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# ***-Gold (& mkts) Charts R Us-***

*Welcome to GCRU #396 on April 21, 2010 (in its 9<sup>th</sup> year). •••• Another wild week in the gold market, with news of the SEC vs Goldman fraud suit supposedly triggering last Friday's \$23.40 decline. In today's agitated world such a confidence-shattering event would logically be gold bullish, but the Anti-Gold Cartel obviously decided otherwise. As Bill Murphy of GATA notes, "When the Goldman Sachs fraud news hit, the Cartel made sure that gold, the traditional safe haven asset, was not turned to in times of crisis ... making sure that a sheer tsunami of unbacked (naked short) paper contracts were thrown at gold and silver instantly." The fraud charges against Goldman carry wider & longer term implications, as they've opened the door to payback time for their arrogant and stick it in the taxpayers face attitude. However, don't imagine the Govt Sachs "reign" will end anytime soon. Reputation has been badly dented, but the SEC will no doubt accept a cash settlement cum drop in the ocean compared to the gazillions Goldman make via their manipulations ☹. •••• Last Friday's "painting" of the gold tape left bullion "frozen" in a miserable chart posture over the weekend. So, Monday's follow through weakness was no surprise, and continues to test the legitimacy of bullion's 4½-month reverse H&S and Jan peak sym/triangle, with a \$1,255.00 upside measured target. Technically, we consider a break below the Nov 2008 uptrend line support (now \$1,096.00) is needed to seriously disrupt gold's still neutral-to-positive chart outlook, & below which traders must be prepared to sell short/hedge to help control & offset potential losses. Otherwise, bullion will likely edge sideways/lower (above Nov 2008 uptrend line support) before physical buyers are drawn back into the market by easing prices which will provide a new cushion. And/or a burst above the \$1165.00 level (very near at press time) puts the prior Dec record high firmly back in the crosshairs. •••• If U are an HSL subscriber, we hope U remembered to download last weekend's HSL678 (Jr edition). It contains a large-size Big Picture & other vital articles, plus a large selection of charts & trade recommendations. •••• US regulators shut down 8 more banks last Friday. The slow drip feed of bad numbers will eventually culminate in a "big bang." •••• How it is in the world of investing. Friend & futures trader Chick Goslin gives a basic rule for the survival of assets: "U have to act on what you see [in the charts]. Sometimes your action will be incorrect, & when it is, U just have to correct it. Sadly, since I am naturally lazy, as many of us are, we have to do this every day, day by day. There is never any rest in trading. We always have to be observing and acting on what we see, so we can never relax. We must always be alert and ready to act,*

every day, day by day. There is just no other way.” Chick is correct. A key to successful trading is never to stay wrong for long, and stops are our safeguard. ••• It looks like the bond market crash has been *postponed*. Stocks are outperforming bonds, but far more cash is flowing into bonds over concerns of a possible stock market “crash.” Nonetheless, the 30&10-Year T-Bonds still have H&S tops unless voided via dynamic rises above 123<sup>^</sup>25 & 121<sup>^</sup>28 respectively (basis the continuation Cx).

••• “Govt is the only institution that can take a valuable commodity like paper, and make it worthless by applying ink” -- Ludwig Von Mises. If this wasn’t so true it’d be funny! ••• Bullish Consensus list gold at 71% (down 2 from last week). The US\$ at 56 (up 3). B/C’s gold outlook is “neutral/bullish.” ••• The gold shares dipped on cue following the abundance of (Apr 12) 1-day reversals discussed last week, & are now rebounding (or at least stabilizing) on or above intermediate support -- which (per today’s password) is the new *keytest* the gold shares must overcome if shorter term higher highs are to develop. The would-be reverse H&S formation in the *Schultz Gold Index* offers an encouraging omen, though a rise above 5200 in our proprietary *Gold Stocks Advance/Decline Line* is needed to raise a green flag on sector wide strength. Potential R/H&S are also visible in AEM, ELD-T, GOLD, RGLD & SLW-T, which increases their dependability. Gold shares verging on, or having just made major breakouts, & where we can be a bit more aggressive when buying include: NDM-T, OSK-T & SLW-T. ••• A wave of uncertainty hit many key markets last week (stk mkt, oil, euro, gold, etc), but the charts still allude to them as shorter term counter trend moves rather than major changes. The key battle being watched by all is between the euro/dollar. The \$ appears to be topping (has already made the left shoulder & head of a H&S top), but if it “unexpectedly” breaks upside (2-dc over 81.70), the mindless black box trading herd could turn against gold. **So don’t take too many risks in the gold market unless the \$ top is clearly validated via a close below 79.80, & the HUI gold share index rises firmly above 456.** Till then, be content to bank modest profits, & often. As/when more dependable market opportunities arise we’ll look to add to &/or buy new core holdings to hopefully ride the next primary rally-leg. ••• Remember, next week is our *GCRU* Spring skip week (ie, no *GCRU* on Wednesday April 28, and no daily online SGI & SGS A/D chart updates). Today’s guidelines will hopefully tide U over. They’ve been designed to do so. ••• Gold is up \$3.00 in European trading this AM. The \$ up 15 cents. Any gold strength at today’s critical chart juncture is vital. ••• Gold is struggling and needs a little help. Hopefully, the currencies will oblige. ••• We’ll be back on deck on Wed May 5. Goodbye from your in-need-of-a-break **Uncle Harry**, & Paul. ••• If it’s Wednesday, it’s *Gold (& Mkts) Charts R Us*.

