

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

FOR YOUR EYES ONLY
DO NOT FORWARD

UNAUTHORIZED DISCLOSURE NOTICE

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

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

-Gold (& mkts) Charts R Us-

Welcome to *GCRU* #403 on June 16, 2010 (in its 9th year). •••• Gold bullion is virtually unchanged from last week, along with our gold stock Advance/Decline line. The mini sym/triangle from bullion's May high has morphed into a potentially bullish ascending triangle, with \$1250.00 overhead make-or-break resistance. The *Schultz Gold Share* index (gold's Nasdaq) has chewed through resistance of its June H&S right shoulder, while the HUI & XAU gold indexes have risen to challenge, but remain just below comparable resistance (as does silver). •••• Gold appears to be coiling for an upside breakout, but manipulation occurs at crucial chart points &/or when the gold cartel has accumulated a big short position. Analyzing the Commitment Of Traders (COT) data published last Friday, with a Tuesday, June 8 cutoff date, Gene Arensberg warns the Anti-gold Cabal are positioned & seemingly confident of [significantly?] lower gold prices ahead, having a *near record* net short positioning on gold. From the *Got Gold Report*: "The Producer/Merchant commercials – the category in which we believe the bullion banks mostly reside (hide) - held net short gold positions of 216,371 contracts. That is just a hair below their record 219,097 contract net short position set May 18 of this year with gold in the \$1,220s." If the Producer/Merchant commercials appear to be maxed out on the short side, Gene notes the "Swap Dealer commercials are nowhere near a record net short position. Indeed, the Swap Dealers reported net short positions of 57,206 contracts as of Tuesday, which is about half their record net short position of 117,366 contracts set December 1,2009 with gold then in the \$1,190s." The obvious risk, Gene continues, is that "the Swap Dealers are now in a *position of strength* should they decide that gold has come too far too fast. IE, if they throw their considerable weight to the sell side, as they have frequently in the past, it could cause a run, or even a forced run to the sidelines from complacent longs. Thus, our call now is for tight stops and no-nonsense attitudes toward this current market." Gene offers a fundamental reason to tighten stops, but per *GCRU* philosophy, selling at resistance is always smart & recommended. If the cabal plans to spring a new gold trap they'll do so below \$1245.00, as a technical buying above would severely restrain their capacity to hold back the market. So, don't hesitate to bank any worthwhile profits or tighten the trailing profit-stop "noose." If the gold market is beaten down again, we'll be ready to buy at logical support zones (which combined with selling into strength is the other half of our current profit formula!). If not, bullion may try 2 or 3 or more times to breach \$1245.00, before one of the attempts wins, & then we re-buy *after* the confirmed breakout. •••• During the first quarter of

2010, the total number of loans at US banks that were at least three months past due increased for the 16th consecutive quarter. This alarming *trend* exposes the reality behind the falsehood of “recovery.” ●●● The Swiss Central Bank acquired 78.8 billion Swiss francs (\$67.7 billion) in foreign-currency reserves in May as it attempted to contain the steady appreciation in its currency. The *WSJ* reports: “Last month's interventions, which increased Switzerland’s reserves by more than half, was *bigger in absolute terms than any country has ever conducted* except for China, according to UBS analyst Beat Siegenthaler. Yet China’s economy is 33 times the size of Switzerland’s!” The safe haven attributes of the Swiss Franc are penalizing the Swiss economy in a world of competitive currency devaluations (a strong currency acts as both a magnet & an economic tax). European politicians & central bankers are distressed by euro weakness, but in today’s abnormal financial markets, its weakness offers many advantages -- advantages the Swiss are paying a *heavy price* to preserve, as they struggle to remain competitive in trade terms (exports, tourism, etc), to lower fiscal deficits, & support their banking system. ●●● Feeling beaten up by the markets? You’re not alone! May was the worst month for hedge funds since the Lehman’s debacle. Data from *Hedge Fund Research*, shows the average hedge fund lost 2.26%. *Every single hedge fund strategy lost money during May.* ●●● When size matters! John Embry of *Sprott Asset Management* reminds us that “all the gold mined since the beginning of time is worth less than \$6 trillion currently and *the total capitalization of all the world’s gold stocks barely exceeds that of Walmart*. This pales in comparison to the amount of paper money [forex, money market, bonds, stocks] that could seek refuge in the world’s eternal money.” John lists 17 reasons to own gold in an informative 2-page pdf available at: http://www.sprott.com/docs/Reports/reasons_to_own_gold.pdf ●●● The HUI gold bugs index closed at 465 in Tuesday’s mkt. Watch the 515 level closely as it’s the neckline of a whopping 27-month cup & handle, and a break above is projected to trigger a sector wide surge *towards* the 885 theoretical upside target. ●●● If the US\$ builds & breaks down from an obvious top, commodities prices could rise dramatically as a falling dollar would be a symptom of inflation. Hints of a major commodity turnaround are *already* apparent in coffee, oats, & Nat gas – with a break above 485 in the *CRB Commodity Index* required to confirm a general upside reversal. ●●● We bought Fresnillo Plc (UK: FRES) as advised last week, and scalped a generous 5-day profit – which should keep us in beer for a week or two ☺. We’ve now placed under-market orders to catch a setback, as it should. ●●● The cat is out of the bag concerning the forthcoming bankruptcy of 33 states of the USA, according to our gold twin Jim Sinclair (Amex: TRE). “The moronic New York non-solution to borrow from state pension funds,

