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-Gold(&mkts) Charts R Us-

●●●● GCRU #446 on May 18, 2011 (in its 10th year)

Welcome to Gold Charts R Us.

PRESSURE IS DOWN

"*Sell in May and go away*" has been a popular slogan for the stock market, but it's becoming a good one for gold and silver. Silver is leading, and this past week's intraday low for the month means it's down 35% from its peak.

Gold is following. Its decline has been moderate so far, down 7%, but don't be surprised if weakness gains ground, and it possibly runs into the summer months. You'll remember that gold and silver shares have been leading as they have been coming down for about five weeks now. They peaked on April 8, and now some are looking good, moving into good buying areas.

This tells us that we should be prepared for a possible mix, from more volatility in silver's case, to possibly more weakness in gold's case, and some strength in the shares, most likely on a selective basis.



Concerns about the slowing global economy are hurting copper, oil, materials and the stock market. The Greek debt crisis and accelerating inflation are also adding strain, and it all continues to reflect a volatile and uncertain world. Yet this month has been the best month for gold coin sales in a year, which clearly shows the underlying strength of the bull market.

Meanwhile, the U.S. Dollar is bouncing up on the lesser of evils theory. The euro, for example, is under pressure due to the ongoing debt situation. The Bank of Japan Governor recently said their economy is in "a very severe state," which is hurting the yen.

The dollar has been poised for a short term rebound rise and it looks like it has started at a time when gold and silver are coming down. But considering the U.S. financial reality, you know the rise will not be sustained.

The debt ceiling at \$14.29 trillion was reached this week, which caused Obama and Treasury Secretary Geithner to again urge Congress to raise the ceiling to avoid irrevocable damages to the U.S. economy. Geithner has taken extraordinary measures to stave off default for a few more months because as he admitted, even a short term default could be devastating.

The U.S. monetary situation is getting desperate. This suggests that more assistance will be needed after QE2 is complete next month. Time will soon tell.

In the meantime, gold has fallen to an extreme low versus silver on a big picture basis. In other words, silver's extraordinary rise caused the ratio to fall to an extreme. In fact, it fell to its early 1980 lows while its leading indicator dropped to a level that has only been reached three times in 33 years. Today marked the fourth time. This means that gold is now poised to outperform silver, looking out to later this year and next.

It already has by falling less. But, for now, we could see gold weaken more than silver from today's levels as it gets pulled down from the pressure. But once this volatility dies down, gold will be set for a stronger advance than silver. That is, we'll want to be more heavily invested in gold than silver in the months ahead.

GOLD AT EXTREME LOWS VS SILVER



Gold is the solid store of value today, more than silver. Plus, the market is much larger and central banks prefer storing gold, rather than silver.

TECH TALK: Gold continues to hold firmly above its 50 day MA despite overall weakness surrounding it, as seen in silver, gold and silver shares. The main reason being, all of the fundamentals for gold's mega bull market are still there. Safe haven status, amid world economic turmoil, and central bankers moving foreign reserves out of the dollar and into gold keeps fueling gold's strength.

Silver continues to be way more volatile, as it's been unable to find its comfort support zone. Silver broke below the Mar lows and it's looking to test the Jan lows near its 200 day MA, near \$29. Silver has not broken clearly below its 200 day MA since 2008, during its last major decline. A break below this level would reinforce silver's bearish action where it could then decline to \$25, its major support.

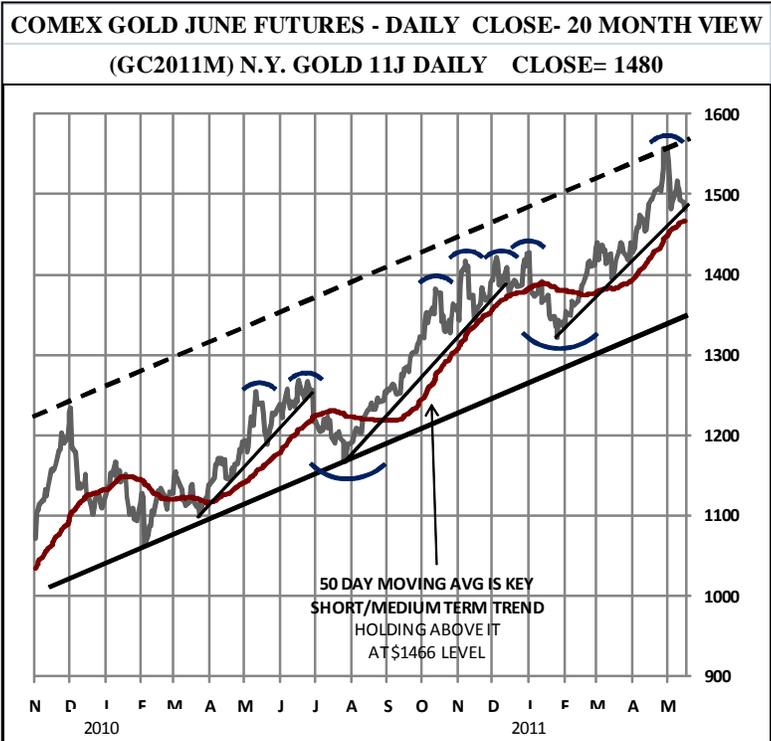
Gold and silver shares continue declining as they have been for the past 5 weeks or so. Some of them are seriously testing their March lows. Most of these, however, are have key support at the Jan lows and it looks unlikely the decline will take them beyond those levels, at least not without a rebound rise before then.

All of our indicators are showing similar action for both gold and silver shares. They are telling us that most of our stocks are at extreme oversold levels. The S/T indicators are actually starting to form bottoms at oversold levels, while the medium term indicators are still in a steady decline, with some of them looking to bottom. This suggests that they're near an important support area.

The HUI Index fell below its Mar lows, only to jump back quickly above these levels, where it has found important short to medium term support, reaffirming the action for gold shares we have been seeing. The Adv/Dec Line continues to hold above its Feb uptrend line but it still has strong resistance at the Dec highs. It has been jumping back and forth, forming an ascending triangle that is likely showing the underlying strength in gold shares, especially if it's able to break clearly above this resistance.

