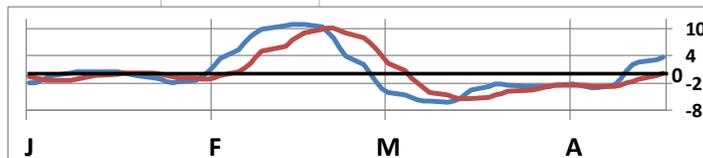
MACD (12, 26, 9)

TURNING BULLISH



MACD (12, 26, 9)

BROKE INTO BULLISH TERRITORY



In typical bullish fashion, HUI pulled back to its recent breakout level near 190 and bounced upward reaching a new closing high for the move today! It continues to show impressive strength as it catches up to gold. Our ST indicators are telling us the rise has legs and higher highs could be expected. Notice Spinner holding at its MT MA and getting ready to resume its rise. MACD has broken above zero showing rising momentum. Moreover, it's noteworthy that XAU, another gold share index (page 2), rose with strength to new highs. This confirms a strong bull in gold and gold shares. Gold shares are very strong with HUI above its 5wk MA near 185. On the other hand, the A/D Line is lagging as it hasn't risen above its recent highs. The A/D line must break above 4475 to confirm HUI's bullish action. If it fails to break above 4475, the A/D Line would show signs of an intermediate topping pattern. Keep in mind HUI's key support is at the 170 level, the previous 2008 lows. A break below this level on a 2dc could push HUI to the 75 day MA near 155, initially. During this week's pull back, we were able to secure positions in AEM, NGD and GG. We recommend keeping your positions and sell at profit targets.

STOCKS



Agnico Eagle Mines Limited (AEM) 4/19/2016 CLOSE= 41.49

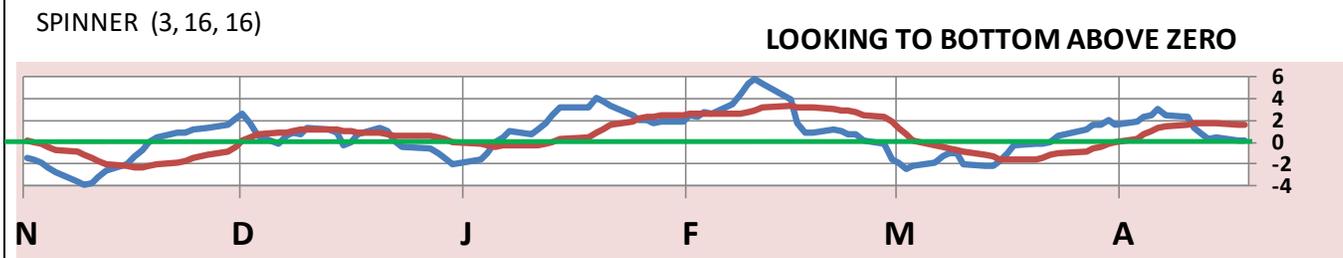
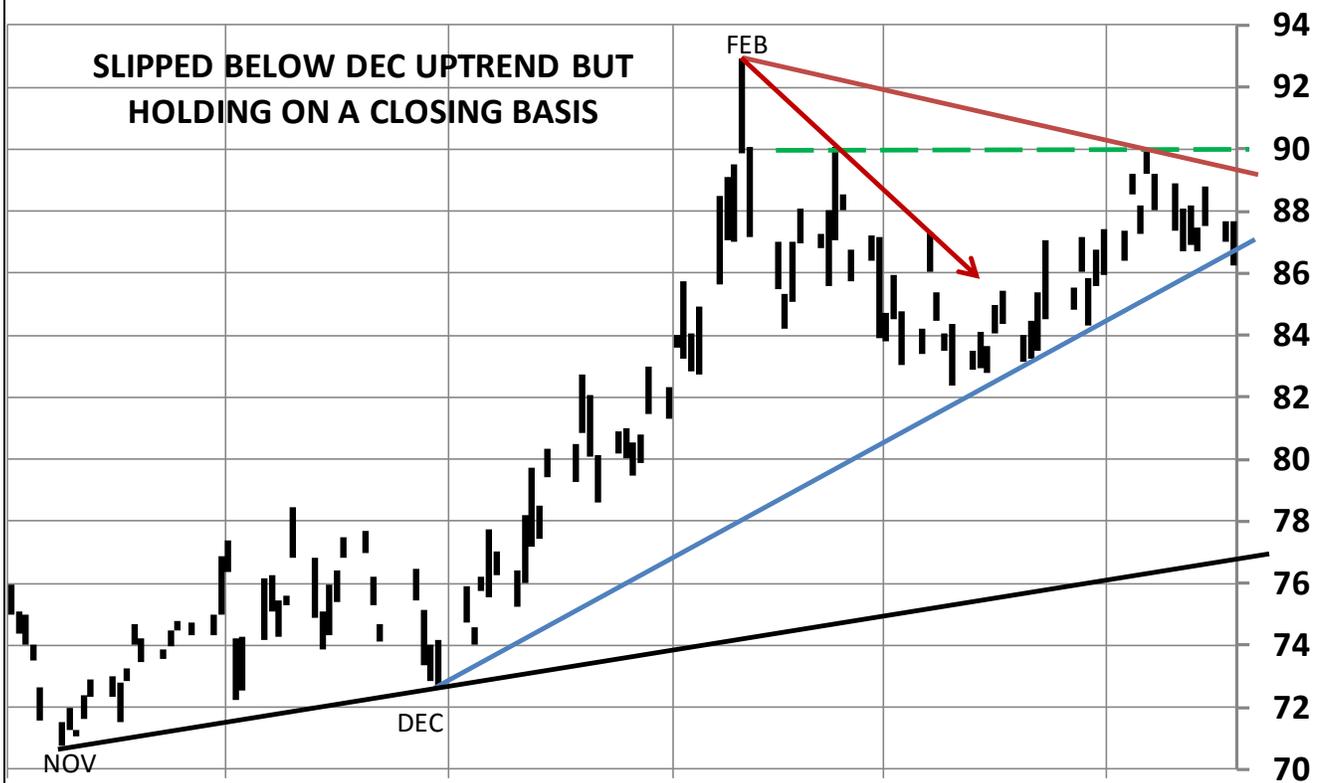