which now cannot meet their pension requirements, screams bankruptcy. The Administration calling for \$50 billion for states and cities would appear to be confirmation of this financial phenomenon. **The sign that the financial problems of the states of the USA are going *critical* and will make the EU situation look like kindergarten, in market terms, will be a stronger euro and stronger gold.**” On a shortterm basis, we’d need gold and the euro to push & hold firmly above \$1245.00 & 1.2500 respectively to corroborate a *significant* bullish shift in euro and gold sentiment. The current “attack” on the euro – to distract attention from more serious problems in the UK & US – appears to be easing, but not clearly enough to declare the bears have finished their feeding. As currencies are normally attacked one at a time, the UK Pound (due to Britain’s dire economic circumstances) could become the next victim of the currency speculators. But the \$’s day of reckoning will come, as the economic terrorists show allegiance to no flag, and have already proven they are prepared to trash entire economies & nations for a profit. ●●● Bullish Consensus rank gold at 71% (down 3 from last week and well below traditionally overbought levels). The US\$ is at 60 (a big 11% drop). B/C’s gold outlook is “neutral/bullish” as far as the eye can see. ●●● Gold is up \$1.60 in Europe this AM. The US\$ is up 16 cents. A rudderless start to the day. ●●● “*Chugging*” (today’s password) describes gold bullion as it cautiously edges higher to peek at, and prod & probe record territory. Whether a new primary rally begins here about, or we have to live through another nerve-racking decline will largely depend on the intentions of the big bullion banks – and it seems logical they will at least *attempt* to beat the market down to cover their huge short position. So, prepare your orders for the next logical chart action – a new up-leg. But also prepare for a “delay,” just in case! ●●● A cartel-wary bullish goodbye from ***Uncle Harry & Paul***.

●●● If it’s Wednesday, it’s *Gold (& Mkts) Charts R Us*.

IN THIS ISSUE

Agnico Eagle Mines	9
Cotton (futures)	16
Crude oil (NYMEX)	17
Editorial Section	23
Eldorado Gold (Tor & NYSE)	10
Franco Nevada (Tor)	10
Gold daily (NY)	6
Gold tick chart (NY)	7
Iamgold (NYSE & Tor)	11
Lake Shore Gold (Tor)	19
New Gold (Amex/Tor)	11
Osisko Mining (Tor)	12
Pan Amern Silver (Nas & Tor)	12
Randgold (Nasdaq)	13
Red Back (Tor)	13
Royal Gold (Nasdaq)	14
S&P500 (CBOT)	18
Schultz Gold Index	8
Schultz Gold Stks A/D line	8
Semafo Inc (Tor)	14
Silver (futures)	17
Silver Wheaton (NYSE/Tor)	15
US\$-Index	18

••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 – 8 month view



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



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

Open trades:	Long at: Stop: Profit targets:	Initial entry price: 1206.50 (May-20-10). Traders re-bought at 1237.10 & 1222.60. S/T: 1193.80. M/T: 1-dc below 1193.80. Basis Aug: 1292.00 &/or 1330.00 &/or 1368.00.
New Recom:	If out, wait to buy strength after next significant dip &/or spec buy Aug bit at 1258.80-stop; stop: 1193.80-stop (use mini Cx to offset wider stops). <u>All</u> buy again big after 2-dc (or dynamic rise/close) over 1246.50. Requires a determined break below March uptrend line support (now 1201.00 basis <u>daily</u> chart) to justify new short sales; stop: 30 points above your short entry level; cover ½ at 1142.50.	
Comment:	May sym/triangle & upside breakout morphing into potentially bullish ascending triangle, with \$1250.00 overhead make-or-break resistance. Spinner verging on major bull cue (both line up trending above zero). Dec-June irregular cup&handle (see daily chart); \$1425.00 theoretical upside target. Steady as she goes!	

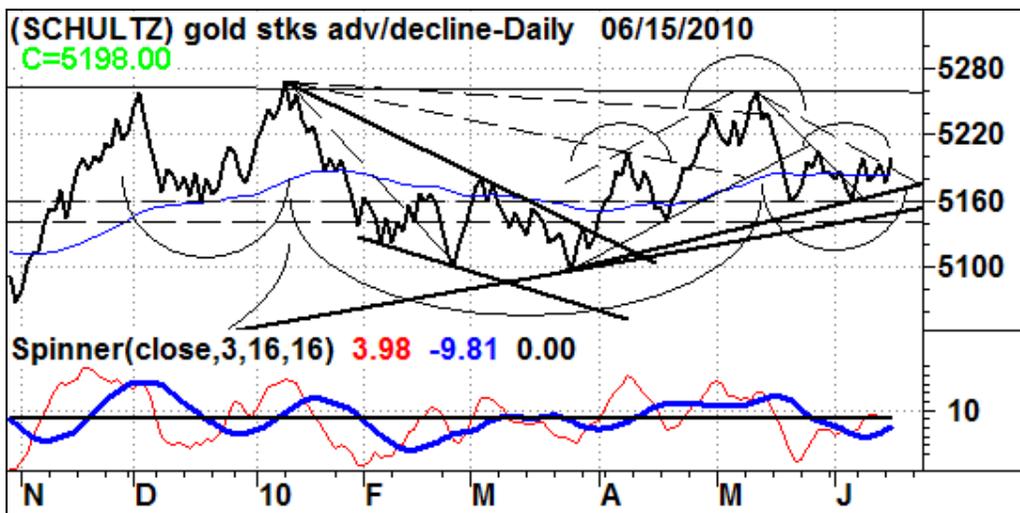
Schultz Gold Share Index (SGI) -- daily



Schultz Gold Index (SGI) – daily chart:

Comment:	Prior H&S risk <u>voided</u> via burgeoning break above June H&S right shoulder high, & 3 rd fan line from May peak. Spinner (thick) confirming line hooking to bullish. Technical focus back to Dec-Apr reverse H&S; 45.70 upside measured target. Shows potential.
-----------------	---

Schultz Gold Stocks Advance/Decline Line -- daily



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

Comment:	2½-month H&S top <u>vs</u> would-be right shoulder of Dec-June reverse H&S; 5430 upside target. Spinner in growing base mode. Must hold 5140-5160 under-market support to keep the higher targets in gear. This chart is updated <u>daily</u> on our website. On the <i>GCRU</i> download page click: View Schultz Gold Stocks A/D Line
-----------------	---