Even though this is not necessarily telling us that gold shares may rise to new highs, it is telling us that we might see an important rebound rise.

Meanwhile, gold's indicators, although not completely oversold, area likely to reach oversold levels soon, confirming that gold still has lots of upward potential.



Nonetheless, gold continues to decline and we must still be cautious as we can only speculate on its underlying strength. We must also be aware of the signs to watch for and be ready to buy back in order to take advantage of its next bullish move within its mega uptrend.

As you may have noticed, we have been using the 50 day MA for gold, as opposed to our classic 75 day MA, because it has been a clearer trend for gold during the upmove over the past 2 years. The 75 day MA is still an important medium

term trend that we will continue to follow, but we have added the 50 day to check on as well.

We will keep a close eye on this trend to see if gold breaks clearly below it. If it does, it would be an important warning signal that we will not disregard.

We have been doing well on our short positions and hope that you are taking advantage of them also. For example, we made a quick 10% profit selling silver short and an 8% gain with NGD. Remember, shorting is just like being long. It's only a trade and we want to take advantage of the downside of the market as well as the upside.

So, what does this tell us? Currently we are out of our long gold and silver positions and we'll keep it that way until clearer signs of strength are seen. Keep half your silver shorts and the rest of your cash available. Dollars are a good thing to have these days when everything else is as weak as it is. When the time comes, you'll then be ready to take advantage of the next move and opportunities.

- Golden regards from *the Adens... Pam, Mary Anne, and Omar*
- 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.
C = Close

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COMEX GOLD JUNE 2011 FUTURES 20 WEEK CLOSE = 1480



Comex gold June 2011 futures Cx 480 min tick chart (all sessions)

Open trades:	Long at:	Sold rest of gold position via profit/loss stop at 1490.
New Recom:	Gamblers buy a bit after a 1dc above 1520. All others look to reenter after a 2dc above 1600. Gamblers sell short after a 2dc below 1450. Look to cover half at 1370 and cover all at 1320 level. Place stops 10 points above entry level after a 2dc.	
Comment:	Gold continues to hold near the Jan uptrend line as Spinner as well as our other medium term indicators continue to fall. Gold has not reached important oversold levels, meaning that it might continue in a sideways to down move before we see important signs of strength that could take gold to new highs. Gold would need to rise first above 1585 and then above the 1600 level to show important signs of strength. On the upside, gold is still very strong at current levels, as it continues to linger near it's 25 day MA. The 50 and 75 day MAs, currently at 1465 and 1440, respectively, are important levels to watch. If gold breaks clearly below these levels after a 2dc, we could see the major trend tested near 1300.	

(SI2011N) N.Y. SILVER DAILY 5/17/11 CLOSE= 33.486



Open trades:	Short at:	37 (May-9-11). Covered half of short position for a 10% profit at the 33 level :)
	Stop:	S/T & M/T: 1dc above 37 (adjusted)
	Profit targets:	Cover all at the 30-32 level.
New Recom:	Still short with half of position. Look to buy new long positions after a 2dc above 40 (readjusted). Sell short again after a 2dc below 29. Cover all at the 26-27 level.	
Comment:	Silver continues to look weak at current levels. It has remained below its 75 day MA which has been an important indicator for strength for silver during the upmove since Aug 10. Furthermore, silver is getting close to its next important support level, it's 200 day MA, currently at the 29 level. A clear break below this level after a 2dc would show us a bearish outlook for silver and a possible decline to the low 20s. On the upside, Spinner and other medium term indicators are showing silver at extreme oversold levels. Nonetheless our indicators are also telling us that silver is likely to remain weak for a while longer before we see important signs of strength.	

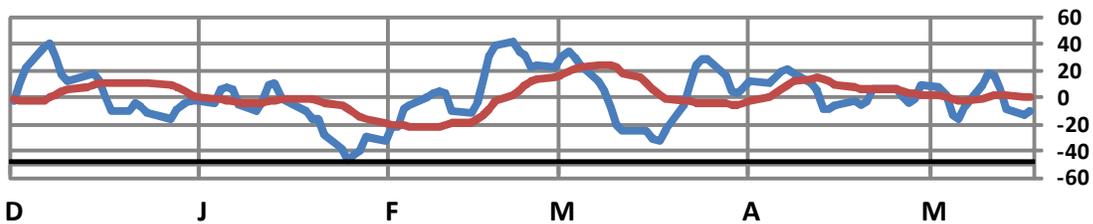
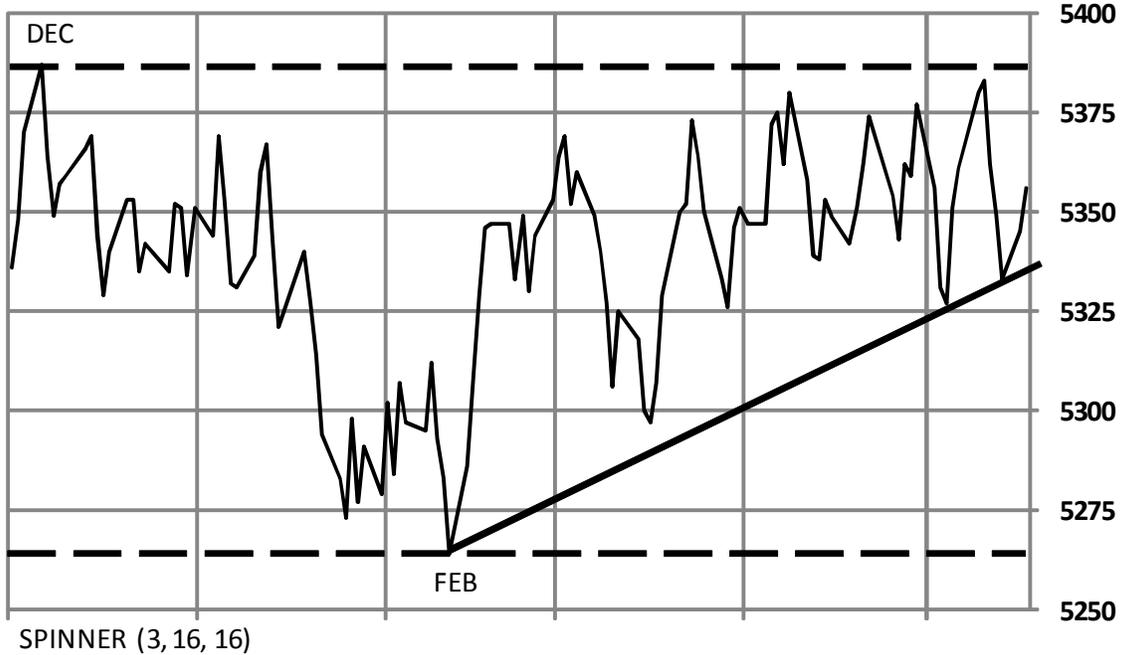
HUI GOLD BUG INDEX (INDEX) DAILY 5/17/11 CLOSE= 523.44