Agnico Eagle Mines Limited (AEM) - Nyse

Long at:	39.25 (Apr-14-16).
Stop:	2dc below 37.50
Profit Target	44, 48 & 55
New Recom:	Keep your position. If not in, buy on a decline below 39 that holds above 38.

AEM rose to a new 20+ mo high today confirming impressive strength! AEM dipped below 39 allowing us a chance to buy at the low for this renewed move. Spinner receded, but held above its MT MA showing momentum remains strongly towards the upside. AEM will remain strong by staying above its 5wk MA near 37.50. On the downside, a break below this level could push AEM to its next support near 33. Keep your positions.

PROSHARES ULTRA 20+Year Treasury (UBT) 4/19/2016 CLOSE= 87.28



ProShares Ultra 20+ Year Treasury (UBT) -NYSEArca

Long at:	84.75 (Mar-30-16).
Stop	2dc below 86.
Profit Target	92 & 100
New Recom:	Keep your positions. Sell half at first profit target.

UBT continued to decline after failing to break above it's resistance at 90. UBT slipped below the Dec uptrend, but it's holding on a closing basis. Spinner continues to look for a bottom at the zero line. If UBT holds at the Dec uptrend at 87, it'll confirm strength and could rise again to test the 90 resistance level. A break above this level would be very bullish. On the downside, a break below 87 on a 2dc could expose weakness that could push UBT to the 82 level or even to its main support at the Nov uptrend near 77. Keep your positions for now as bonds are poised to continue rising.

New Gold, Inc. (NGD) 4/19/2016 CLOSE= 4.54 US\$



New Gold, Inc. (NGD) -Nyse mkt

Long:	3.99 (Apr-14-16).
Profit Target	5 & 6
Stop:	2dc below 3.75
New Recom:	Keep your positions. If not in, buy some on a decline near 4. Sell half at first profit target.

NGD rose to new highs after dipping below 4. NGD is holding above its bullish Jan uptrend showing impressive strength. Spinner formed a bottom above its MT MA and has started to rise. This tells us momentum remains strong and on the rise. Moreover, keep a close eye on NGD's 5wk MA near 3.90. NGD will remain bullish above this level, but a break below it on a 2dc could push NGD to the Mar lows near 3.50 initially.

Goldcorp Inc. (GG) 4/19/2016 CLOSE= 17.36



Goldcorp Inc. (GG) -NYSE

Long at:	16.65 (Apr-14-16).
Stop:	2dc below 16.50.
Profit Target	19 & 24
New Recom:	<u>If not in</u>, buy on a decline below 17 that holds above 16.50.

GG declined to its 5wk MA at 16.50 only to rebound with strength approaching the Apr highs near 18. Spinner forming a bottom above zero and its MT MA showing momentum remains to the upside. This tells us a rise to the top side of the channel is likely if GG breaks above 18 on a 2dc. Keep in mind GG will remain bullish by staying above 16.50. Conversely, a clear 2 dc break below 16.50 would shift momentum to the downside and a decline to the 14.50 level initially would then be likely. Keep your positions for now and sell half at first profit target.

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
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SHARES

GG	If not in, buy on a decline below 17 that holds above 16.50.	L	Apr-14-16	16.65		17.36	2dc below 16.50	19.00	24.00
AEM	Keep your position. If not in, buy on a decline below 39 that holds above 38.	L	Apr-14-16	39.25		41.49	2dc below 37.50	48.00	55.00
NGD	Keep your positions. If not in, buy some on a decline near 4.	L	Apr-14-16	3.99		4.54	2dc below 3.75	5.00	6.00
UBT	Keep your positions. Sell half at first profit target.	L	Mar-30-16	84.75		87.28	2dc below 86	92.00	100.00

MARKET LEADERS

Gold - GCM16	Keep your positions. Buy some again near 1200 and more on a decline to 1170.	L	Mar-4 & 7-16	1260.00		1254.30	2dc below 1145	1400.00	1500.00
Crude-CLK16	Keep your put spread.	P				2.22			
Silver SIK16	Keep your positions. Sell all positions at second profit target. Buy more below 15.50.	L	Dec-17-15	13.75	13.9, 13.90, 14.75, 14.90	16.97	2dc below 14.75	16.00	17.50
US Dollar DXM16	Stay out.	O				93.95			
COPPER HGK16	Stay out.	O				2.22			

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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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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

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