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

*Welcome* to GCRU #398 on May 12, 2010 (in its 9<sup>th</sup> year). •••• Hurrah! Gold smashed its way through old barriers to an all-time high late Tuesday -- reflecting the global disgust with politics & distrust of the monetary system that now threatens every household. It was neatly seen in this morning's *Financial Times* lead story which reads: "Gold hits all-time high as investors seek haven." Now we have an economic alert as the pace of the financial meltdown is re-accelerating, and confirms the recent lull in events wasn't due to any meaningful improvement in fundamentals, so much as a momentary absence of investor "panic." The euro's precipitous decline is re-shuffling the currency cards, & temporarily reinforcing a contradiction in the US-\$ & US Treasuries wrongly seen as a safe-haven, when America's debt problems are the *root* cause of the global crisis. However, as debtor nations purposefully debase their fiat currencies, all paper currencies (via potentially *disorderly* rotations) will progressively lose their purchasing power & collapse in value relative to gold. The race to a *fiat currency bottom* is heating up, & will destroy a *tremendous* amount of wealth in the process ☹. ••••

Meanwhile, gold continues to push higher against every major currency, & reinforce its general safe-haven appeal in an environment where *immense uncertainty* is plaguing every asset class. This was highlighted by bullion's \$22.30 gain of last Thursday, compared to the destructive 377-point "air-pocket" (934 points intraday) collapse in the Dow. Last Thursday also saw marked divergence between bullion and the gold shares (which were less energetic than bullion), nevertheless there was a striking separation between the gold shares & general stock market weakness, with the HUI gold bugs index rising +1.53% in contrast to a -3.48% fall in the Dow. This "decoupling" *in a moment of widespread panic* is significant & suggests the gold shares are becoming immune to indiscriminate selling, as investors start to appreciate their value as a hedging tool cum portfolio stabilizer. •••• The official line is that a 'fat fingered' trade triggered last Thursday's market mayhem (we assume the same fat finger was responsible for the havoc in the Yen!). The more likely reason is that High Frequency Trading (HFT) systems blew their "fuse box." As the razor-sharp Tyler Durden comments at *ZeroHedge*: "This is what happens in a world where the very core of the capital markets system is gradually de-leveraging to a point where maintaining a liquid and orderly market becomes impossible. What happened last Thursday was no fat finger, it was no panic selling by one major account: it was simply the impact of everyone in the HFT community going from port to starboard on the boat, at precisely the same time. And in doing so,

these very actors, who in over a year have been complaining they are unfairly targeted because all they do is ‘provide liquidity [which in reality they only do to ‘massage’ mkts in their favor],’ did anything but what they claim is their sworn duty. **In 20 minutes the market showed that it is as broken as it was at the nadir of the market crash.**” As torrid as the US stock market rally was, the bulk of volume is attributed to a handful of mega banks that seemingly have no one left to “cream” except each other. So, when the “music” stops, in terms of liquidity, you have an immediate crisis. •• Another non-official reason cited for the stock market’s nose-dive is that the Fed intervened tardily *because* it wanted to send out a clear warning that ‘the financial world will end if you don’t back off on auditing our books.’ That may seem far-fetched, but the legitimacy & future of the Fed is at stake today, & it’s widely accepted that Lehman’s was sacrificed to “scare” Congress into passing the \$700 billion Tarp bailout. So, whether or not the Fed was behind this “malfunction” it may be behind the next. •••• The (revised) upside target of gold bullion’s 5-month reverse H&S is \$1292.00 (basis Aug futures), and technically it should hold decisively for 2-days above \$1222.00 resistance of its Dec 2009 record high to get there -- as it’s attempting to do so in European trading this AM. The fundamentals for the gold bull mkt are strengthening by the hour, but *nobody* knows for certain if bullion will pullback from this key resistance area, or hold its smash through it. So, per our *selling into strength is the key to profits & loss-avoidance* discussion of last week, traders should preemptively bank *some* gold & gold share profits at mkt. And, because this is a logical spot for a new Anti-Gold Cabal selling attack, selling *a bit* into strength & re-buying on weakness is also the best way to help turn their tactics against them. At minimum, apply our trailing profit stop strategy, which will allow your trades to “breathe” & accumulate profits as long as the trend doesn’t change, & with the least possible risk. The *key* point is, profits are the name of the game, not just having “positions.” •••• The Swiss govt intervened again last week to slow the SwFr rise, as they did so 5-weeks ago on the break above the Nov 2009 downtrend line, and again 1-week later. The weekly chart shows a massive sym/triangle. If it breaks above 1.00 it will be a mega buy. •••• Randgold Resources (Nasdaq: GOLD, London: RRS), & Iamgold (NYSE: IAG; Toronto: IMG-T) have burst upside from nice base developments, & offer a good opportunity to reinvest some recently banked gains in a less overheated technical set-up. Ditto Franco-Nevada (Toronto: FNV-T), if it breaks above 31.30. •••• *Reuters* report: “US gold coin sales surged last week as the anxiety over a euro-zone debt crisis spilled over into the US. The US Mint said sales of American Eagle one-ounce gold coins totaled 41,500 ounces so far in the first week of May, compared to 60,500 ounces in the entire month of