HUI GOLD BUG INDEX DAILY

Comment: H&S top continues to put downward pressure on HUI as it dipped below the Mar lows of 518. But it's essentially holding while Spinner continues to look for a bottom at extreme oversold levels. This means that Jan lows at 492 is strong support and HUI is likely to hold above it. If HUI stays above these lows, we could see renewed strength for gold shares and a possible rise to the top side of the sideways band. On the downside, if HUI clearly breaks below the Sept-Jan lows after a 2dc below 492, it would show bearish action for gold shares that could push gold shares into a further decline.

GOLD STOCKS ADV/DEC LINE DAILY CHART 5/17/11
CLOSE=5356

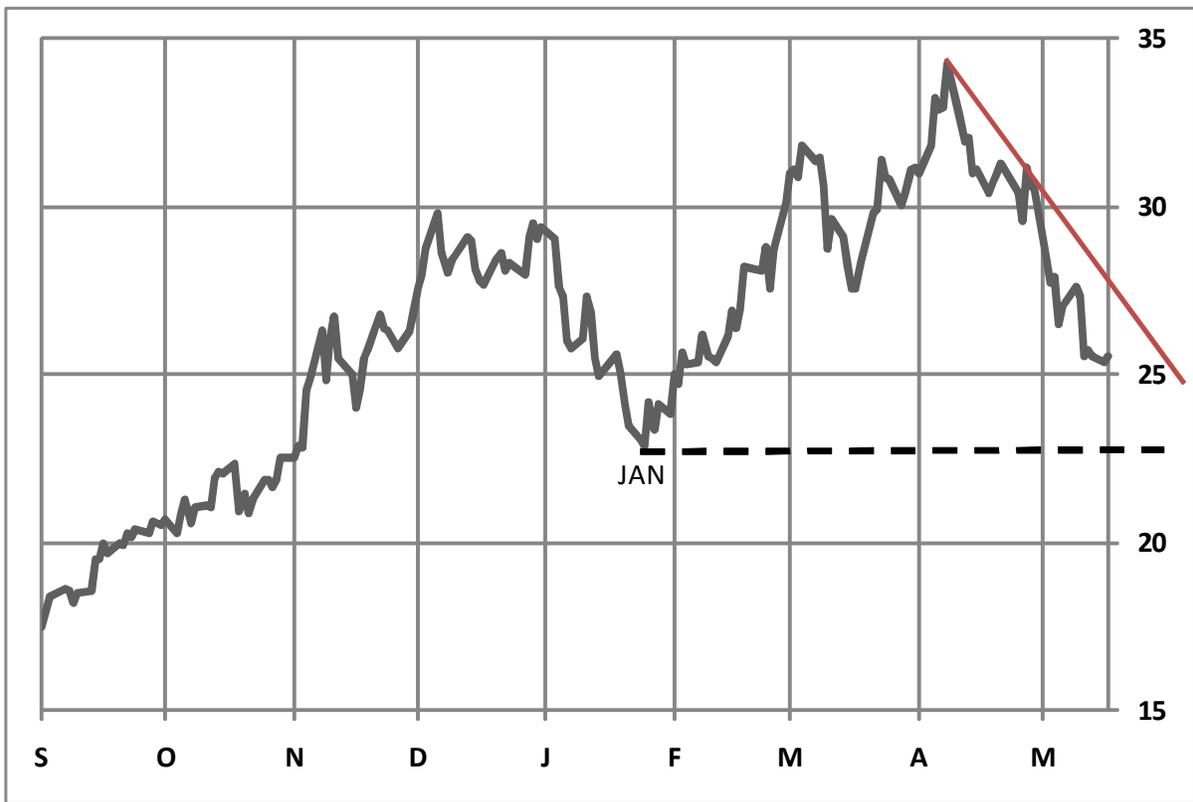


Aden Gold Stocks Advance&Decline Line (SGS A/D) daily chart:

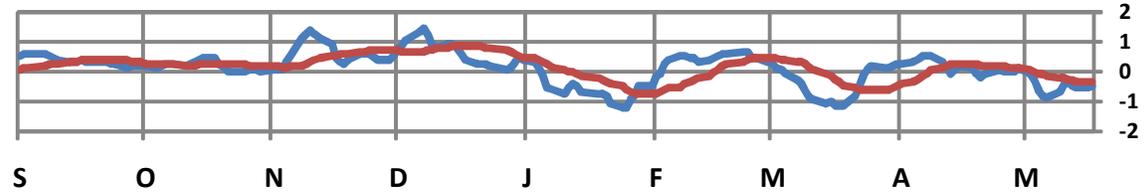
Comment:

The Adv/Dec Line continues to move within the Feb uptrend but has strong resistance at the 5385 level despite the Feb uptrend line support. Bullish ascending triangle is forming. If our Adv/Dec Line can clearly break above the Dec highs after a 2dc above 5387, the bullish pattern will be complete and the Adv/Dec Line would rise to new highs. An important sign of strength for gold shares and gold! On the other hand, if the Adv/Dec Line fails to break above the resistance and breaks below the Feb uptrend line, we could see a bearish tendency for gold shares in the future.