GOLD SHARES



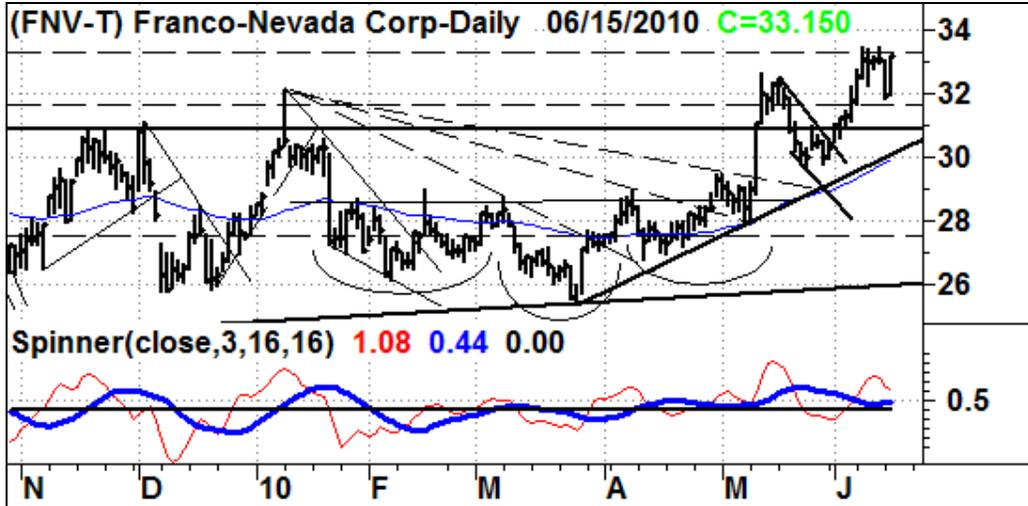
Agnico Eagle (NYSE: AEM; Canada: AEM-T); gold: US\$:

Open trades:	Long at:	Initial entry price: 58.90 (Apr-16-10).
	Stop:	S/T: 1-dc below 53.30. M/T: 2-dc below 53.30.
	Profit targets:	72.50 &/or 76.40 &/or 79.80.
New Recom:	If out, buy after 2-dc (or decisive rise/close) over 61.75; stop: 1-dc below 53.30.	
Comment:	Uncertain 4-month H&S top vs support of Feb uptrend line. Spinner in positive cross with both lines up trending. A dynamic break above 61.75 (on volume) remains the requisite for new buying.	



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

Open trades:	Long at:	Initial entry price: 13.31 (Feb-12-10). Traders re-bought bit 18.17 & 17.70.
	Stop:	S/T: 1-dc below 14.40. M/T: 2-dc below 14.40.
	Profit targets:	19.25 &/or 20.30 &/or 21.50.
New Recom:	If out, spec buy after 1-dc over 17.80; stop: 1-dc below 14.40. Buy more after 1-dc over 18.80.	
Comment:	Mini double top <u>vs</u> March uptrend line support. Spinner flirting with zero line; warns against buying dip action. Possible 4-week ascending triangle. Dec-May consolidation; 19.25 nearby target.	



Franco-Nevada (Toronto: FNV-T); gold/platinum/oil/gas: CAD\$:

Open trades:	Long at:	Initial entry price: 30.99 (Sept-16-09). Traders re-bought at 33.00 & 32.30.
	Stop:	S/T: 1-dc below 27.40. M/T: 2-dc below 27.40.
	Profit targets:	35.60 &/or 38.50 &/or 41.20.
New Recom:	If out, gamblers buy bit if dips to 31.60 & 30.90; stop: 1-dc below 27.40. And/or all buy after 1-dc over 33.25.	
Comment:	Spinner mixed, but corrective active is expected to hold on upper support of 14-month bullish ascending triangle; 38.50 upside target.	



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

Open trades:	Long at:	Initial entry price: 14.90 (Feb-17-10).
	Stop:	S/T: 1-dc below 14.20. M/T: 2-dc below 14.20.
	Profit targets:	20.95 &/or 22.65 &/or 24.30.
New Recom:	If out, spec buy after 2-dc (or decisive rise/close) over 18.10; stop: 1-dc below 14.20.	
Comment:	Coiling above March uptrend line support. Spinner rounding out to bullish. 3 rd fan line from May peak. Requires a sustained rise above 18.10 to shift sentiment firmly positive. Buy on upside breakout only.	



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

Open trades:	Long at:	Initial entry price: 4.79 (Apr-05-10). Traders re-bought bit at 6.68.
	Stop:	S/T: 1-dc below 4.80. M/T: 2-dc below 4.80.
	Profit targets:	7.15 &/or 7.90 &/or 8.70.
New Recom:	If out, gamblers buy bit if dips to 6.10 & 5.80; stop: 1-dc below 4.80. And/or all buy after 1-dc over 6.60.	
Comment:	Spinner crosscurrent. May dip to build 5-week bullish ascending triangle. Green flag flies above March uptrend line (now 5.54).	



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

Open trades:	Long at:	Initial entry price: 5.90 (May-13-09). Traders re-bought at 10.89.
	Stop:	S/T: 1-dc below 9.10. M/T: 2-dc below 9.10.
	Profit targets:	12.20 &/or 12.90 &/or 13.60 &/or 14.45.
New Recom:	If out, spec buy bit at mkt & if dips to 10.70; stop: 1-dc below 9.10.	
Comment:	Reinforced bullish counter-trend break above former H&S top. Spinner gaining legs. 3 rd fan line from May peak & upside breakout. Xlnt R/S, and a bullish omen for general gold share strength.	



Pan American Silver (Nasdaq: PAAS; Canada: PAA-T); silver: US\$:

Open trades:	Long at:	Traders bought at 25.37 & 24.90.
	Stop:	S/T: 22.40-stop. M/T: 1-dc below 22.40.
	Profit targets:	29.30 &/or 31.60 &/or 33.80.
New Recom:	If out, gamblers buy bit at 25.95-stop; stop: 1-dc below 22.40. All buy after 1-dc (must be decisive) over 25.75.	
Comment:	Held break above May downtrend line. Spinner neutral/bullish. Dec-June cup & handle; 33.80 target. One small step will hearten.	