April. Bullion holdings in the SPDR Gold Trust ETF rose nearly 20 tonnes last Thursday, the biggest one-day gain since February 2009.” Sophisticated investors are joining the gold rush, but a cash-strapped general public is still lining up to *sell* its gold to a fast growing breed of cash-for-gold merchants. Gold has a long way to go before getting too bubbly, because still, hardly anyone owns it. Ask your neighbors if they do. ●●● Silver is playing catch-up to gold bullion via a break above a bullish 8-month reverse H&S base, with a 28.40 upside measured target (basis July). Silver is a buy at mkt with initial stops no lower than 17.40. ●●● Bullish Consensus list gold at 77% (up 3 from two weeks ago). The US\$ at 64 (up 1). B/C say gold’s outlook for today & the shortterm is “bullish to neutral.” ●●● On all fronts, both fundamental & technical, the elements are coming together for a “perfect sunrise” in gold (hence today’s password: *unleashed*) and a “perfect storm” in economics & fiats. But we must be careful of what we wish for. The lack of an end game for sovereign risk is gold’s newest ally, but that warns gold’s payday may herald a new “dark” era for the Western world, & increasing insecurity for us all. So again, out of general prudence, we recommend that U stock up on a few basic/essential items, including 6-months cash &/or low denomination gold/silver coins stored outside of a bank. Your garage? ●●● Gold is up \$21.00 this morning & rising defiantly. The US\$ is up 10 cents. ●●● Per *HSL* philosophy, to be forewarned is to be forearmed. It’s never too late to do more. Warm regards from ***Uncle Harry***, & Paul. ●●● If it’s Wednesday, it’s *Gold (& Mkts) Charts R Us*.

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## ••Our Abbreviations:

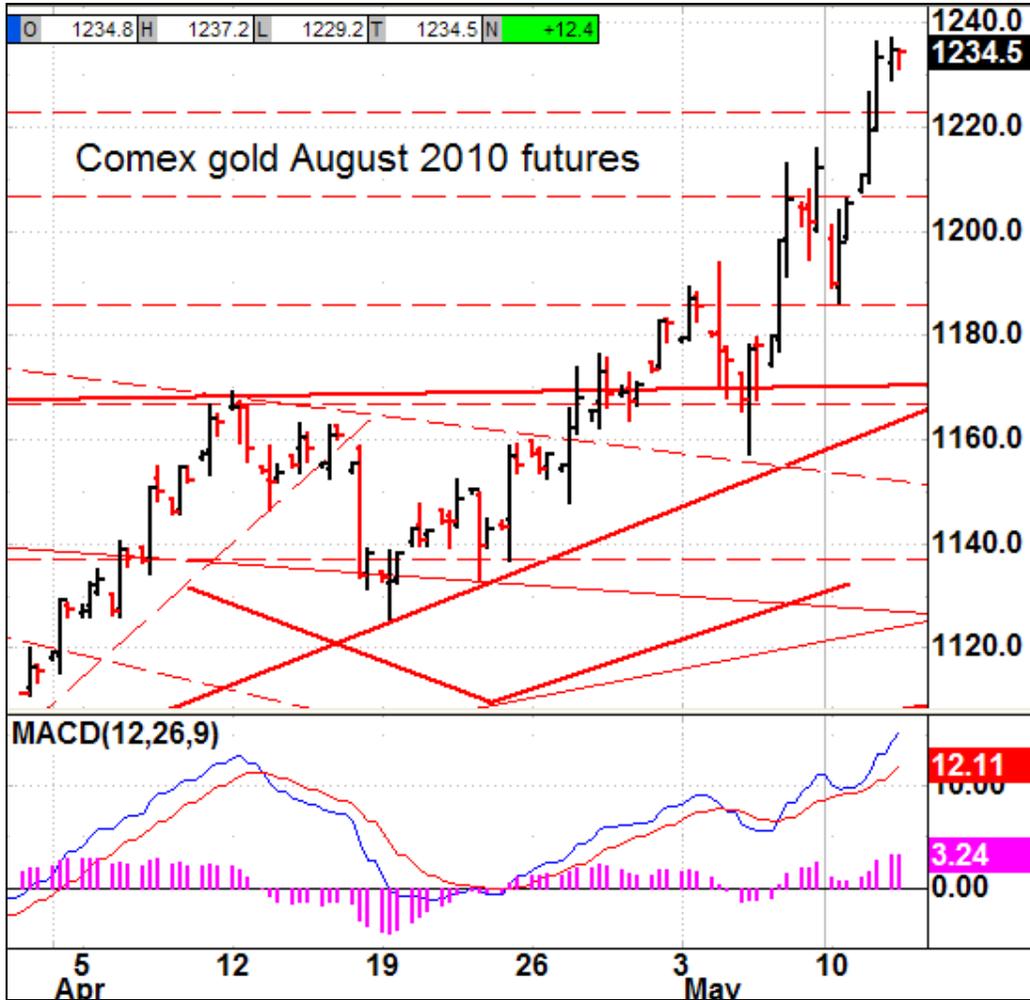
1dc = 1-day close (the share price must close above or below the indicated price level, before our recommendation is activated).  
2dc = 2-day close (consecutive).  
Bot = bought.  
CAD\$ = Canadian dollar.  
H&S = Head & Shoulder.  
L/O/C = Line On Close.  
L/T = Long Term.  
M/T = Medium Term.  
N/L = 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 Aug futures – daily – 6 month view