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## ••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):**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 1122.90 (Mar-10-10). Traders re-bot at 1152.00 & 1144.50 & 1135.50.
	<b>Stop:</b>	S/T: 1111.60-stop. M/T: 1-dc below 1094.40.
	<b>Profit targets:</b>	1195.80 &/or 1222.50 &/or 1248.80.
<b>New Recom:</b>	If <u>out</u> , Las Vegas gamblers <i>only</i> buy June bit at mkt; stop: exit, or sell ½ at 1111.60-stop, ½ after 1-dc below 1111.60 (use mini Cx to offset wider stops). All buy big after 1-dc over 1165.00. Sell short June if breaks below Nov 2008 uptrend line support (now 1096.00); stop: 30 points above your entry level; cover ½ at 1053.80, & trail stop rest.	
<b>Comment:</b>	Mini bull flag cum setback to test top support of Jan peak sym/-triangle; \$1,255.00 upside target. Spinner backfilling above zero line. May rise to build new right shoulder of <i>extended</i> 4½-month reverse H&S (see daily chart). 1165.00 is a barrier; need 2-dc over 1165.00 for aggressive buying.	

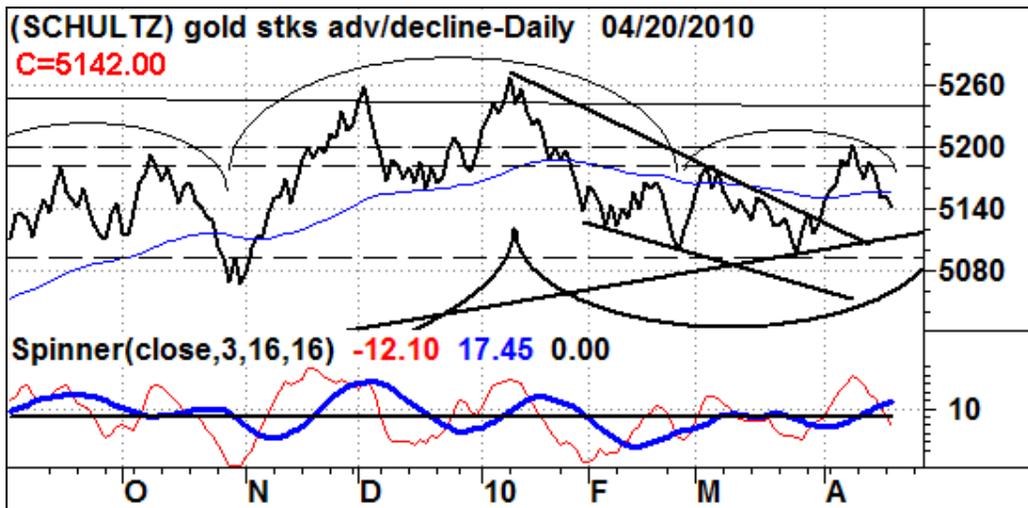
## *Schultz Gold Share Index (SGI) -- daily*



*Schultz Gold Index (SGI) – daily chart:*

<b>Comment:</b>	Anticipated hesitation/dip to build potential right shoulder of 4½-month reverse H&S; 45.70 upside measured target (basis L/O/C). Spinner in crosscurrent bull mode. Lengthy & structured base action bodes well for near term strength.
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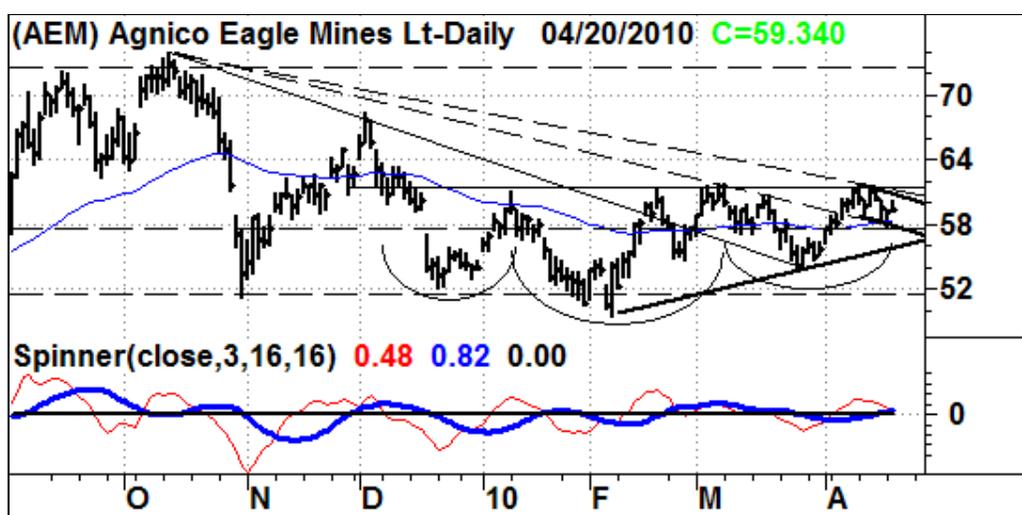
## *Schultz Gold Stocks Advance/Decline Line -- daily*