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

Open trades:	Long at:	Initial entry price: 74.42 (Feb-17-10). Traders re-bought at 87.48.
	Stop:	S/T: 1-dc below 74.40. M/T: 2-dc below 74.40.
	Profit targets:	96.30 &/or 102.50 &/or 108.90.
New Recom:	All buy again big after 2-dc (or dynamic rise/close) over 90.90; stop: 1-dc below 77.50.	
Comment:	Mini triple top risk vs Dec-May reverse H&S; 102.50 measured target. Spinner positioned to confirm sustained strength in price. May peak bullish ascending triangle. Blue skies just above!	



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

Open trades:	Long at:	Initial entry price: 6.76 (Dec-11-08). Traders re-bought at 27.88 & 27.10.
	Stop:	S/T: 1-dc below 23.40. M/T: 2-dc below 22.40.
	Profit targets:	30.90 &/or 33.60 &/or 36.40.
New Recom:	If out, gamblers buy bit at mkt; stop: 1-dc below 23.40. And/or all re-buy after 1-dc over 28.00.	
Comment:	Would-be May peak sym/triangle. Spinner a crosscurrent bull; hints at short-lived price dips only. 3 rd bullish fan line. Coiling.	



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

Open trades:	Long at:	Initial entry price: 45.46 (Mar-01-10).
	Stop:	S/T: 1-dc below 45.30. M/T: 2-dc below 43.60.
	Profit targets:	54.60 (if bot low) &/or 57.65 &/or 61.15.
New Recom:	If out, spec buy bit at mkt; stop: 1-dc below 45.30. Buy more after a 2 nd or 2-dc (consecutive) over 52.50.	
Comment:	Encouraging stab above 3 rd bullish fan line, & 2½-month 47.26-52.34 trading range (basis L/O/C). Spinner warming to bullish. Needs volume to bolster price. New burst of strength in the making.	



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

Open trades:	Long at:	Initial entry price: 5.00 (Mar-03-10).
	Stop:	Traders re-bought bit at 7.51 & 7.45.
	Profit targets:	S/T: 1-dc below 6.40. M/T: 2-dc below 5.90.
New Recom:	If out, spec buy if dips to 7.05; stop: 1-dc below 6.40. And/or buy after 1-dc over 7.70.	
Comment:	Mini dip below top resistance of Sept 2009 uptrend channel. Spinner backfilling in positive territory. No major worries in sight.	



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

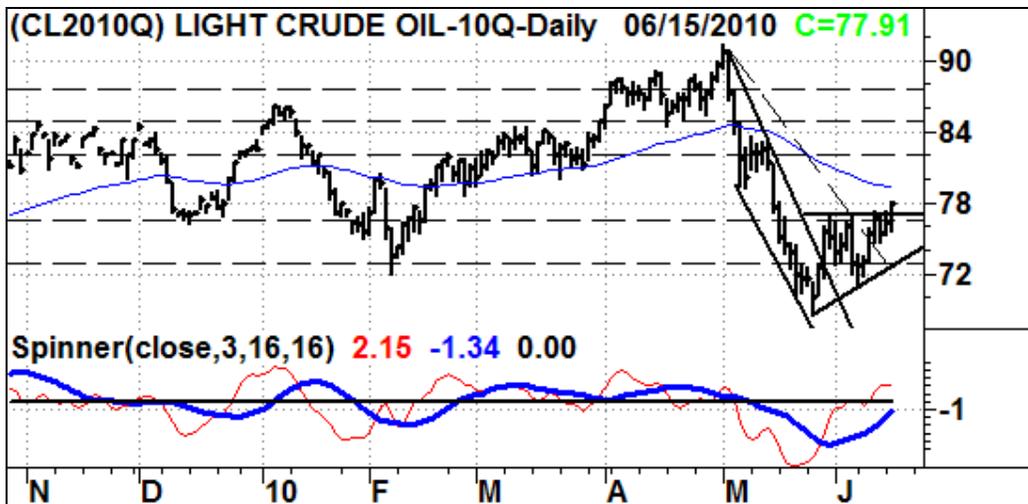
Open trades:	Long at:	Initial entry price: 15.84 (Feb-17-10). Trader re-bought bit at 19.70.
	Stop:	S/T: 1-dc below 15.80. M/T: 2-dc below 15.80.
	Profit targets:	21.70 &/or 23.50 &/or 25.30.
New Recom:	If out, buy at mkt & if dips to 19.20; stop: 1-dc below 15.80.	
Comment:	Former H&S top threat <u>voided</u> via closing break above left & right shoulder peaks. Spinner up trending. Dec-Apr reverse H&S; 21.70 nearby target. Volume is the missing ingredient (across the board).	

FUTURES



Cotton July 2010 futures – daily chart:

Open trades:	None:	Traders exited July shorts with mini profit or at breakeven.
	Stop:	S/T: 79.90-stop. M/T: 1-dc below 79.90.
	Profit targets:	89.30 &/or 92.60.
New Recom:	Gamblers buy July after 1-dc over 82.70; stop: exit, or sell ½ at 79.90-stop, ½ after 1-dc below 79.90. Buy more after 2-dc over 83.80.	
Comment:	Impressive upside reversal & counter-trend break above April downtrend line, on volume. Spinner rounding out to bullish in (weekly & daily chart). Buy on upside breakout only.	



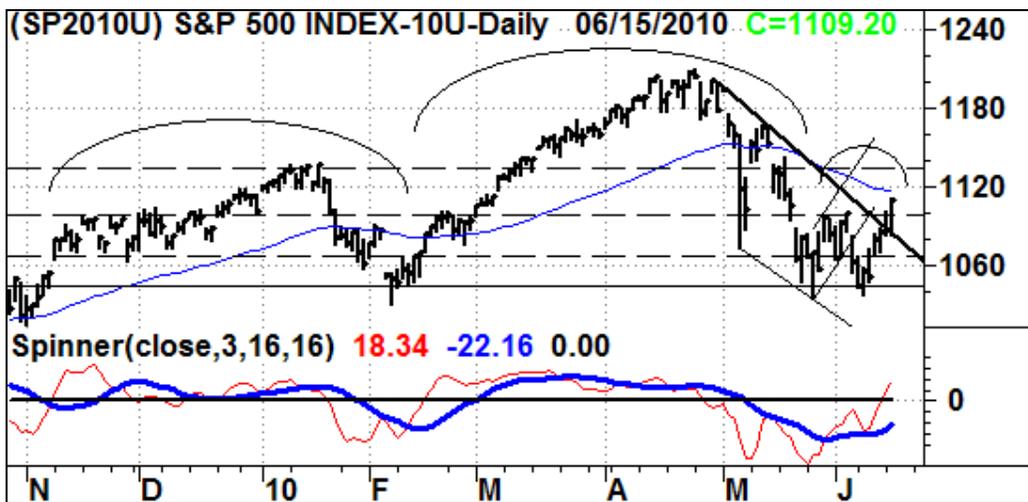
Crude Oil NY Aug 2010 futures – daily chart:

Open trades:	Long at: Stop: Profit target:	Vegas gamblers bought bit at 76.78 (June-10-10). 72.80-stop. 81.90 &/or 84.75 &/or 87.45.
New Recom:	If out, spec buy Aug bit at mkt & if dips to 75.50; stop: 71.90-stop (use mini Cx to offset wider stops); sell bit at 81.90.	
Comment:	3-week bullish ascending triangle & upside breakout, on volume. Spinner in persistent upside cross & rising into positive territory. Dependable base cum upside reversal in the making?	



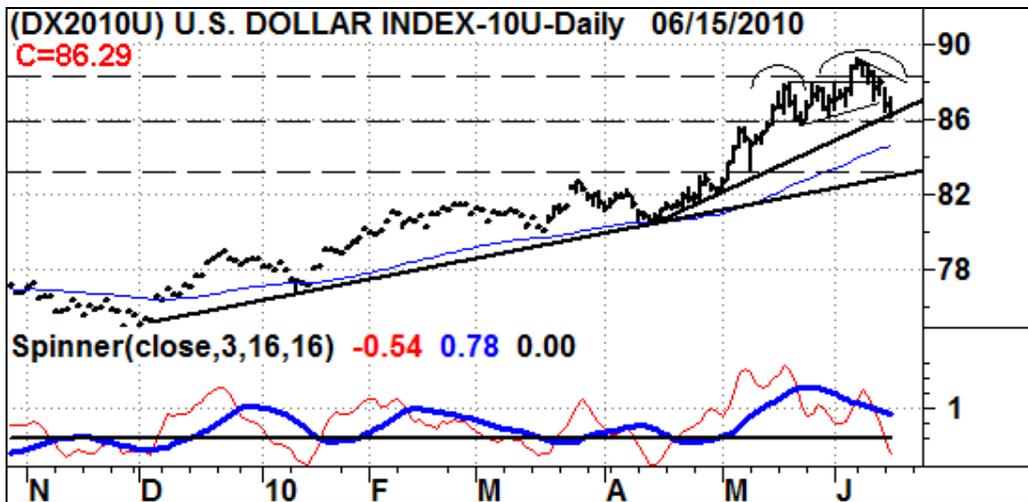
Silver Sept 2010 futures – daily chart:

Open trades:	Long at: Stop: Profit targets:	Traders bought Sept bit at 18.35 (June-09-10). S/T: 17.35-stop. M/T: 16.95-stop. 20.75 &/or 21.90 &/or 23.10 &/or 24.25.
New Recom:	If out, gamblers buy Sept toehold at 18.80-stop; stop: 17.35-stop. All buy again after 2-dc (or decisive rise/close) over 18.50.	
Comment:	May peak bull wedge & upside breakout (19.86 target) vs shortterm H&S top. Spinner basing. Dec-June cup & handle; 24.25 upside target. <i>Sharp</i> rise expected if breaks above 18.50 on volume.	



S&P500 Index Sept 2010 futures – daily chart:

Open trades:	Long at: Stop: Profit targets:	Vegas gamblers bot Sept at 1063.00 (June-09-10). S/T: 1066.50-stop. M/T: 1-dc below 1066.50. Sell ½ at 1133.50, & <u>tight</u> trail stop rest. Some took profit at 1090.30 ☺.
New Recom:	If out, spec buy Sept if dips to 1096.50; stop: exit, or sell ½ at 1066.50, ½ after 1-dc below 1066.50; take partial profit at 1133.50.	
Comment:	Surge break above April downtrend line on rising volume. Spinner hooking to bullish. Expanding uncertain right shoulder of 7½-month H&S top. <u>Trade</u> it, don't marry it!	



US\$ Index Sept 2010 futures-daily chart:

Open trades:	Long at: Stop: Profit targets:	Exited June longs with profit ☺. Traders bought Sept at 88.18 & 87.60 (June-09-10). Basis Sept: 85.60-stop. Basis <u>Sept</u> : 91.90 &/or 93.70.
New Recom:	If out, buy <u>Sept</u> after 2-dc over 88.10; stop: 85.60-stop; sell bit at 91.90. Or, sell short <u>Sept</u> after 2-dc (or forceful break) below 85.60; stop: 1-dc over 88.20; take partial profit at 83.10.	
Comment:	Extended pullback to test April uptrend line cum possible head of 1-month H&S top. Spinner down trending. Running out of steam?	