ADEN SILVER SHARE INDEX CLOSE= 25.512



SPINNER (3, 16, 16)



Aden Silver Index (US\$)

Comment:

ASSI continues to decline forming a descending triangle. If breaks below the Jan lows, bearish action for silver shares would be confirmed and silver shares could then decline to the Oct lows near the 20 level. Spinner not providing clear guidance which are signs of weakness. On the upside, if the ASSI holds above the Jan lows, then we could start seeing signs of bottoming strength for silver shares.

GOLD SHARES

(AEM) AGNICO-EAGLE MINES LIMIT. COMM 5/17/11 CLOSE=
62.44

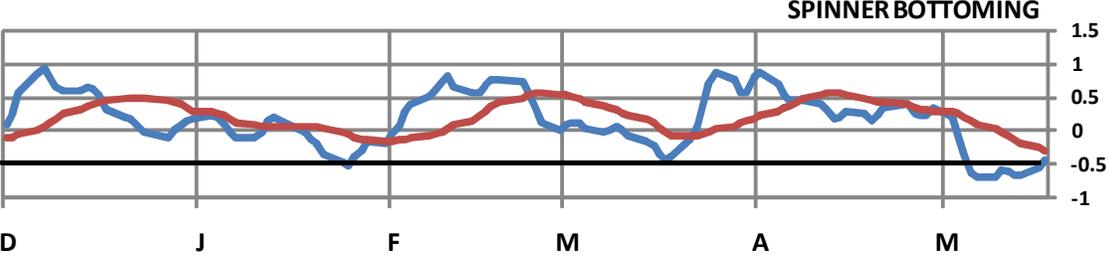
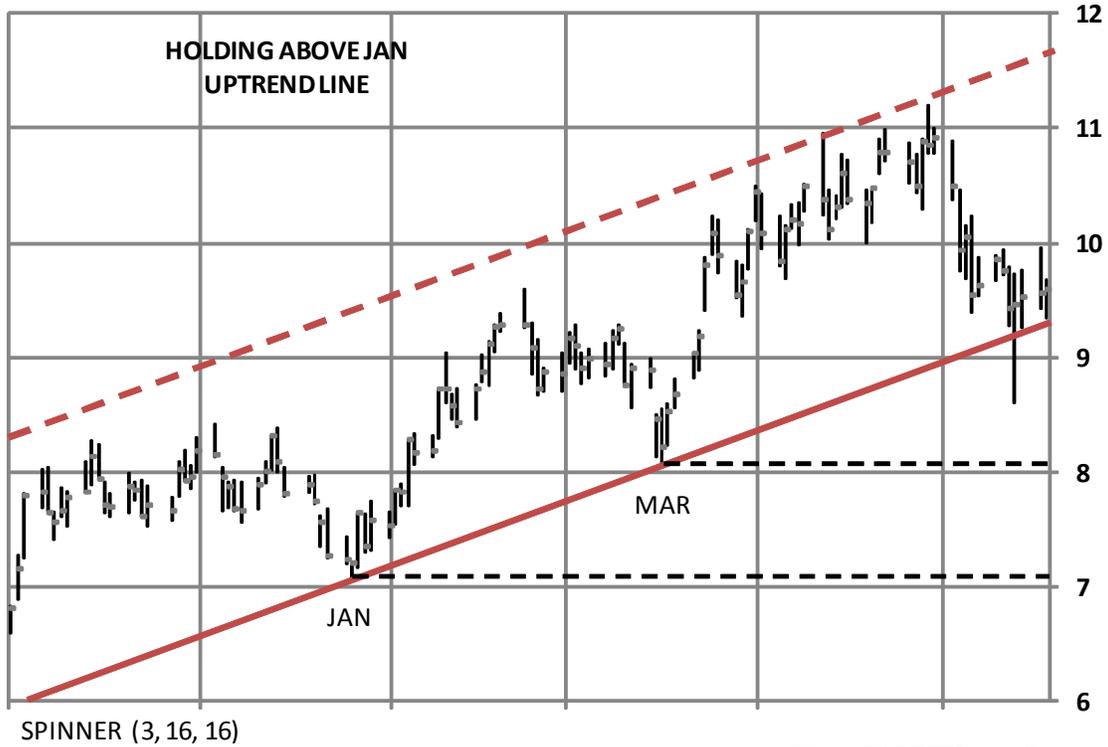


Agnico-Eagle Mines Limit. Comm.

Comment:

Continues to decline within a downside wedge pattern and currently holding at the bottom side at 60. Spinner as well as other indicators not showing AEM at important oversold levels telling us that we might see AEM drift a bit more before rising to higher levels. Will wait a bit more before buying into this one. Keep an eye on 60 support level.

(GRS) GAMMON GOLD DAILY 5/17/11 CLOSE= 9.59



Gammon Gold (NYSE: GRS); gold: US\$

Open Positions	Long:	Entry Level: 9.45 (May-11-11).
	Stops:	S/T & M/T: 1dc at or below 8
	Profit Targets	11 &/or 13

New Recom: If did not buy last week, buy at mkt!

Comment: GRS continues to hold firmly above the Jan uptrend line and its 75 day MA, while Spinner has formed a bottom at extreme oversold levels. Medium term indicators are showing that GRS is oversold, telling us that we are at a good buying level. If GRS holds at or above recent lows, would be important signs of strength that would take GRS to our profit targets. On the downside, the Mar and Jan lows are 2 important support levels to keep a close eye on. A clear break below the Mar low means the Jan lows could then be tested. A break below the Jan lows would reconfirm bearish action for GRS. Keep your positions for now.

(G-TO) GOLDCORP DAILY 5/17/11 CLOSE= 47.37



GoldCorp (Toronto TSX: G-T; NYSE: GG); gold: CAD\$

Open trades:	Long at:	Entry Level: Gamblers bought a bit at 46 (May-11-11).
	Stop:	S/T: 2dc below 44; M/T: 2dc below 39.50.
	Profit targets:	50 &/or 53.
New Recom:	Gamblers, keep positions.	
Comment:	G.TO is holding at an important convergence level, the Mar lows and 200 day MA at the 45 level, while Spinner is looking to bottom at an oversold area. Other medium term indicators are showing G.TO at oversold levels as well. While indicators showing good entry levels at this moment, we must be cautious and wait for a reversal sign in the current downtrend before buying more. The second support level is at the Sept 10-Jan 11 lows above the 39 level where we have our M/T stop. If G.TO breaks clearly below this level after a 2dc would reconfirm stronger bear action for the stock. On the upside, look for a break above the Apr downtrend line above 50 after a 1 dc for reconfirmed strength.	