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

<b>Comment:</b>	Risk of 8-month H&S top vs Jan peak bull wedge; 5268 upside target. Spinner backfilling. Requires a determined break above 5200 to confirm <u>sector wide</u> gold share strength. This chart is updated <u>daily</u> on our website except in skip weeks. On the GCRU down-load page click: <i>View Schultz Gold Stocks A/D Line.</i>
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## GOLD SHARES



**Agnico Eagle** (NYSE: AEM; Canada: AEM-T); gold: US\$:

<b>Open trades:</b>	<b>Long at:</b>	Gamblers bought at 58.90 (Apr-16-10).
	<b>Stop:</b>	S/T: 51.50-stop. M/T: 1-dc below 51.50.
	<b>Profit targets:</b>	72.50 &/or 76.40 &/or 79.80.
<b>New Recom:</b>	If out, gamblers only buy bit if dips to 57.60; stop: 1-dc below 51.50. All buy big after 1-dc over 61.50.	
<b>Comment:</b>	Expanding would-be right shoulder of 4-month reverse H&S cum bullish ascending triangle; 72.50 target (basis L/O/C). 7-day bull flag. Spinner neutral plus. 3 <sup>rd</sup> bullish fan line. Coiling for breakout?	



**Eldorado Gold** (Toronto: ELD-T; NYSE: EGO); gold: CAD\$:

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 13.31 (Feb-12-10). Traders re-bought at 13.70.
	<b>Stop:</b>	S/T: 11.70-stop. M/T: 1-dc below 11.70.
	<b>Profit targets:</b>	15.50 &/or 16.70 &/or 17.50.
<b>New Recom:</b>	If out, gamblers only buy bit if dips to 13.35; stop: 1-dc below 11.70. And/or buy after 1-dc over 14.30.	
<b>Comment:</b>	Jan bull wedge; 15.88 theoretical upside target. Spinner working off shortterm over bought condition. Developing head of possible 5-month reverse H&S. 7-day bull flag. Growing ambition.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 4.79 (Apr-05-10). Traders re-bought at 5.24.
	<b>Stop:</b>	S/T: 3.95-stop. M/T: 1-dc below 3.95.
	<b>Profit targets:</b>	5.45 &/or 5.92 &/or 6.40.
<b>New Recom:</b>	If out, spec buy bit if dips to 5.05 & 4.90 & 4.70; stop: 1-dc below 3.95. And/or buy after 1-dc over 5.30.	
<b>Comment:</b>	Spinner consolidating; gives tip for deeper price dip towards top support of Jan-Apr sym/triangle; 5.92 upside target. Good R/S.	



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

<b>Open trades:</b>	<b>Long at:</b> <b>Stop:</b> <b>Profit targets:</b>	Initial entry price: 9.52 (Feb-17-10). S/T: 8.30-stop. M/T: 1-dc below 8.30. 10.60 &/or 11.65 &/or 12.75 &/or 13.80.
<b>New Recom:</b>	If out, gamblers only buy if dips to 9.50; stop: 1-dc below 8.30. All buy big after 1-dc over 10.20.	
<b>Comment:</b>	Vacillating below neckline resistance of 1-year reverse H&S base; 13.80 upside target. Spinner mixed. Set for major breakout?	



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

<b>Open trades:</b>	<b>Long at:</b> <b>Stop:</b> <b>Profit targets:</b>	Initial entry price: 5.90 (May-13-09). Gamblers re-bought at 9.19. S/T: 8.05-stop. M/T: 1-dc below 7.70. 9.75 &/or 10.50 &/or 11.20 &/or 12.45.
<b>New Recom:</b>	If out, spec buy bit at mkt; stop: 8.05-stop. All buy big after 1-dc over 9.35.	
<b>Comment:</b>	Classic breakout & dip to test upper support of Sept-Apr ascending triangle; 11.20 upside target. Spinner consolidating. Last shakeout before next major run-up?	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 74.42 (Feb-17-10). Traders re-bought at 79.35 & 77.65.
	<b>Stop:</b>	S/T: 66.80-stop. M/T: 1-dc below 66.80.
	<b>Profit targets:</b>	90.30 &/or 96.30 &/or 102.50.
<b>New Recom:</b>	If out, gamblers only buy bit at mkt; stop: 1-dc below 66.80. All buy big after 1-dc over 83.50.	
<b>Comment:</b>	7-day bull flag cum setback to build possible right shoulder of 4½-month reverse H&S. Spinner a crosscurrent bull. "Should" hold here if <i>shorterm</i> higher highs to develop.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 6.76 (Dec-11-08).
	<b>Stop:</b>	S/T: 19.10-stop. M/T: 1-dc below 19.10.
	<b>Profit targets:</b>	24.80 &/or 26.70 &/or 28.40.
<b>New Recom:</b>	If out, gamblers buy if dips to 22.65 & 22.00 & 20.90; stop: 1-dc below 18.40.	
<b>Comment:</b>	Gap breakup on rising volume. Spinner overbought. Fishhooks placed to catch next noteworthy dip within Oct uptrend channel.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 45.46 (Mar-01-10). Gamblers re-bought at 50.08 & 48.15.
	<b>Stop:</b>	S/T: 40.90-stop. M/T: 1-dc below 40.90.
	<b>Profit targets:</b>	54.60 (if bot low) &/or 57.65 &/or 60.90.
<b>New Recom:</b>	If out, speculative buy after 1-dc over 48.90; stop: 1-dc below 40.90. Buy more after 1-dc over 51.50.	
<b>Comment:</b>	Sharp dip to test upper support of 3½-month reverse H&S; 57.65 upside target. Spinner mixed. By nature, RGLD has the tendency to exaggerate both bull & bear moves.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 5.00 (Mar-03-10).
	<b>Stop:</b>	S/T: 4.65-stop. M/T: 1-dc below 4.65.
	<b>Profit targets:</b>	6.32 &/or 6.90 &/or 7.50.
<b>New Recom:</b>	If out, gamblers only buy if dips to 5.50; stop: 1-dc below 4.65. All buy after 1-dc over 5.80.	
<b>Comment:</b>	Mar peak bull wedge & tentative upside breakout. Spinner mixed. Nov-Mar flat top triangle; 6.32 nearby target. Looks on track for higher highs.	