## Comex gold Aug 2010 futures – 480 min – 7wk view



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

<b>Open trades:</b>	<p><b>Long at:</b> Initial entry price: 1122.90 (Mar-10-10). Gamblers re-bought June at 1197.30.</p> <p><b>Stop:</b> Basis June: S/T: 1138.80-stop. M/T: 1-dc below 1138.80. Basis <u>Aug</u>: S/T: 1136.80-stop. M/T: 1-dc below 1136.80.</p> <p><b>Profit targets:</b> Basis June: 1258.80 &amp;/or 1292.00 &amp;/or 1320.00. Took partial profits at 1195.80 &amp; 1222.50 ☺. Basis <u>Aug</u>: 1250.00 &amp;/or 1292.00 &amp;/or 1330.00.</p>
<b>New Recom:</b>	<p>Take P/P at mkt. If out, buy <u>Aug</u> if dips to 1206.50 &amp; 1185.50 &amp; 1166.50; stop: exit, or sell ½ at 1136.80-stop, ½ after 1-dc below 1136.80. All buy again after <b>2-dc</b> (decisive) over 1222.00.</p> <p>Hedgers sell short <u>Aug</u> bit after 2-dc below Mar uptrend line support (now 1166.50); stop: 1206.10-stop; cover ½ at 1090.00.</p>
<b>Comment:</b>	<p>Smash break to new record highs! Dec-Apr reverse H&amp;S; 1292.00 revised target (basis <u>Aug</u>). Spinner in refreshed bull mode. Jan peak sym/triangle; 1250.00 target (basis <u>Aug</u>). <i>May</i> pullback to consolidate near the prior 1222.00 Dec 2009 closing high.</p>

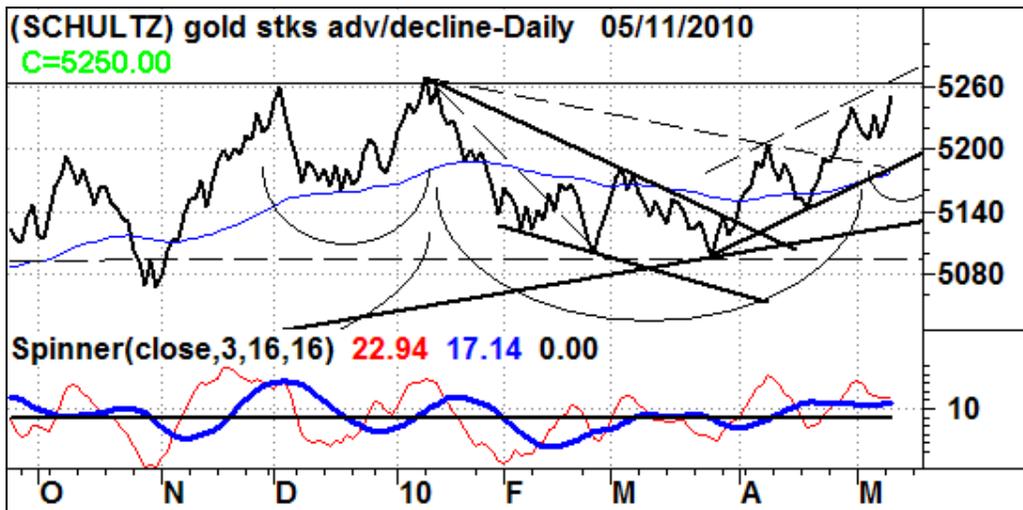
## *Schultz Gold Share Index (SGI) -- daily*



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

<b>Comment:</b>	Bullish gap-up surge above Dec-Apr reverse H&S; 45.70 upside target. Spinner hooking to positive in lower zone of overbought territory. Volume plus. All systems go for a new burst of 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>	Jan bull wedge; 5268 nearby target. Spinner rounding out to bullish. Possible Dec-May reverse H&S. Requires a break above 5260 to confirm <u>sector wide</u> strength. Verging! This chart is updated <u>daily</u> on our website. On the <i>GCRU</i> download page click: <a href="#">View Schultz Gold Stocks A/D Line.</a>
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# GOLD SHARES



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 58.90 (Apr-16-10). Traders re-bought at 60.55 & 59.80 & 65.34.
	<b>Stop:</b>	S/T: 1-dc below 55.30. M/T: 2-dc below 55.30.
	<b>Profit targets:</b>	72.50 &/or 76.40 &/or 79.80.
<b>New Recom:</b>	If out, buy bit at mkt & if dips to 62.45 & 60.70; stop: 1-dc below 55.30.	
<b>Comment:</b>	Nice dip & rebound reasserts the uptrend. Dec-Apr reverse H&S; 72.50 upside target (basis L/O/C). Spinner neutral/bullish. At minimum, this run-up should take us back to the Oct 2009 high.	



**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 16.07.
	<b>Stop:</b>	S/T: 1-dc below 13.20. M/T: 2-dc below 13.20.
	<b>Profit targets:</b>	18.25 (if buy low) &/or 19.25 &/or 20.30. Some took profit at 16.60 & 17.50 ☺.
<b>New Recom:</b>	Take partial profits. If out, buy bit at mkt & more aggressively if dips to 17.15 & 16.15 & 15.35; stop: 1-dc below 13.20.	
<b>Comment:</b>	Rocket rise above resistance of Nov-Jan peaks. Spinner shortterm overstretched; hints at mini price dip towards Mar uptrend line.	