June-16-10

OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
Gold shares											
Agnico Eagle Mines	AEM	If out, buy after 2-dc (or decisive rise/close) over 61.75; stop: 1-dc below 53.30.	L	Apr-16-10	58.90		61.03	1-dc U/53.30 2-dc U/53.30	72.50	76.40	79.80
Eldorado Gold	ELD-T	If out, spec buy after 1-dc over 17.80; stop: 1-dc below 14.40. Buy more after 1-dc over 18.80.	L	Feb-12-10	13.31	18.17 17.70	17.60	1-dc U/14.40 2-dc U/14.40	19.25	20.30	21.50
Franco Nevada	FNV-T	If out, gamblers buy bit if dips to 31.60 & 30.90; stop: 1-dc below 27.40. And/or all buy after 1-dc over 33.25.	L	Sep-16-09	30.99	33.00 32.30	33.15	1-dc U/27.40 2-dc U/27.40	35.60	38.50	41.20
Iamgold Corp	IAG	If out, spec buy after 2-dc (or decisive rise/close) over 18.10; stop: 1-dc below 14.20.	L	Feb-17-10	14.90		17.57	1-dc U/14.20 2-dc U/14.20	20.95	22.65	24.30
Lake Shore Gold	LSG-T	Per last week, we prefer to sell LSG-T trading positions at mkt, & invest our funds in stocks showing better shortterm potential. Core holders exit if closes below 2.70. LSG-T will be removed from GCRU next week & may be reinstated a later date.	L	Feb-17-10	3.31		3.06	1-dc U/2.70	4.38	4.90	5.35
New Gold	NGD	If out, gamblers buy bit if dips to 6.10 & 5.80; stop: 1-dc below 4.80. And/or all buy after 1-dc over 6.60.	L	Apr-05-10	4.79	6.68	6.42	1-dc U/4.80 2-dc U/4.80	7.15	7.90	8.70

June-16-10

OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
Gold Shares											
Osisko Mining	OSK-T	If out, spec buy bit at mkt & if dips to 10.70; stop: 1-dc below 9.10.	L	May-13-09	5.90	10.89	11.24	1-dc U/9.10 2-dc U/9.10	12.20	12.90	13.60
Pan American Silver	PAAS	If out, gamblers buy bit at 25.95-stop; stop: 1-dc below 22.40. All buy after 1-dc (must be decisive) over 25.75.	L	June-09-10	25.37	24.90	25.54	22.40-stop 1-dc U/22.40	29.30	31.60	33.80
Randgold Res.	GOLD	All buy again big after 2-dc (or dynamic rise/close) over 90.90; stop: 1-dc below 77.50.	L	Feb-17-10	74.42	87.48	90.84	1-dc U/74.40 2-dc U/74.40	96.30	102.50	108.90
Red Back Mng	RBI -T	If out, gamblers buy bit at mkt; stop: 1-dc below 23.40. And/or all re-buy after 1-dc over 28.00.	L	Dec-11-08	6.76	27.88 27.10	26.65	1-dc U/23.40 2-dc U/22.40	30.90	33.60	36.40
Royal Gold	RGLD	If out, spec buy bit at mkt; stop: 1-dc below 45.30. Buy more after a 2nd or 2-dc (consecutive) over 52.50.	L	Mar-01-10	45.46		52.55	1-dc U/45.30 2-dc U/43.60	54.60	57.65	61.15
Semafo Inc	SMF-T	If out, spec buy if dips to 7.05; stop: 1-dc below 6.40. And/or buy after 1-dc over 7.70.	L	Mar-03-10	5.00	7.51 7.45	7.57	1-dc U/6.40 2-dc U/5.90	8.10	8.90	9.80
Silver Wheaton	SLW	If out, buy at mkt & if dips to 19.20; stop: 1-dc below 15.80.	L	Feb-17-10	15.84	19.70	19.97	1-dc U/15.80 2-dc U/15.80	21.70	23.50	25.30

June-16-10

OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
Futures											
Cotton	CT N0	Traders exited July shorts with mini profit or at breakeven. Gamblers buy July after 1-dc over 82.70; stop: exit, or sell ½ at 79.90-stop, ½ after 1-dc below 79.90. Buy more after 2-dc over 83.80.					81.97	79.90-stop 1-dc U/19.90	89.30	92.60	
Crude oil	CLQ0	Vegas gamblers bought bit at 76.78. If out, spec buy Aug bit at mkt & if dips to 75.50; stop: 71.90-stop (use mini Cx to offset wider stops); sell bit at 81.90.	L	June-10-10	76.78		77.91	72.80-stop	81.90	84.75	87.45
Gold	GC Q0	See page 7.	L	May-20-10	1206.50	1237.10 1222.60	1234.40	1193.80-stop 1-dc U/1193.80	1292.00	1330.00	1368.00
Silver	SI U0	Traders bought Sept bit at 18.35. If out, gamblers buy Sept toehold at 18.80-stop; stop: 17.35-stop. All buy again after 2-dc (or decisive rise/close) over 18.50.	L	June-09-10	18.35		18.57	17.35-stop 16.95-stop	20.75	21.90	23.10
SP500	SP U0	Vegas gamblers bot Sept at 1063.00. If out, spec buy Sept if dips to 1096.50; stop: exit, or sell ½ at 1066.50, ½ after 1-dc below 1066.50; take partial profit at 1133.50.	L	June-09-10	1063.00		1109.20	1066.50-stop 1-dc U/1066.50	Hit at 1090.30 ☺	1133.50	Tight trail stop rest

June-16-10

OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/- sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
Futures											
US\$-Index	DX U0	Exited June longs with profit ☺. Traders bought Sept at 88.18 & 87.60. If out, buy Sept after 2-dc over 88.10; stop: 85.60-stop; sell bit at 91.90. Or, sell short Sept after 2-dc (or forceful break) below 85.60; stop: 1-dc over 88.20; take partial profit at 83.10.	L	June-09-10	88.18	87.60	86.29	85.60-stop	91.90	93.70	