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

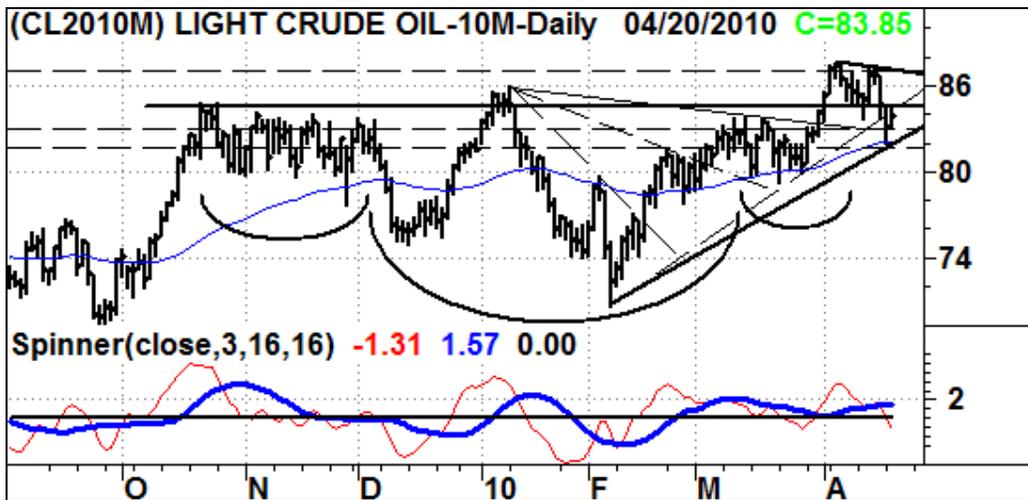
<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 15.84 (Feb-17-10).
	<b>Stop:</b>	S/T: 13.60-stop. M/T: 1-dc below 13.60.
	<b>Profit targets:</b>	19.90 &/or 21.70 &/or 23.50.
<b>New Recom:</b>	If out, gamblers only buy if dips to 16.60 & 16.10; stop: 1-dc below 13.60. All buy big after 1-dc over 17.70.	
<b>Comment:</b>	Mini dip below neckline resistance of 2-year reverse H&S cum possible right shoulder of Dec-Apr R/H&S. Spinner a corrective bull. Not one to miss on an upside breakout!	

# FUTURES



**Cocoa July 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Traders exited May or rolled over to July Cx &/or bought July at 2988 (Apr-16-10).
	<b>Stop:</b>	S/T: 2825-stop. M/T: 1-dc below 2825.
	<b>Profit targets:</b>	3170 &/or 3280 &/or 3375 &/or 3475.
<b>New Recom:</b>	If out, spec buy July if dips to 3000; stop: exit, or sell ½ at 2825-stop, ½ after 1-dc below 2825.	
<b>Comment:</b>	Jan peak down wedge; 3515 upside target. Mar-Apr coil base & surge upside breakout. Spinner bull cue. Appears to be base building. Train leaving station?	



**Crude Oil NY June 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 85.85 (basis June). Traders exited May via 81.40 stoploss ☹, &/or bought June at 84.40 (Apr-16-10).
	<b>Stop:</b>	81.60-stop.
	<b>Profit targets:</b>	89.30 &/or 91.95 &/or 94.50 &/or 96.90.
<b>New Recom:</b>	If <u>out</u> , gamblers buy June (mini Cx) at mkt; stop: 81.60-stop. All buy after 1-dc over Apr downtrend line (now 87.00); stop: 82.90-stop.	
<b>Comment:</b>	Oct-Mar reverse H&S; 96.90 upside target. Spinner neutral. <i>May</i> consolidate shorterm via an Apr peak sym/triangle development.	



**S&P500 Index June 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 1146.60 (Mar-12-10). Traders banked any worthwhile profits at mkt ☺.
	<b>Stop:</b>	S/T: 1175.80-stop.
	<b>Profit targets:</b>	1215.80 &/or 1232.80 &/or 1248.80.
<b>New Recom:</b>	<u>Active</u> traders <i>only</i> buy June bit after 1-dc over 1210.00; stop: 1175.80-stop; sell ½ at 1248.80. Sell short June after 1-dc below 1175.80; stop: 2-dc over 1198.00; cover ½ at 1123.50.	
<b>Comment:</b>	Spinner waning. Bullish above (revised) Feb uptrend line, defensive below. Running on fumes. Keep finger on exit trigger.	