**Iamgold Corp** (NYSE: IAG; Canada: IMG-T); gold: US\$:

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 14.90 (Feb-17-10). Traders re-bought at 19.61.
	<b>Stop:</b>	S/T: 1-dc below 14.20. M/T: 2-dc below 14.20.
	<b>Profit targets:</b>	20.95 &/or 22.65 &/or 24.30. Took P/P at 19.30 ☺
<b>New Recom:</b>	Take partial profits. If out, buy bit at mkt & if dips to 18.50 & 17.50 & 16.50; stop: 1-dc below 14.20.	
<b>Comment:</b>	Thrust break above Dec-May reverse H&S; 22.65 upside target. Spinner+. Early stage breakout offers good buying opportunity.	



**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 5.30 & 6.14.
	<b>Stop:</b>	S/T: 1-dc below 4.40. M/T: 2-dc below 4.40.
	<b>Profit targets:</b>	6.40 &/or 7.15 &/or 7.90. Some took P/P ☺.
<b>New Recom:</b>	Take partial profits. If out, buy bit at mkt & if dips to 5.75 & 5.45 & 5.20; stop: 1-dc below 4.40.	
<b>Comment:</b>	Mini correction & break to new closing high. Spinner a crosscurrent bull. Volume plus. The path of least resistance appears to be higher.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 5.90 (May-13-09). Traders re-bought at 10.10 &/or 11.30.
	<b>Stop:</b>	S/T: 1-dc below 9.20. M/T: 2-dc below 9.20.
	<b>Profit targets:</b>	12.45 &/or 13.90. Took partial profits at 11.20 ☺.
<b>New Recom:</b>	If out, buy if dips to 11.10 & 10.70 & 10.35; stop: 1-dc below 9.20.	
<b>Comment:</b>	Mini bull flag & upside breakout cum potential halfway marker of Apr rally-leg. Spinner bullish. <u>Failure</u> to hold May 11 intraday strength hints at <i>shorterm</i> exhaustion cum potential corrective dip.	



**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 89.75.
	<b>Stop:</b>	S/T: 1-dc below 72.80. M/T: 2-dc below 72.80.
	<b>Profit targets:</b>	96.30 &/or 102.50. Took partial profits at 90.30 ☺
<b>New Recom:</b>	If out, buy bit at mkt & if dips to 86.75 & 83.75 & 81.35; stop: 1-dc below 72.80.	
<b>Comment:</b>	Budding break above Dec-May reverse H&S, on volume; 102.50 upside target. Spinner in strengthening positive cross/base mode. Good set-up/chance to reinvest some recently banked gains.	



**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: 1-dc below 21.80. M/T: 2-dc below 21.80.
	<b>Profit targets:</b>	28.40 &/or 30.90 &/or 33.60. Traders banked any worthwhile profits at mkt ☺.
<b>New Recom:</b>	If out, buy bit if dips to 26.30 & 25.10 & 24.10; stop: 1-dc below 21.80.	
<b>Comment:</b>	Short-lived correction & sharp recovery to the upside. Spinner a crosscurrent bull. Our caution of last week appears unjustified.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 45.46 (Mar-01-10).
	<b>Stop:</b>	S/T: 1-dc below 43.60. M/T: 2-dc below 43.60.
	<b>Profit targets:</b>	54.60 (if bot low) &/or 57.65 &/or 61.15.
<b>New Recom:</b>	If out, buy bit if dips to 50.10 & 48.40; stop: 1-dc below 43.60. All buy again after 1-dc over 52.00.	
<b>Comment:</b>	Rise to complete would-be Dec-May reverse H&S; 61.15 upside target. Spinner hooking to bullish. Above 52.00 on volume "should" trigger a sizable rise.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 5.00 (Mar-03-10). Traders re-bought at 5.95 & 5.70 & 7.13.
	<b>Stop:</b>	S/T: 1-dc below 5.30. M/T: 2-dc below 5.30.
	<b>Profit targets:</b>	7.50 &/or 8.10. Took partial profits at 6.90 ☺.
<b>New Recom:</b>	Take partial profits. If out, spec buy if dips to 6.65 & 6.35 & 6.05; stop: 1-dc below 5.30.	
<b>Comment:</b>	Surge rise & close on session high. Spinner in refreshed bull/buy mode. Mini dips expected to punctuate a continuing uptrend.	



**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). Traders re-bought at 18.25 & 17.55 & 20.76.
	<b>Stop:</b>	S/T: 1-dc below 15.80. M/T: 2-dc below 15.80.
	<b>Profit targets:</b>	21.70 &/or 23.50. Some took partial profits ☺.
<b>New Recom:</b>	If out, buy bit at <u>mkt</u> & more aggressively if dips to 19.70 & 18.85 & 18.10; stop: 1-dc below 15.80.	
<b>Comment:</b>	Dip & impressive gap-up pop above Dec-Apr reverse H&S, 21.70 target (basis L/O/C). Spinner firmly above zero line. Strong buy basis weekly & daily chart. Have a foot in silver.	