•••• **Congressman Ron Paul: “Why govts hate gold.”** As govts and Central Banks continue the cycle of spending and inflating, the purchasing power of their currencies is *constantly* being degraded, says Ron Paul. “These currencies are what the people are working for and saving. This [currency] **inflation guts the savings and earnings of the people**, who have very limited options for protecting themselves. One option is to convert their fiat currency into something out of reach of Central Banks and govt spending, such as gold or silver. It is fairly typical in the midst of economic crises like these for gold to come under attack from Keynesians economists and their **amen corner in the media**. The arguments against gold are usually straw men, based on a fundamental misunderstanding of the purpose of buying gold. **Gold is not a typical investment. It is a defense against the predictable behavior of govts to debase a fiat currency under its absolute control.** The people who run the printing presses have trouble shutting them off. In order to limit one's exposure to this reckless behavior, it is wise to exchange unsound assets for sound ones. As the foundation of their power, their fiat currency, is rejected or avoided, govt power is compromised. **Fiat currencies trade the people's freedom and security for the govt's freedom to squander the wealth of the nation on wasteful pet programs, wars, and corruption. This is why the freedom of the people is so intertwined with a sound monetary unit.** This is also why the founders liked gold and silver, and supporters of big govt hate them.” Fractional reserve banking and the related fiat currency system is a Ponzi scheme that offers unlimited wealth for its “controllers,” and a seemingly unlimited amount of money for govt to spend. So you can bet the store that elite interests will fight to their *dying breath* to preserve the system in its insidious current form. •••• **“In 1930, they didn't know it was ‘The Great Depression’ yet.”** We've written a lot about the similarity between the rally of early 1930 and the one we had through April of this year, says the *BusinessInsider.com*. “The early 1930 rally came after the market had fallen nearly 50% in the fall of 1929. The spring 1930 rally took the market up nearly 50% again, to a level that was only about 20% below the previous peak. That rally, of course, was also the biggest sucker's rally in history. After the market peaked in April 1930, it crashed again, eventually ending 89% down from the 1929 high and more than 80% from the 1930 high. **The market did not reach the 1930 high again for another quarter of a century.** The 2009-2010 rally that ended in April, of course, may actually be the start of a great new bull market, one that will shake off the current ‘correction’ and roar back to the market's old highs. On the other hand, it may yet also be another version of what happened in 1930 – the start of another bear market leg that will take the market down for years.

Importantly, we won't know for sure what today's market is until we look at it with the genius of 20/20 hindsight. As Peter Schiff pointed out, even **as late as 1931, they didn't know they were in a 'Great Depression' yet. On the contrary, the promise from the White House was that 'prosperity is just around the corner.'** Don't believe it? Check out this excellent compilation of *New York Times* clippings from early 1930 put together by Dan Alpert of Westwood Capital (go to: <http://www.scribd.com/doc/19729161/Havent-We-Been-to-This-Show-Before-Dan-AlpertWestwood>). U'll see there is *nary* a hint that anyone [the public] had any idea about the disastrous decade that was to come." (There was no *Uncle Harry* then ☺ to warn). Political deception & mystification are deceitful confidence tricks that deprive the people of the knowledge, the understanding, and the opportunity to prepare & defend themselves. ●●● **Investment banker: "It's going to get so nasty over the next five years -- buy land, barbed wire and guns."** Anthony Fry, senior managing director at *Evercore Partners*, told *CNBC* that the bond markets could turn nasty over the next few months and said that the current problems created by the European debt crisis could be with us for at least five years, reports *PrisonPlanet*: " 'Look at the current situation. You have Greece, now you have Hungary and huge issues surrounding Spain and Portugal,' he said, warning of a 'nightmare scenario' of hyper-stagflation, where inflation rises dramatically, but asset prices deflate. 'I don't want to scare anyone but I am considering investing in barbed wire and guns; things are not looking good and rates are heading higher,' said Fry." To the unaware, this may sound as outrageous as predictions of \$1,200 gold appeared in 2002! To thinking types, it's another little warning sign to prepare or enact a few basic protective measures, depending on your geographical location, family & biz obligations. ●●● The circulating medium is what lubricates the real economy. As such, its specific value is meaningless except to say short-term stability of value is important to its function as a lubricant, pens *FOFOA.Blogspot.com*. "But the US\$ is so much more than just a circulating medium. It is the very yardstick of a mountain of global debt that has reached its growth limit. And when that debt structure implodes it will bring the value of a dollar down to zero, or as close to zero as is physically possible (like \$ interest rates today). This has been coming at the dollar for a long time now. **Hyperinflation is already present in all the debt. Every penny of one man's debt is a penny of another man's retirement plan. It will all, or mostly, be liquidated at the speed of a lightning bolt when the US Treasury market finally implodes, or when the paper gold window finally mandates 'paper only.'** The dollar's value will already be decimated before Bernanke even gets started issuing the high denomination bills like we saw in Zimbabwe and Weimar Germany. Yet he will issue them, as that will be the only way for the US govt to pay its current account, its debt service and its other liabilities, all

denominated in dollars, some structural and indexed to inflation, others simply nominal. But it will be a mad dash to print like crazy. ‘Old money’ and ‘public money’ has seen this coming for a long time now. This is why the Central Banks in aggregate have switched from dishoarding gold to hoarding gold. **When the debt brings down the dollar to near zero and most paper investments tied to the value of the dollar evaporate, gold, in global aggregate, will inherit all the purchasing power lost in the dollar's collapse. Currency is a small part of this loss. Debt is the motherlode!** This is different from past currency collapses because the dollar is the global reserve currency. To view this properly, you have to realize that because gold is globally fungible, and the dollar is the global reserve currency and the global accounting standard, gold's value reset will have nothing to do with inflation. **Gold’s value reset will be from a shift in function, as it absorbs and inherits the global purchasing power that was previously stored in dollar-denominated contracts, including US Treasury bonds, on the balance sheets of the most powerful Central Banks in the world.** Everything else that is a fine store of value like fine art, classic cars, gem stones and commodities, will retain their present purchasing power (or close to it), but gold will be different. **Gold will switch roles, from commodity to wealth reserve par excellence.**” End quote. Fiat money isn’t new. It’s been tried many times before, failed every time, and eventually been linked or replaced by gold. But, the successes & rigid discipline imposed by a gold standard have been repeatedly diluted & destroyed by power-bent politicians & bankers. Today, gold is again resuming its historical monetary role. But the key question is, once gold has restored confidence to our “crashed” monetary system, how can we stop the controlling elite from reinstating a new fiat boom-to-bust cycle? But we can delay worrying about that for now ☺. **“US asset managers worried Obama could confiscate.**” Speaking at the *FT* Silver conference in London last week, lead-off speaker John Levin, HSBC Bank's Managing Director, Global Metals and Trading recounted conversations with some of the US's top asset managers controlling massive amounts of capital asking if HSBC had the capacity in its vaults to store major gold purchases, reports *Mineweb*. **“On being told that the bank's US vaults had sufficient space available he was told that they did not want their gold stored in the USA, but preferably in Europe because they feared that at some stage the US Administration might follow the path set by Franklin D. Roosevelt in 1933 and confiscate all US gold holdings as part of the country's strategy in dealing with the nation's economic problems.** While in *Mineweb*'s view such a move “is unlikely, one needs to bear in mind that President Obama is a keen follower of Roosevelt's views and policies and that the very fact that some asset managers controlling huge volumes of money feel that such a move is possible is a significant factor - and one that