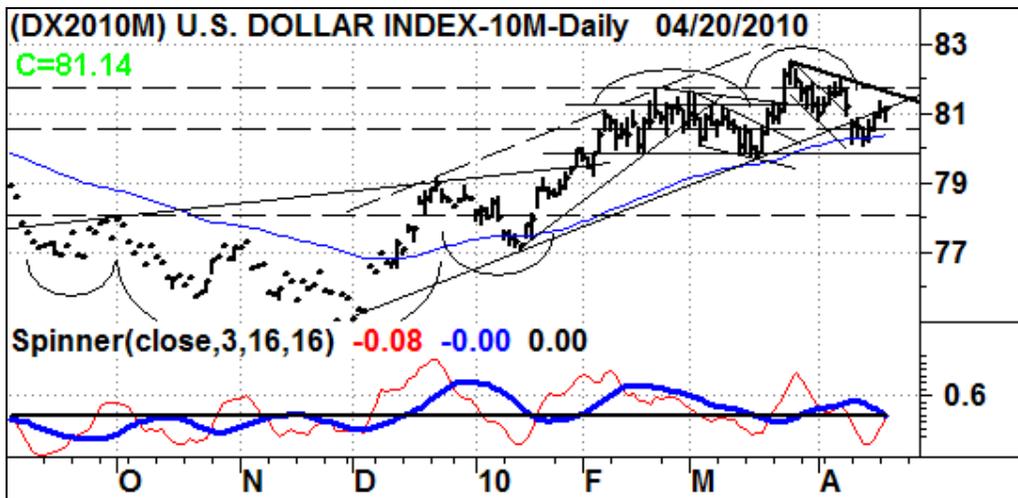
**Soybeans July 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Traders bought at 993.00 (Apr-15-10).
	<b>Stop:</b>	S/T: 952-stop. M/T: 1-dc below 952.
	<b>Profit targets:</b>	1020 &/or 1040 &/or 1060 &/or 1082.
<b>New Recom:</b>	If out, spec buy July if dips to 980; stop: exit, or sell ½ at 952-stop, ½ after 1-dc below 952.	
<b>Comment:</b>	Mini dip & rebound above top support of Feb peak sym/triangle; 1040 upside target (basis L/O/C). Spinner (thick) confirming line hooking to positive above zero line. Emergent.	



**Sugar July 2010 futures – daily chart:**

<b>Open trades:</b>	<b>None:</b>	Traders not in yet.
	<b>Stop:</b>	ST: 16.90-stop. M/T: 1-dc below 16.90.
	<b>Profit targets:</b>	19.90 &/or 21.20 &/or 22.35.
<b>New Recom:</b>	Buy July after 1-dc over 17.80; stop: exit, or sell ½ at 16.90-stop, ½ after 1-dc below 16.90; sell bits at 19.90 &/or 21.20 &/or 22.35.	
<b>Comment:</b>	Fragile break above Feb downtrend line. Spinner warming to bullish. Need a decisive close over 17.80 to boost reliability of shorterterm base attempt. Buy on upside breakout <u>only</u> .	



**US\$ Index June 2010 futures-daily chart:**

<b>Open trades:</b>	<b>Short at:</b>	Initial entry price: 80.63 (Apr-04-10). Traders re-sold short June at 80.56 & 81.10.
	<b>Stop:</b>	2-dc over 81.70.
	<b>Profit targets:</b>	Cover ½ at 78.10, & trail stop rest.
<b>New Recom:</b>	If <u>out</u> , gamblers only sell short June at mkt. All sell short after 1-dc below 79.90. Buy June (or cover shorts) after 2-dc over 81.70; stop: 1-dc below 80.60; sell ½ at 83.70.	
<b>Comment:</b>	Rebound to build potential right shoulder of Feb-Apr H&S top; 77.30 theoretical downside target. Spinner (thick) confirming line verging on new negative rotation below zero line. Fading.	

Note: the US Dollar Index is computed using a trade-weighted geometric average of six currencies. The six currencies and their trade weights are: **Euro 57.6 %**, Japan/yen 13.6 %, UK/pound 11.9 %, Canada/dollar 9.1 %, Sweden/krona 4.2 %, Switzerland/franc 3.6 %. This proves that the US\$ index is virtually the euro, inversely.

# STOPPED OUT



**Coffee May 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Traders exited via 131.90 stoploss ☹.
	<b>Stop:</b>	None.
	<b>Profit targets:</b>	None.
<b>New Recom:</b>	Traders exited via 131.90 stoploss ☹. No new recom this week.	
<b>Comment:</b>	Prior bull wedge cum reverse H&S <u>voided</u> via fickle break below Feb uptrend line support.	