# FUTURES



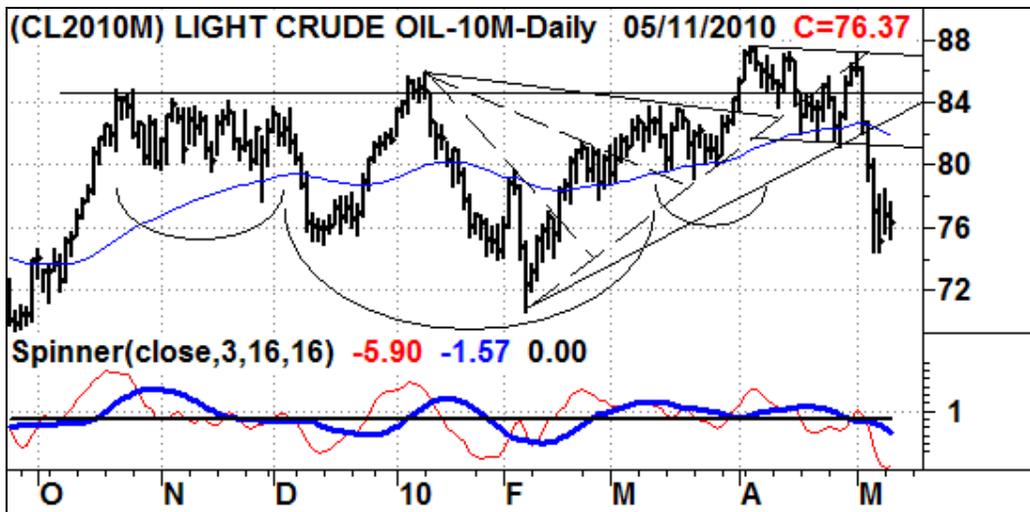
**Cocoa July 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 2988 (Apr-16-10). Traders banked all/most profits at mkt &/or exited (at breakeven or with small loss) via 2988 stoploss.
	<b>Stop:</b>	To be determined.
	<b>Profit targets:</b>	To be determined.
<b>New Recom:</b>	No new buy recommendation this week.	
<b>Comment:</b>	Prior set-up voided via unpredictable & fickle downside reversal. Will need time to build a new & significant base development.	



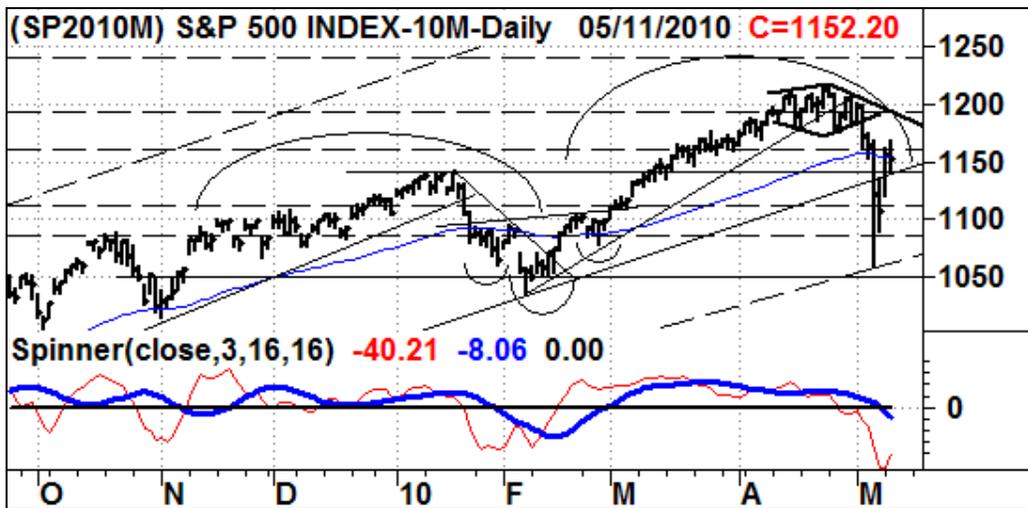
**Corn July 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Traders not in yet.
	<b>Stop:</b>	S/T: 356-stop. M/T: 1-dc below 356.
	<b>Profit targets:</b>	413 &/or 443.
<b>New Recom:</b>	Spec buy after 1-dc over 378; stop: exit, or sell ½ at 356-stop, ½ after 1-dc below 356.	
<b>Comment:</b>	Jan peak bull wedge & strengthening upside breakout; 443 target. Spinner poised to confirm strength in weekly & daily chart. May 11 bullish 1-day outside reversal. Buy on upside breakout <u>only</u> .	



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

<b>Open trades:</b>	<b>Long at:</b>	Traders not in yet.
	<b>Stop:</b>	To be determined.
	<b>Profit targets:</b>	To be determined.
<b>New Recom:</b>	No new recommendation <u>this</u> week.	
<b>Comment:</b>	We missed the breakdown, & don't fancy shorting at current oversold extremes. Wait to see how the next rebound plays out.	



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

<b>Open trades:</b>	<b>Short at:</b>	Initial entry price: 1172.40 (May-04-10). Gamblers re-sold short at 1171.10.
	<b>Stop:</b>	No higher than 1191.20-stop.
	<b>Profit targets:</b>	1110.00 &/or 1085.00. Took ½ profit at 1140.00 ☺
<b>New Recom:</b>	If out, gamblers sell short June bit <u>at mkt</u> ; stop: 1191.20-stop. Buy &/or cover June shorts after 1-dc over 1191.20; stop: 1160.80-stop; sell ½ at 1238.00.	
<b>Comment:</b>	<u>Hit</u> 1140.00 target of diamond top. Spinner weak. Bungee-jump dive & rebound appears to have broken back of 14-month uptrend channel. Risk of 6½-month H&S top. Game over, or ?	