(NGD) NEW GOLD DAILY 5/17/11 CLOSE= 9.32



New Gold Inc. (AMEX: NGD); gold: US\$

Open trades:	Long at:	M/T: Sold at 9.80 for a loss :(
	Short:	Entry Level: Gamblers at 9.80 (May-11-11). Some may have covered for a profit at 9.05 :)
	Stop	Cover after a 1dc above 9.70.
New Recom:	If Gamblers did not cover shorts last week, look to cover at the 9 level or lower.	
Comment:	H&S top with downside target of 8 underway. Spinner is looking for a bottom at current levels. Other medium term indicators are showing that more weakness is possible. If NGD can hold above it's Oct-Jan uptrend line confirmed by indicators we will buy again. On the upside, look to reenter after a clear break above the Apr downtrend line after a 1dc above 11.	

(PAA - T) PAN AMERICAN SILVER DAILY 5/17/11 CLOSE= 31.33



Pan American Silver (Toronto TSX: PAA-T; NASDAQ: PAAS); silver CAD\$

Open trades:	Long at:	Sold via stop loss at 31.50 :(
Comment:	Broke below the Jan uptrend line and slipped below the Jan lows. Spinner has not reached important oversold levels. Other medium term indicators are showing PAA.T nearing oversold levels, telling us that PAA.T could still decline further to possibly it's Oct lows near 29. Still forming a bullish downside wedge suggesting it's close to a bottom. Buy a bit if it reaches the 29 level.	

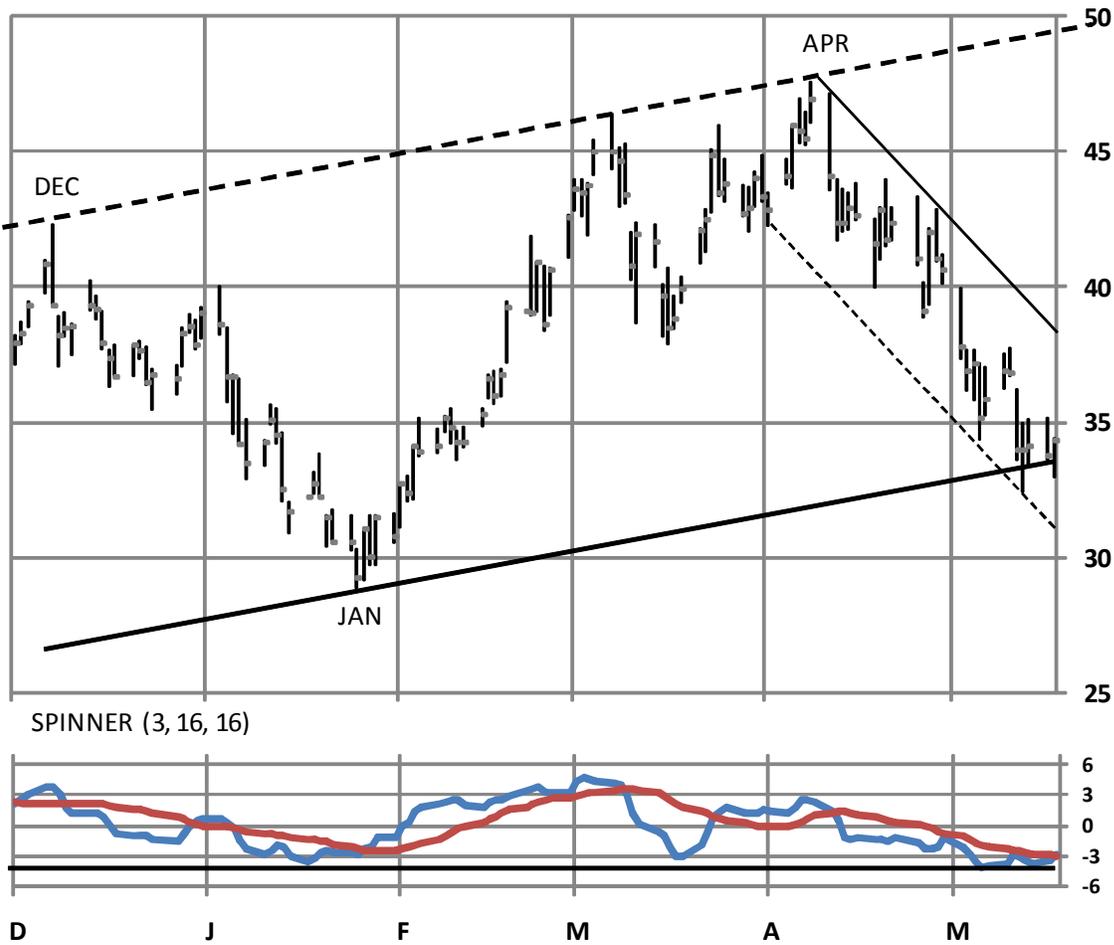
(SSRI) SILVER STANDARD 5/17/11 CLOSE= 27.61



Silver Standard Resources Inc.

Open trades:	Positions	Entry Level: 27.65 (May-11-11).
	Stop:	S/T: 2dc below 26; M/T: 2dc below 24.
	Profit targets:	36 &/or 38
New Recom:	Keep your positions.	
Comment:	SSRI has found key support level at the Mar lows which coincides with the Aug 10 - Jan 11 uptrend line. Indicators are showing SSRI at oversold levels. Keep tight stops in case it breaks below the Mar lows as it could then go on to test the Jan lows near the low 20s. Look to buy more once SSRI breaks above its 75 day MA after a 2dc above 29.50.	