April-21-10

## 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
<b>Gold shares</b>											
Agnico Eagle Mines	AEM	If out, gamblers only buy bit if dips to 57.60; stop: 1-dc below 51.50. All buy big after 1-dc over 61.50.	L	Apr-16-10	58.90		59.34	51.50-stop 1-dc U/51.50	72.50	76.40	79.80
Eldorado Gold	ELD-T	If out, gamblers only buy bit if dips to 13.35; stop: 1-dc below 11.70. And/or buy after 1-dc over 14.30.	L	Feb-12-10	13.31	13.70	13.76	11.70-stop 1-dc U/11.70	15.50	16.70	17.50
Franco Nevada	FNV-T	Possible Jan-Apr reverse H&S base. If out, spec buy after 1-dc over 28.70; stop: 1-dc below 24.90.	L	Sep-16-09	30.99		27.51	24.90-stop 1-dc U/24.90	30.30	32.90	35.60
Hamgold Corp	HAG	Tentative Dec-Apr reverse (double head) H&S. If out, spec buy after 1-dc over 16.10; stop: 1-dc below 12.20. Buy more over 16.90.	L	Feb-17-10	14.90		15.04	12.20-stop 1-dc U/12.20	17.80	19.30	19.95
Jaguar Mining	JAG-T	Weak relative strength. Spec buy (or average down) after 2-dc over 11.65; stop: 1-dc below 9.30.	L	May-20-09	8.65		10.21	1-dc U/9.30	13.55	14.75	16.15
Lake Shore Gold	LSG-T	If out, spec buy after 1-dc over 3.20; stop: 1-dc below 2.48.	L	Feb-17-10	3.31		2.97	1-dc U/2.48	4.38	4.90	5.35
New Gold	NGD	If out, spec buy bit if dips to 5.05 & 4.90 & 4.70; stop: 1-dc below 3.95. And/or buy after 1-dc over 5.30.	L	Apr-05-10	4.79	5.24	5.24	3.95-stop 1-dc U/3.95	5.45	5.92	6.40

April-21-10

## 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
<b>Gold Shares</b>											
Northern Dynasty Minerals	NDM-T	If out, gamblers only buy if dips to 9.50; stop: 1-dc below 8.30. All buy big after 1-dc over 10.20.	L	Feb-17-10	9.52		9.94	8.30-stop 1-dc U/8.30	10.60	11.65	12.75
Osisko Mining	OSK-T	If out, spec buy bit at mkt; stop: 8.05-stop. All buy big after 1-dc over 9.35.	L	May-13-09	5.90	9.19	8.91	8.05-stop 1-dc U/7.70	9.75	10.50	11.20
Randgold Res.	GOLD	If out, gamblers only buy bit at mkt; stop: 1-dc below 66.80. All buy big after 1-dc over 83.50.	L	Feb-17-10	74.42	79.35 77.65	78.27	66.80-stop 1-dc U/66.80	90.30	96.30	102.50
Red Back Mng	RBI-T	If out, gamblers buy if dips to 22.65 & 22.00 & 20.90; stop: 1-dc below 18.40.	L	Dec-11-08	6.76		24.14	19.10-stop 1-dc U/19.10	24.80	26.70	28.40
Royal Gold	RGLD	If out, speculative buy after 1-dc over 48.90; stop: 1-dc below 40.90. Buy more after 1-dc over 51.50.	L	Mar-01-10	45.46	50.08 48.15	47.26	40.90-stop 1-dc U/40.90	54.60	57.65	60.90
Semafo Inc	SMF-T	If out, gamblers only buy if dips to 5.50; stop: 1-dc below 4.65. All buy after 1-dc over 5.80.	L	Mar-03-10	5.00		5.77	4.65-stop 1-dc U/4.65	6.32	6.90	7.50
Silver Wheaton	SLW	If out, gamblers only buy if dips to 16.60 & 16.10; stop: 1-dc below 13.60. All buy big after 1-dc over 17.70.	L	Feb-17-10	15.84		17.15	13.60-stop 1-dc U/13.60	19.90	21.70	23.50
<b>Futures</b>											
Cocoa	CC NO	If out, spec buy July if dips to 3000; stop: exit, or sell ½ at 2825-stop, ½ after 1-dc below 2825.	L	Apr-16-10	2988		3044	2825-stop 1-dc U/2825 (Basis July)	3170 (Basis July)	3280 (Basis July)	3375 (Basis July)

April-21-10

## 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
<b>Futures</b>											
Coffee	KC KO	Traders exited via 131.90 stoploss ☹. No new recom this week.									
Crude oil	CLMO	If <u>out</u> , gamblers buy June (mini Cx) at mkt; stop: 81.60-stop. All buy after 1-dc over Apr downtrend line (now 87.00); stop: 82.90-stop.	L	Apr-16-10	84.40		83.85	81.60-stop (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	1152.00 1144.50 1135.50	1139.20	1111.60-stop 1-dc U/1094.40	1195.80	1222.50	1248.80
S&P500	SPM0	Active traders only buy June bit after 1-dc over 1210.00; stop: 1175.80-stop; sell ½ at 1248.80. Sell short June after 1-dc below 1175.80; stop: 2-dc over 1198.00; cover ½ at 1123.50.	L	Mar-12-10	1146.60		1205.40	1175.80-stop (Basis June)	1215.80 (Basis June)	1232.80 (Basis June)	1248.80 (Basis June)
Soybeans	S-NO	If out, spec buy July if dips to 980; stop: exit, or sell ½ at 952-stop, ½ after 1-dc below 952.	L	Apr-15-10	993.00		994.00	952-stop 1-dc U/952 (Basis July)	1020 (Basis July)	1040 (Basis July)	1060 (Basis July)
Sugar	SB NO	Buy July after 1-dc over 17.80; stop: exit, or sell ½ at 16.90-stop, ½ after 1-dc below 16.90; sell bits at 19.90 &/or 21.20 &/or 22.35.					16.60	16.90-stop 1-dc U/16.90 (Basis July)	19.90 (Basis July)	21.20 (Basis July)	23.35 (Basis July)