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

<b>Open trades:</b>	<b>None:</b>	Traders exited July longs via 967 stoploss ☹.
	<b>Stop:</b>	To be determined.
	<b>Profit targets:</b>	To be determined.
<b>New Recom:</b>	Traders exited via 967 stoploss ☹. No new buy recom this week.	
<b>Comment:</b>	Sharp pullback from Apr high probably voids prior base activity. Many commodities have yet to receive an obvious boost from the declining loss of confidence in fiat currencies.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 82.54 (Apr-28-10).
	<b>Stop:</b>	2-dc below 83.00.
	<b>Profit targets:</b>	86.70 &/or 88.70. Some took profit at 84.70 ☺.
<b>New Recom:</b>	If out, gamblers/hedgers buy June if dips to 83.60 & 82.80; sell bits at 86.70 & 88.70. Sell, or sell short June after 2-dc below Apr uptrend line (now 83.00); stop: 2-dc over 83.60; cover ½ at 78.70.	
<b>Comment:</b>	Furtive dip & uncertain rebound. Spinner downturn at recent overbought extremes; hints a deeper price correction is possible. Bullish above Apr uptrend line, defensive below.	

May-12-10

## 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, buy bit at mkt & if dips to 62.45 & 60.70; stop: 1-dc below 55.30.	L	Apr-16-10	58.90	60.55 59.80 65.34	65.34	1-dc U/55.30 2-dc U/55.30	72.50	76.40	79.80
Eldorado Gold	ELD-T	Take partial profits. If out, buy bit at mkt & more aggressively if dips to 17.15 & 16.15 & 15.35; stop: 1-dc below 13.20.	L	Feb-12-10	13.31	16.07	18.04	1-dc U/13.20 2-dc U/13.20	Hit at 16.60 ☺	Hit at 17.50 ☺	19.25
Franco Nevada	FNV-T	Surge rise to re-test top resistance of Mar 2009-May 2010 bullish sym/triangle. All buy again after 1-dc (decisive) over 31.10.	L	Sep-16-09	30.99		31.05	24.90-stop 1-dc U/24.90	Hit 30.30 ☺	32.90	35.60
Iamgold Corp	IAG	Take partial profits. If out, buy bit at mkt & if dips to 18.50 & 17.50 & 16.50; stop: 1-dc below 14.20.	L	Feb-17-10	14.90	19.61	19.61	1-dc U/14.20 2-dc U/14.20	Hit at 19.30 ☺	20.95	22.65
Jaguar Mining	JAG-T	If long at higher levels, average down at mkt; stop: 1-dc below 9.30; sell all at 13.80.	L	May-20-09	8.65		11.50	1-dc U/9.30	13.80		
Lake Shore Gold	LSG-T	Traders re-bought at 3.45. If out, buy at mkt & if dips to 3.25; stop: 1-dc below 2.70.	L	Feb-17-10	3.31	3.45	3.45	1-dc U/2.70	4.38	4.90	5.35
New Gold	NGD	Take partial profits. If out, buy bit at mkt & if dips to 5.75 & 5.45 & 5.20; stop: 1-dc below 4.40.	L	Apr-05-10	4.79	5.30 6.14	6.14	1-dc U/4.40 2-dc U/4.40	6.40	7.15	7.90

May-12-10

## 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 Min.	NDM-T	Traders exited or lightened-up at mkt &/or via 8.40-stop stoploss ☺. If still long, sell/exit into any strength towards 9.50.	L	Feb-17-10	9.52		9.00	1-dc U/8.40			
Osisko Mining	OSK-T	If out, buy if dips to 11.10 & 10.70 & 10.35; stop: 1-dc below 9.20.	L	May-13-09	5.90	10.10 11.30	11.30	1-dc U/9.20 2-dc U/9.20	Hit at 11.20 ☺	12.45	13.90
Randgold Res.	GOLD	If out, buy bit at mkt & if dips to 86.75 & 83.75 & 81.35; stop: 1-dc below 72.80.	L	Feb-17-10	74.42	89.75	89.75	1-dc U/72.80 2-dc U/72.80	Hit at 90.30 ☺	96.30	102.50
Red Back Mng	RBI-T	If out, buy bit if dips to 26.30 & 25.10 & 24.10; stop: 1-dc below 21.80.	L	Dec-11-08	6.76		27.95	1-dc U/21.80 2-dc U/21.80	28.40	30.90	33.60
Royal Gold	RGLD	If out, buy bit if dips to 50.10 & 48.40; stop: 1-dc below 43.60. All buy again after 1-dc over 52.00.	L	Mar-01-10	45.46		51.45	1-dc U/43.60 2-dc U/43.60	54.60	57.65	61.15
Semafo Inc	SMF-T	Take partial profits. If out, spec buy if dips to 6.65 & 6.35 & 6.05; stop: 1-dc below 5.30.	L	Mar-03-10	5.00	5.95 5.70 7.13	7.13	1-dc U/5.30 2-dc U/5.30	Hit at 6.90 ☺	7.50	8.10
Silver Wheaton	SLW	If out, buy bit at mkt & more aggressively if dips to 19.70 & 18.85 & 18.10; stop: 1-dc below 15.80.	L	Feb-17-10	15.84	18.25 17.55 20.76	20.76	1-dc U/15.80 2-dc U/15.80	21.70	23.50	25.30