(SLW) SILVER WHEATON CORP DAILY 5/17/11 CLOSE= 34.32



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

Open trades:	Positions:	Sold via stop loss at 34.25.
	Short:	Entry level: Gamblers sold SLW short at 34.25 (May-13-11).
	Stop:	Look to cover all at or below the 31 level. Place stops 1 point above entry level after a 1dc.
New Recom:	Keep your short position for now. Look to buy after a 1dc above 38.	
Comment:	Continues to decline within the Apr downtrend channel. Currently at lower side of the channel converging with the Jan uptrend line where it has found some support. If clearly breaks below the Jan uptrend line after a 2dc would continue to decline to test the Jan lows near the 29 level. Spinner is bottoming at oversold levels. Other indicators are showing SLW at oversold levels, meaning that it's getting closer to a good buying area. Keep your short position for now, but be quick to offset if need be.	

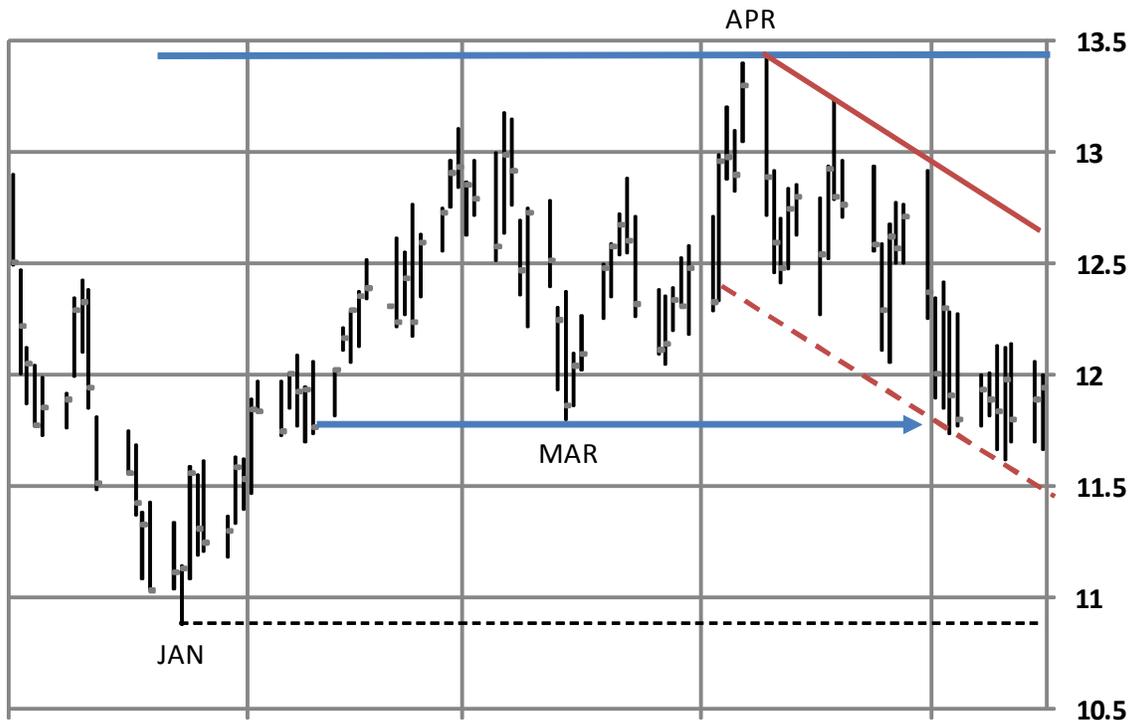
(UXG) US GOLD CORP 5/17/11 CLOSE= 6.76



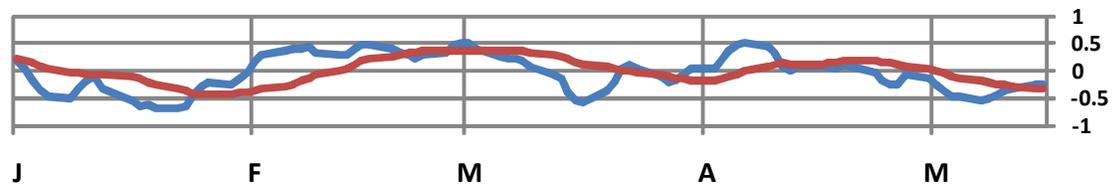
US Gold Corp (Amex: UXG, Toronto TSX: UXG-T) gold&silver: US\$

<p>Comment:</p>	<p>UXG continues to fall, dipping below its first key support level at the Mar lows, telling us that UXG may hold near the Mar lows. If 6.60 is broken on a 1dc, then it could go on to test the Jan lows. Spinner is bottoming at oversold levels and our medium term indicators are confirming oversold status. Gamblers buy a bit at mkt. If 5.80 level is tested, buy a bit more or wait until a 2dc above 7. Place stops at 2dc below 5.80.</p>
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(AUY) YAMANA GOLD 5/17/11 CLOSE= 11.95



SPINNER (3, 16, 16)