April-21-10

## 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
<b>Futures</b>											
US\$-Index	DX M0	If out, gamblers only sell short June at mkt. All sell short after 1-dc below 79.90. Buy June (or cover shorts) after 2-dc over 81.70; stop: 1-dc below 80.60; sell ½ at 83.70.	S	Apr-04-10	80.63	80.56 81.10	81.14	2-dc O/81.70 (Basis June)	Cover 1/2 at 78.10 (Basis June)	Trail stop rest (Basis June)	

••• **Dynamics of a worldwide currency crisis.** Throughout most of world history, financial assets have been only a small fraction of total wealth. But a number of ‘innovations’ over the last one hundred years have created an imbalance that the world has *never* seen before, comments Vincent Bressler at *GoldSeek*. **“Today, financial assets represent 95% or more of the total wealth in the world. In our rigged markets, real productive capacity and resources have been valued at less than 5% of total wealth. This is an absurd and unsustainable situation.** The financial elite (wizards) who can create unlimited financial assets at the click of a mouse button understand that, everyone else (sheeple) does not. In order to nail down their share of the ‘wealth,’ the wizards must convert their wealth. The sequence is as follows: 1). Financial Assets -> 2). Monetary Metals -> 3). Tangible Assets -> 4). Financial Assets. **Right now:** The wizards are accumulating monetary metals [notably] physical bullion. The sheeple are accumulating financial assets (GLD, SLV). **During the [expanding] currency crisis:** The wizards will buy tangible assets using their physical bullion. The sheeple will buy monetary metals using what is left of their financial assets. **After the currency crisis:** The wizards will buy financial assets by borrowing against their tangible assets and monetary metals. The sheeple will buy tangible assets with cash and remain without debt.” This concept is basic [sounds tangled] but correct. Physical gold is the starting point in this wealth preservation sequence. Miss the first step, & the odds for wealth survival are greatly reduced. ••• **Fannie and Freddie losses can’t be calculated,** says Kenneth Posner, author of *Stalking the Black Swan*. “Govt officials want you to know [think] the cost of the bank bailout is going to be around \$90 billion, much less than previously feared. But there is, as *The Wall Street Journal* put it, ‘one glaring exception’ to this otherwise welcome news: The optimistic tally doesn't include Fannie Mae and Freddie Mac. The troubled mortgage giants currently enjoy an unlimited line of credit from Uncle Sam, and the [Congress] CBO projects their investment portfolios -- stuffed with subprime and other toxic mortgages -- will suffer combined losses of \$370 billion through 2020. ‘I don't think it's time to celebrate because the losses inside Fannie and Freddie can't be calculated,’ says Posner. **‘Not only do we have those [CBO estimated] losses but we still have \$5 trillion in mortgage-backed securities that they guarantee, and \$2 to \$3 trillion in debt.** All of this is potentially on the US gov't's balance sheet until we figure out how to restructure these entities. **Nothing is going to be easy right now,’ but maintaining the status quo ‘is probably the worst of all worlds,’** he says. **‘You have this broken business model that the gov't is operating as if Congress had appropriated \$7 trillion for direct US gov't involvement in the mortgage business’.**” The more gov't steps in, the more

accountability for actions is decreasing. Ultimately, govt intervention in a capitalist system dependably does more harm than good. .... **Don't keep your gold in bank vaults.** Many thanks to Chris Powell of *GATA* for the heads-up on a King World News radio interview with Jim Rickards, senior managing director of *Omnis Inc.* Some of the key points Rickards makes are: -- "Far more claims to gold have been sold than can be delivered upon. -- To save the dollar the United States will be forced back on a gold standard with convertibility and gold revalued to \$5,500 per ounce. -- China's need for gold to back its own currency and hedge its US debt exposure is massive but the metal isn't available even as the Chinese govt is commandeering the output of Chinese mines. -- **And US gold owners should not keep their metal in US banks.**" It's a mostly good (if partly flawed) interview, 30 minutes long, and you can find it at King World News here: [www.kingworldnews.com/kingworldnews/Broadcast/Entries/2010/4/14\\_Jim\\_Rickards.html](http://www.kingworldnews.com/kingworldnews/Broadcast/Entries/2010/4/14_Jim_Rickards.html) The ultimate in tangible wealth is physical gold in your own possession. Non-US banks (esp Swiss) are recommended, if holdings are under your control. .... **Euphoria over Greek rescue fades as first cracks appear.** Euphoria over a joint EU-IMF rescue deal for Greece worth €45bn (£39.8bn) has given way to caution after new concerns among bond investors that any bailout merely delays the day of reckoning, says the UK *Telegraph*. "Greek borrowing costs have fallen from post-EMU highs last week but still remain at stress levels. The yield spread on 10-year bonds over German Bunds dropped by 45 basis points to 6.75% on Monday. 'This is a short-run fix, not a long-run solution,' said David Owen at Jefferies Fixed Income. 'At the end of the day, Greece has to carry out monumental fiscal tightening even as it slides deeper into recession. They risk chasing their tail.' Frank Schäffler, a Free Democrat finance expert in Mrs Merkel's coalition, said the rescue deal is 'clearly a subsidy' and violates the EU summit deal in March. 'We're on very thin ice legally,' he said, hinting at likely court challenges. Professor Ekkehard Wenger from Würzburg University said the aid for Greece is 'another step on the slippery slope downwards. *All rational economic rules are being thrown out of the window. This is a bottomless pit. In the short-term this may calm things but within 10 years the eurozone is not going to exist any longer in its current form*'." Countries rushed to protect their banks' assets and liabilities with govt guarantees, but lack the resources proportionate to the enormity of the problems at hand. So, govts' growing disregard of basic economics, and their increasing need to bend, break, or change financial rules to accommodate, warns we may be closer to a system tipping point than many care to believe ☹. .... **Morgan Stanley property fund faces \$5.4 billion loss.** A Morgan Stanley fund is heading for the largest loss in the history of private-equity property investing after the economic downturn *destroyed* the value of its assets, according to the UK *Telegraph*. "In a document to