May-12-10

## 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>											
Cocoa	CC NO	Traders banked all/most profits at mkt &/or exited (at breakeven or with small loss) via 2988 stoploss. No new buy recommendation this week.					2951				
Corn	C NO	Spec buy after 1-dc over 378; stop: exit, or sell ½ at 356-stop, ½ after 1-dc below 356.					377	356-stop 1-dc U/356	413	443	
Crude oil	CLMO	No new recommendation this week.					76.37				
Gold	GC OQ	See page 7.	L	Mar-10-10	1122.90	1197.30	1220.30	1136.80-stop 1-dc U1136.80 (Basis Aug)	Hit at 1195.80 ☺	Hit at 1122.50 ☺	1250.00 (Basis Aug)
S&P500	SP MO	If out, gamblers sell short June bit at mkt; stop: 1191.20-stop. Buy &/or cover June shorts after 1-dc over 1191.20; stop: 1160.80-stop; sell ½ at 1238.00.	S	May-04-10	1172.40	1171.10	1152.20	1191.20-stop (Basis June)	Hit at 1140.00 ☺	1110.00 (Basis June)	1085.00 (Basis June)
Soybeans	S-NO	Traders exited July longs via 967 stoploss ☹. No new buy recom this week.					966				
US\$-Index	DX MO	If out, gamblers/hedgers buy June if dips to 83.60 & 82.80; sell bits at 86.70 & 88.70. Sell, or sell short June after 2-dc below Apr uptrend line (now 83.00); stop: 2-dc over 83.60; cover ½ at 78.70.	L	Apr-28-10	82.54		84.61	2-dc U/83.00	Hit at 84.70 ☺	86.70	88.70

•••• **The case for gold going to \$3,000 is getting stronger *by the day***, according to David Rosenberg of *Gluskin Sheff & Associates*: “The European Central Bank (ECB) has been forced to water down its charter as it permits sub-investment grade Greek bonds as collateral. Sadly, the Central Bank is not a remake of the Bundesbank, and the Euro is less of a ‘hard currency’ than its architects could have ever envisaged a decade ago. Now there is talk **the ECB is contemplating a quantitative easing plan**. The Euro has already broken below 1.30 to the US\$ and there is plenty of room for additional decline going forward. Make no mistake - the problems in Greece are mirrored in places like Portugal and Spain [UK & US] - **this is not about liquidity, like Bear Stearns and Lehman; it is a crisis in confidence**. The *FT* reports today that there has been some market chatter that Spain has been ‘negotiating’ with the IMF for assistance (€280bn) too. **History shows that crises over confidence are tougher to repair over the near-term than liquidity crunches.**” Economic disruption is easier to predict and battle than impossible-to-measure factors like human psychology. The endgame of *every* financial crisis comes when skepticism and fear turn into outright panic – eg, bank runs & stock dumping. •••• **The European Commission's spring forecasts put the UK budget deficit this year at 12% of GDP** – the highest of all 27 EU nations and worse than the Treasury’s own forecasts, reports the UK *Guardian*. “*The country’s budget shortfall was the third largest in the EU last year but will overtake both Greece and Ireland this year, according to the forecasts.*” Greece is the tip of the proverbial iceberg compared to the dire financial situations of Britain & America. Problems in Greece (and other weak-link euro nations) are probably being intentionally publicized to keep that fact hidden below water. •••• **Rioters kill three bank workers in Athens protests**. Three bank workers died in a blaze at their Athens office block last week after violence broke out in a mass demonstration against Greece's govt, reports the UK *Dailymail*. “Anarchy engulfed Athens as protesters torched the bank. Up to 100,000 people took to the streets, many chanting ‘Thieves, thieves!’ while hurling projectiles at police and trying to storm the parliament. Police in full riot gear hurling repeated rounds of tear gas and flash bombs repelled the violent protesters, as smoke wafted through blocks of central Athens. Masked youths threw petrol bombs, broke shop windows and shouted ‘Murderers’ and ‘Burn the parliament’, in a sign of swelling public anger.” Civil unrest is spreading & becoming violent. Riots, looting & possible food shortages will generally be restricted to big towns or areas affected by high unemployment. Where possible, the key rule is to make sure you are someplace else when similar situations are likely. •••• **Most of the 10 members of the US Senate committee who grilled top-ranking employees of Goldman Sachs last**