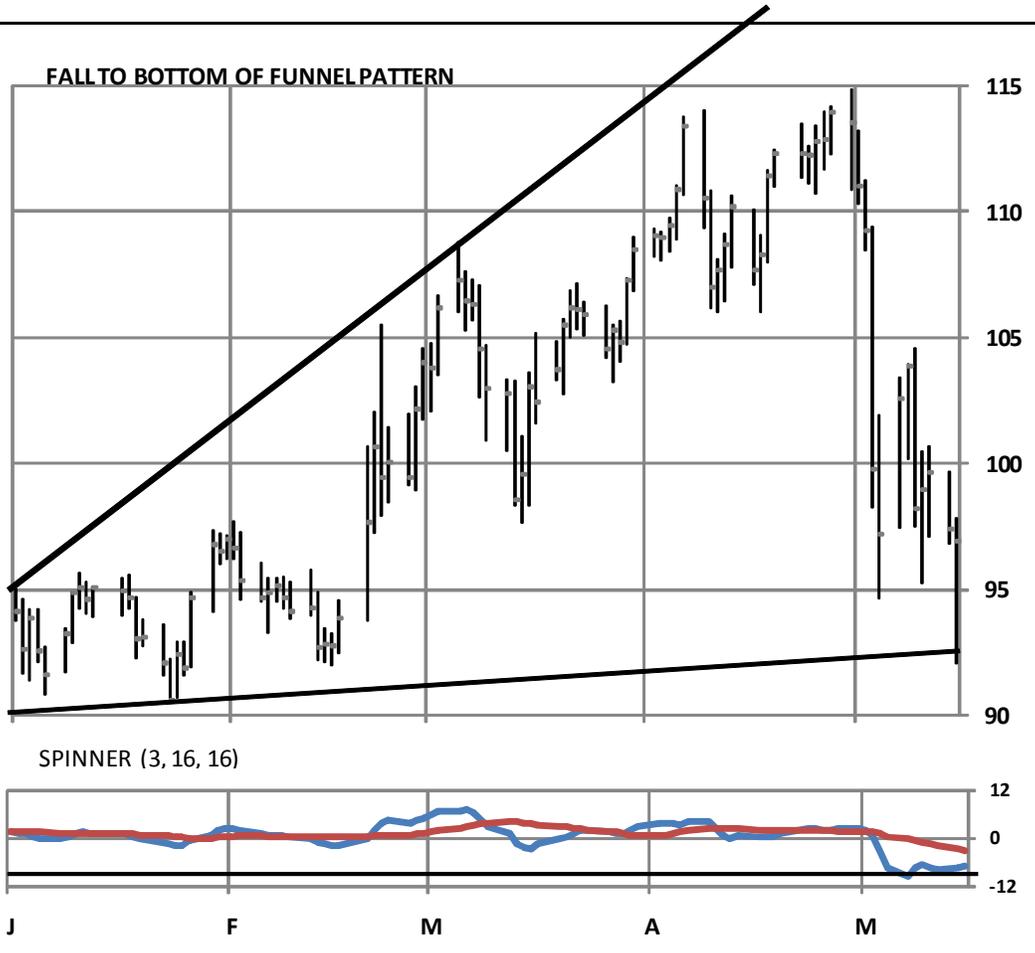


Yamana Gold (AUY); gold: US\$

Open trades:	Long at:	Initial entry price: 12 (Feb 9-11), 12.32 (Feb-23-11), 12.60 (Mar-25-11) and 13 (Apr-6-11).
	Stop:	S/T: 1dc below 11.50; M/T: 1dc below 11.
	Profit Target:	13.50 &/or 14.
New Recom:	Keep your positions.	
Comment:	<p>AUY continues to move in a downside channel since Apr but has found support near the Mar lows. Despite intraday break below the Mar lows, it has not closed below it meaning that it has reached a key support level. Spinner starting to rise! Other indicators are bottoming at oversold levels, telling us that we might see a rise for AUY soon. Important for AUY to break above the Apr downtrend line resistance to confirm strength in rise.</p>	

FUTURES

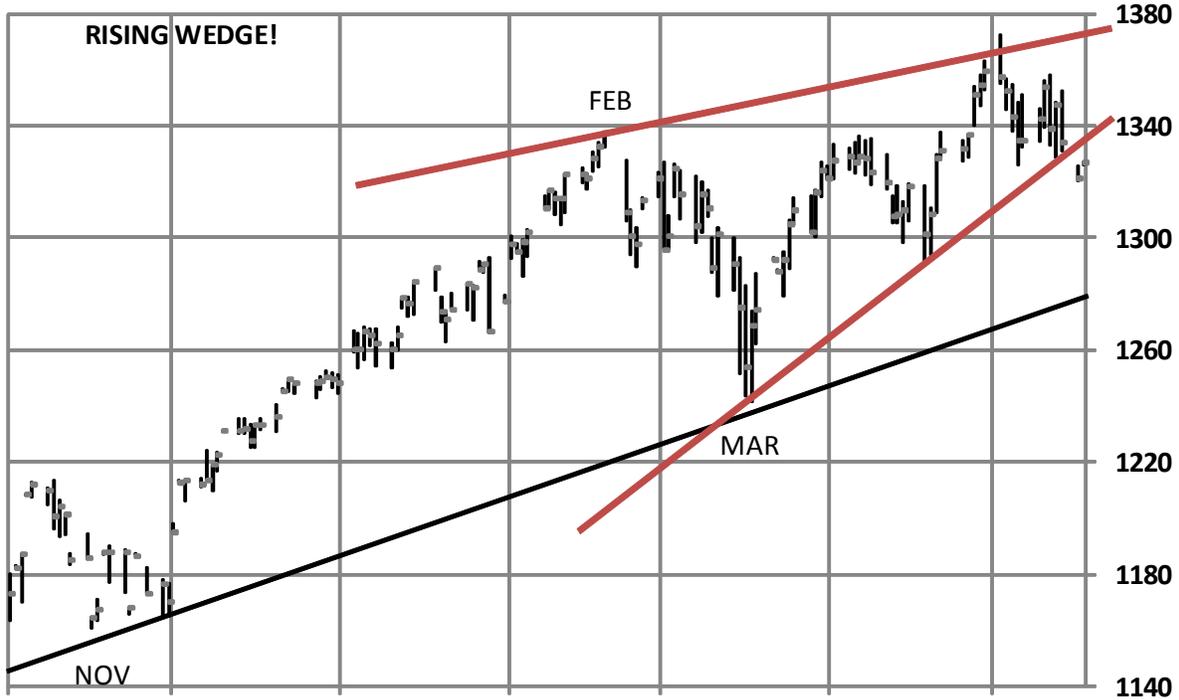
(CL2011M) LIGHT CRUDE OIL DAILY 5/17/11 CLOSE= 96.91