investors, Morgan Stanley has warned that its MSREF (Morgan Stanley Real Estate Fund) VI Int'l is in line to record a \$5.4 billion (£3.5bn) loss. ***That would represent a decrease of more than two-thirds on the \$8 billion of equity initially raised by the fund, which launched in June 2007 at the peak of the market, boasting to be the 'largest ever real estate fund'.*** Using leverage to buy into the top end of a bubble isn't smart. Morgan Stanley's reputation may have taken a hit, but "fat" fees along the way have been *banked*. The real pain is for the banksters' clients & fund investors. .... **Big banks hid nearly half of their debt last year.** Major banks have masked their risk levels in the past five quarters by temporarily lowering their debt just before reporting it to the public, according to data from the Federal Reserve Bank of New York. From the *Wall Street Journal*: "A group of 18 banks—which includes Goldman Sachs, Morgan Stanley, J.P. Morgan, Bank of America, and Citigroup – **understated the debt levels used to fund securities trades by lowering them an average of 42% at the end of each of the past five quarterly periods**, the data show. The banks, which publicly release debt data each quarter, then boosted the debt levels in the middle of successive quarters. Excessive borrowing by banks was one of the major causes of the financial crisis, leading to catastrophic bank runs in 2008 at firms including Bear Stearns and Lehman Brothers. Since then, banks have become more sensitive about showing high levels of debt and risk, worried that their stocks and credit ratings could be punished. **That practice, while legal [!], can give investors a skewed impression of the level of risk that financial firms are taking the vast majority of the time.**" (underlining is ours). Banks are now a law unto themselves. .... **Ohio Judge tells residents to 'arm themselves.'** In the ongoing financial crisis in Ashtabula County, the Sheriff's Department has been cut from 112 to 49 deputies, reports *WKYC.com*. "With deputies assigned to transport prisoners, serve warrants and other duties, only one patrol car is assigned to patrol the entire county of 720 square miles. The Ashtabula County Jail has confined as many as 140 prisoners. It now houses only 30 because of reductions in the staff of corrections officers. All told, 700 accused criminals are on a waiting list to serve time in the jail. **Ashtabula County Common Pleas Judge Alfred Mackey was asked what residents should do to protect themselves and their families with the severe cutback in law enforcement. 'Arm yourself,' the judge said. 'Be very careful, be vigilant, & get in touch with your neighbors, because we're going to have to look after each other'.**" This crisis is not just about finance and economics. It comes with serious social costs and increased vulnerability for all of us. Police departments in many cities are experiencing budget cuts and hiring freezes, but short-term budget-balancing decisions risk disastrous results when social tensions finally explode. .... **The British elite are preparing to face one of the most dangerous periods in the modern**

**history of the country.** “The combination of an uncertain interior political situation and a catastrophic budgetary, economic and financial condition contribute to high level civil servants calling for the need to “fashion” & “anticipate” the result of the General Election in order to avoid a political impasse that could destabilize the UK Pound,” warns the highly recommended French subscription service provided by LEAP/E2020.eu. **“Who will be able/want to help the UK after the May 6th [election] when its political chaos will inevitably expose the advanced meltdown of all its budget, economic and financial parameters?** The financial situation is so serious that the technocrats running the country have devised a plan, submitted to the parties contesting the next General Election, in order to avoid risking a power vacuum which could lead to a collapse in Sterling (which is already very weak) and British treasuries (the Bank of England having bought 70% of those issued over the last few months): Gordon Brown would remain Prime Minister even if he loses the election, unless the Conservatives were able to garner sufficient votes for outright victory. In effect, with an economic and political crisis as a backdrop, the polls lead one to think that the country is turning to a ‘hung Parliament’, without a clear majority. The last time that happened, in 1974, was a kind of political preliminary to IMF intervention eighteen months later.” Views differ radically on the plus/minus of a hung Parliament, but the more chilling question LEAP2020 asks, is: **“Who will be able/want to back the United States if the British fuse starts burning, causing panic in the sovereign debt market in which the United States is, by far, the largest issuer?”** In any case, the sovereign debt trauma is reaching a climax, & portends a dangerous acceleration of the global crisis. Once triggered, there will be no way to stop the chain reaction of system failures.

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

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