is perhaps heightened by the huge amounts of money flowing into gold at the moment in both ETFs and bullion. At that time (1934) of course, the dollar was exchangeable for gold at a set value (\$20.67 an ounce) so compensation for such a move was easy to calculate. Roosevelt subsequently revalued gold to the \$35 level, which stood for over 30 years. Nowadays that kind of process would be a little more difficult, but perhaps not beyond the means of a govt, already versed in printing large sums of money to try to re-stimulate the economy. Perhaps a figure of the average gold price over a 3-month period at a certain date would meet an initial compensation valuation, but **in today's much more litigious society such a move might well fail anyway.**" End quote. Confiscation is a risk to consider and to protect against via geographical diversification -- even if, as Mineweb note, "analysis of the Roosevelt move suggests that it was not successful in helping drag the US out of depression and indeed may have contributed to a recession *within* a depression." What did end, or at least accelerated recovery from the Great Depression was World War II. History is plagued with examples of economic crises that have lead to, & eventually been "alleviated" by war. And, our biggest fear is that *severe* economic & geopolitical dislocation could tempt today's elite to exploit a similar "solution." •••• "Gold's 'Real Move' to \$7,000 coming." The "real move" in gold is to come, predicted Egon von Gruyerz, founder of precious metals investment and storage company *GoldSwitzerland.com*, last week. "Gruyerz told *CNBC* he sees the inflation-adjusted price of gold 'easily' rising to six times its current price (\$1,210) to around \$7,000 an ounce in the future on 'normal' inflation. "Adjusted for real inflation (as per shadowstats.com) the 1980 gold peak in today's prices corresponds to around \$7,200 today. So gold could easily go up 6 times from the current price of \$1,220 and still be within normal parameters," von Gruyerz's latest report for *GoldSwitzerland.com* said. But von Gruyerz told *CNBC* gold would go higher if the world encounters hyperinflation. The fears stemming from the European debt crisis will enhance gold's safe haven appeal, according to von Gruyerz. "Gold is at this point not a bubble," he added. "It is not overbought. **An important barrier for gold was \$1,220 an ounce and that barrier is now broken and it's 'going to shoot up by probably \$100 very quickly.'** There will be nowhere near sufficient gold to satisfy demand at current prices. We expect the move to be relentless during most of this year with very few major corrections but with high volatility. Moves of \$100 in one day could easily happen. Gold is likely to make a top in the next few years between \$5,000 and \$10,000," his report stated. "Gold reflects govts' deceitful actions in destroying paper money," he said. "At certain points gold is a commodity. Right now it's money." Von Gruyerz sees the dollar collapsing, as well as many other currencies. **"You can only measure the value of currencies now against gold, because gold has an absolute**

value,” he said. We concur. Not just the value of currencies, but the value of all financial and physical assets (real estate, land, art, precious stones, etc) should now be tracked & measured against the new yardstick of value, gold.

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

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

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

.....
.....

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

•Subscribers can obtain free online chart updates for all gold shares in *GCRU* via: www.bigcharts.com. To view Canadian stks the following prefix must be used before the symbol: CA: (ie, to view Agnico Eagle (Toronto) you must use CA:AEM).

•**Note**: U should NOT feel our recommended prices are set in concrete. If mkts suddenly feel hot or cold to U, or dramatic news occurs, U can buy or sell, or stop at slightly higher or slightly lower prices. It also hinges on your experience level. Some people can use our prices as guides & know when they can take bigger risks.

Spinner: Spinner is an in-house momentum indicator (not always shown on charts). Momentum indicators use the rate of change in price to determine predominant energy flows. Spinner trading signals are generated when the faster (red) timing line crosses above or below the slower (blue) confirming line. Upside crosses in the lower range of positive territory offer the most reliable signals for longs; downside crosses in the top range of negative territory for shorts. Avoid trading against the timing line, ie, buying/selling if the timing line is in corrective mode (against direction of trade) unless the confirming line is positioning for a new 'confirming cycle'. It's important to always be aware of location, direction & cycling phase of the confirming line. Spinner signals are more effective in trending mkt's than in trading ranges where indicators such as Stochastics & Williams %R should be used.

- Australian mkts are 1 day ahead of US time.
- All charts created with *TradeStation* by Omega Research 2000.

.....

Gold (& mkts) Charts R Us is published weekly. You may sign up for 3-mos at €213 (\$290), 6-mos at €416 (\$567), 9-mos at €608 (\$828) or 12-mos €789 (\$1,075). E-mail: info@hsletter.com

.....

- DISCLAIMER -

Due to the electronic nature of e-mails, there is a risk that the information contained in this message has been modified. Consequently *HSL, HSL Jr* or *Gold (& mkts) Charts R Us* can accept no responsibility or liability as to the completeness or accuracy of the information. Whilst efforts are made to safeguard messages and attachments, *HSL, HSL Jr* or *Gold (& mkts) Charts R Us* cannot guarantee that messages or attachments are virus free, do not contain malicious code or are compatible with your electronic systems and does not accept liability in respect of viruses, malicious code or any related problems that you may experience. Information in *HSL, HSL Jr* or *Gold (& mkts) Charts R Us* is for general information only & is not intended to be relied upon by individual readers in making specific investment decisions. Appropriate independent advice should be obtained before making any such decisions. *HSL, HSL Jr* or *Gold (& mkts) Charts R Us* do not guarantee or assure that readers will make money, or accept liability for any loss suffered by readers as a result of any such decision. Futures and share trading involves risk and is not for all investors. Past performance is NOT indicative of future results. Trading involves risk and should be pursued with risk capital only!