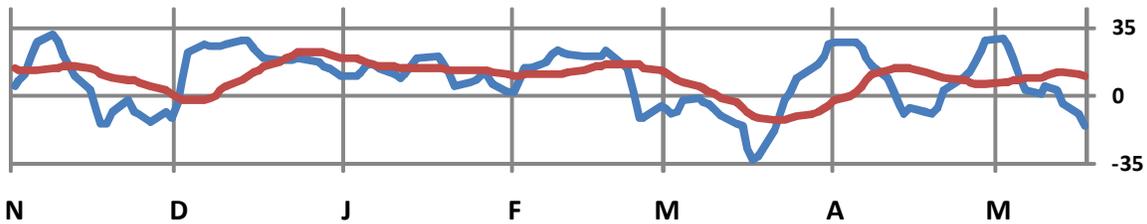
Crude Oil NY May 2011 futures - daily chart:

Open Positions	Long at:	Entry: 100 (May-6-11)
	Short:	Entry Level: 102 (May-6-11) Covered all for a profit at 98.50 :)
	Stop:	S/T & M/T: Place stops after a 2dc below 92.
	Profit Targets	Long: 110 &/or 115.
New Recom:	Keep new long position.	
Comment:	Crude continues to look weak below it's 75 day MA at the 102 level. Nonetheless, Spinner is bottoming at the oversold level while crude is stabilizing at the bottom side of the funnel. Plus our other indicators are showing crude at oversold levels as well, meaning that Crude is positioned to rise in the near future. Keep your positions.	

(SP2011M) S&P 500 INDEX DAILY CLOSE= 1326.75



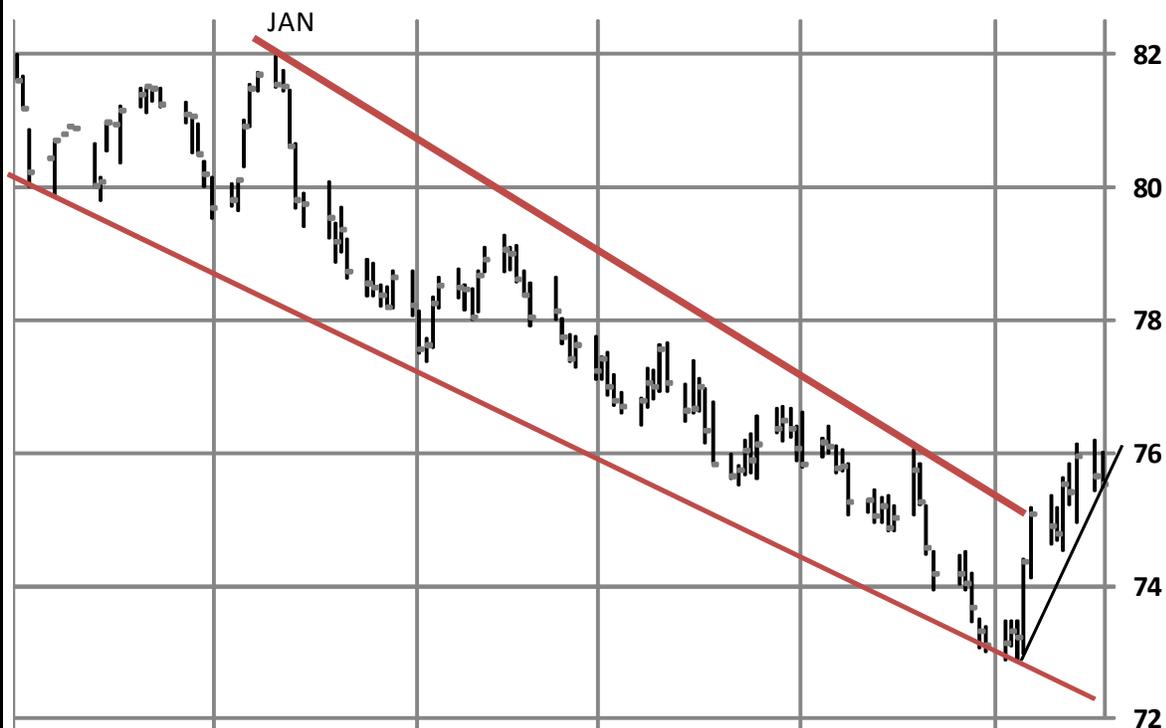
SPINNER (3, 16, 16)



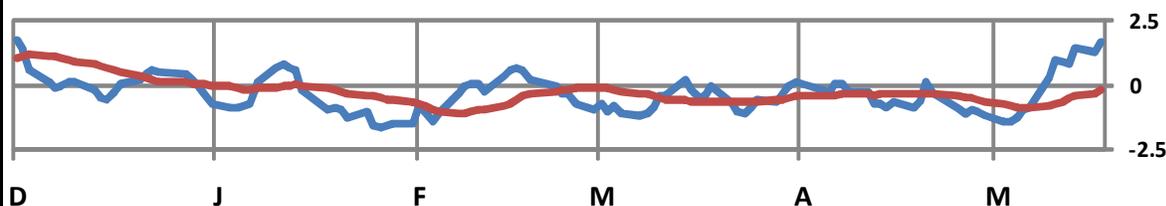
S&P500 Index Jun 2011 futures - daily chart

Open trades:	Long at:	Entry: 1349 (Apr-28-11).
New Recom:	Sell all at mkt. Sell short after a 2dc below 1320. Place stops 3 points above entry level. Look to cover all at 1260 - 1280 level.	
Comment:	Rising wedge pattern with downside target at 1260-1280 forming. A clear break below 1320 after a 2c would confirm formation. As its the 75 day MA key support. Plus the VIX indicator bottomed at a low on Apr 28, a day prior to the S&P closing high... signs of a top for now.	

(DX2011M) U.S. DOLLAR INDEX DAILY 5/17/11 CLOSE= 75.545



SPINNER (3, 16, 16)



<p>Comment:</p>	<p>Dollar broke above the Jan downtrend line as Spinner rises firmly. Indicators are showing Dollar quickly moving towards overbought territory. Must wait to see if dollar can break above its 75 day MA at or above 76.25 after a 2dc to confirm strength in rise. On the upside, buy new positions after a 2dc above 76.</p>
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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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•Subscribers can obtain free online chart updates for all gold shares in *GCRU* via: www.bigcharts.com. To view Canadian stks the following prefix must be used before the symbol: CA: (ie, to view Agnico Eagle (Toronto) you must use CA:AEM).

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