**month have accepted campaign contributions from either the bank's political action committee or its employees**, reveals *CNSNews*. "Goldman executives – including CEO Lloyd Blankfein – were called before the Senate Homeland Security and Govt Affairs Committee's Permanent Investigations Subcommittee on April 27 to answer questions about the bank's conduct during the run-up to the 2008 housing crisis. However, according to Federal Elections Committee information collected by *OpenSecrets.org*, all but one of the subcommittee's 10 members has taken thousands of dollars in campaign contributions from Goldman Sachs." The majority of politicians are financially in bed with Wall Street. These investigations, like most of the political attempts to reign in the villainous banksters, are a grotesque subterfuge designed to soothe public opinion. ••• **The DJIA and gold will resume their 1 to 1 ratio.** The Dow will fall another 90% from current levels when measured *against gold*, says Euro Pacific Capital's Peter Schiff. From *Finance Yahoo*: "A longtime dollar bear and gold bull, he foresees gold hitting \$5000 per ounce 'in the next couple of years,' and predicts **the Dow and gold will trade on a one-to-one ratio vs the current level of around 9.7-to-1.** Schiff's forecast is based on his view the US\$ is going to collapse under the weight of our massive deficit and reckless policies of the Obama administration." Schiff isn't sure of the exact price but believes the DJIA & gold will reach parity. That's exactly what happened in the 1980s, when the DJIA & gold simultaneously hit 800. ••• **Investors are converting paper gold claims into actual bullion coins, bars, wafers and the "physical squeeze" is gathering pace.** Paul Mylchreest of the *Thunder Road Report* says: "The recent CFTC meeting on precious metals, conducted in public, saw first hand evidence of market rigging from an LBMA trader, but was greeted by almost complete silence from mainstream media in the UK/US. But in the gold and silver markets it's going viral. **There is even anecdotal evidence of semi-refined metal by-passing bullion markets and going directly from the mines to investors due to loss of confidence in exchanges.** The good news is that the gold price manipulation scheme and the fractional reserve system of gold trading in the London market (90% of the world market) are slowly coming apart. **The sad thing is that without the price suppression scheme, the gold price would have warned investors of the reckless policies of Central Bankers and politicians some years ago. The extremes of the bubble and the approaching monetary catastrophe could have been avoided.**" Whenever an artificial price ceiling on anything is imposed, free market forces will continue to build behind the barrier. It's the overdue unwinding of these imbalances that will "catapult" gold to the upside, before it settles at a (higher) free market equilibrium price. ••• **US govt's next target: 401K savings.** The Treasury and Labor departments are asking for public comment on 'the conversion of 401(k) savings and Individual Retirement

Accounts into annuities or other steady payment streams,’ warns former House Speaker Newt Gingrich, & director of entitlement and budget policy for the Institute for Policy Innovation Peter Ferrara. “In plain English, the idea is for the govt to take your retirement savings in return for a promise to pay you some monthly benefit in your retirement years. They will tell you that you are ‘investing’ your money in US Treasury bonds. But **they will use your money immediately to pay for their unprecedented trillion-dollar budget deficits, leaving nothing to back up their political promises, just as they have raided the Social Security trust funds.** This ‘conversion’ may start out as an optional choice, though you are already free to buy Treasury bonds whenever you want. But as Karl Denninger of *Market Ticker* comments: “**Choices’ have a funny way of turning into mandates, and this looks to me like a raw admission that the Treasury knows it will not be able to sell its debt in the open market — so they will effectively tax you by forcing your ‘retirement’ money to buy them.**’ All of this reflects a fundamental problem underlying socialist economic policies. If the govt keeps punishing responsibility and rewarding failure, society ends up with a lot less responsibility and a lot more failure, destroying prosperity in the process. As former British Prime Minister Margaret Thatcher said, ‘The trouble with socialism is you run out of other people's money to spend.’ And now they want to spend our retirement savings.” This plan would obviously be dressed up as a major advantage for savers, but would basically amount to the biggest seizure cum theft of private assets in world history. .... **US food prices jumped 2.4% in March 2010 in the largest monthly leap in more than 26 years**, and the sixth consecutive monthly increase, reports the Associated Press. “Vegetable prices soared by more than 49%, the most in 15 years. Gasoline prices rose 2.1% the department said, the fifth rise in six months.” A crashing economy, high unemployment, housing foreclosures, and fast rising food prices are squeezing the average American family on all sides. But they can’t tighten a belt with no notches left. .... **Are covert IMF gold sales being used to prop up the London bullion banks?** Chris Powell of *GATA* says Reuters reported another mysterious gold sale by the International Monetary Fund last week. “This time the sale is said to have been 18.5 tonnes unloaded in March. Two weeks ago the World Gold Council (WGC) reported that the IMF had sold 5.6 tonnes in February. *GATA* knows of two investment houses that recently applied to the IMF to purchase some of its supposed gold and were refused, one of them being Sprott Asset Management in Toronto. Since the money of those investment houses presumably is as good as anyone else’s, **the IMF’s unusual silence about its two most recent sales invites suspicion and speculation about where the gold is going.** If it’s not going to investment houses that want to buy it, and if its destination cannot be disclosed lest the markets figure out what is happening, is the gold being used to plug holes in the increasingly

leaky dike of Western Central Banks and bullion bank gold price suppression? **Is the gold being rationed to [bailout] members of the London Bullion Market Association, whose impossibly short positions in gold and silver were disclosed over the last six months by GATA?**” The likely answer is yes. That’s exactly what Gordon Brown did after the Sept-Oct 1999 gold price explosion, when, after advertising the gold sales (to intentionally deflate the gold price) he sold approx 400 tonnes of UK gold to deeply underwater London based bullion banks. **•••• Gold shortage rumors abound.** “I have no proof the rumor is true,” says Egon von Greyerz of *Matterhorn Asset Management*, but “a lot of people who have studied the problem closely are convinced that there is a major shortage in physical gold, in size, at the London Bullion Market Assoc. **LBMA trades around 700 tonnes net of gold daily. That is 25% of world annual production and around \$6 trillion annually. To back that amount of trading on a 100% reserve ratio basis, it would need several year’s production of physical gold, which they definitively haven’t got.**” A run on the gold bank by way of a major short squeeze to the upside could be imminent. May the Anti-Gold Cabal RIP!

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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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