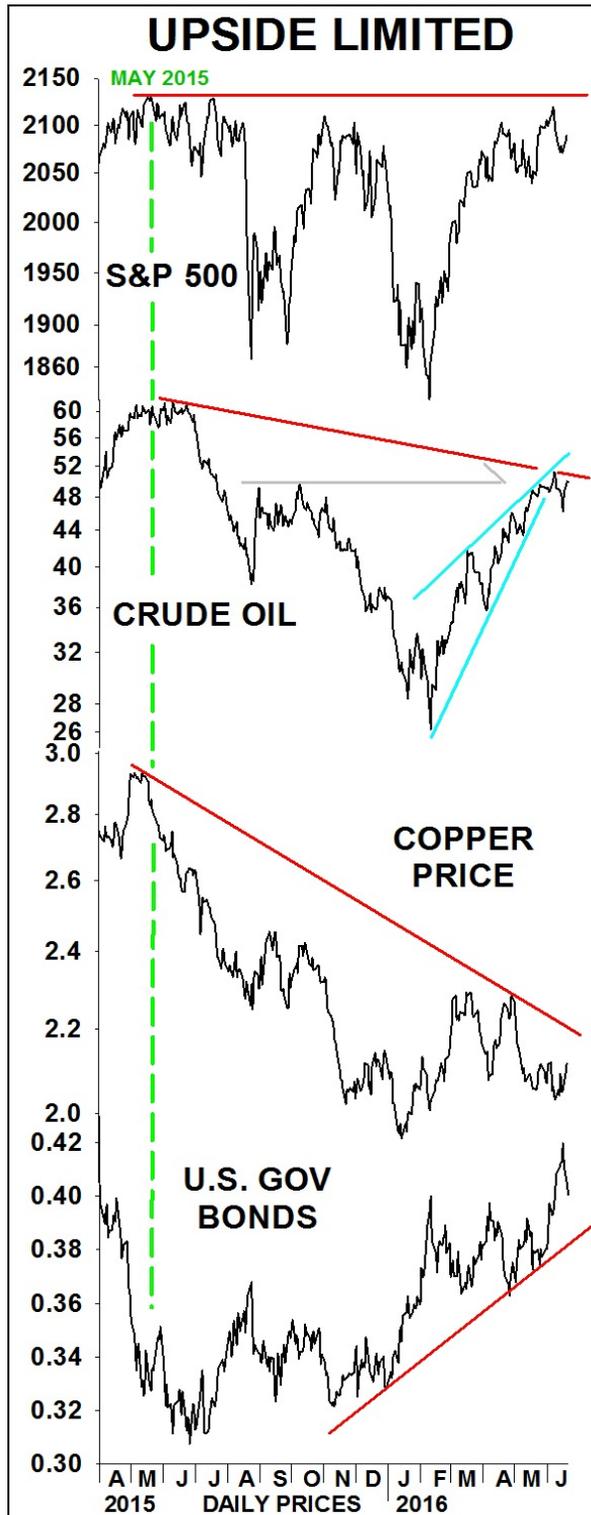


- GCRU -

Weekly Trading Service



●●● GCRU #694

●●● June 22, 2016 (in its 15th year)

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KEY PRICES			
Name/Symbol	June 21, 2016 price	Change	June 14, 2016 price
Gold (GCQ16)	1272.50	-15.60	1288.10
Silver (SIN16)	17.319	-0.105	17.424
HUI (HUI)	220.55	-4.26	224.81
Copper (HGN16)	2.1160	0.0755	2.0405
Crude Oil (CLQ16)	49.85	0.79	49.06
S&P500	2088.90	13.58	2075.32
U.S.Dollar (DXU16)	94.061	-0.979	95.04
30 Year T-Bond (ZBU16)	167 - 19	-1.11	168 - 30
10 Year T-Note Yield	1.7000	0.0890	1.6110
13-week Treasury bill	0.2650	0.002	0.263

“He who bets on governments and government money bets against 6000 years of recorded history”
 – Charles De Gaulle –

THE MARKETS ARE READY... FOR SOME ST WEAKNESS

This week it's been all about Janet Yellen, the Fed's head, and the U.K. Brexit referendum vote on Thursday. They've been the main force in the markets.

Gold, silver, gold shares, crude and bonds fell yesterday while the dollar index rose because the markets are leaning on a "stay" win. We'll soon see on Thursday but this close call has been tense.

The British Pound has been bouncing up all week from its lows on a stay win. The euro is neutral to bullish while the ECB stands ready to act to the Brexit result, with all tools if necessary. The stock market also inched up.

Yellen was cautious when the Fed left interest rates unchanged last week. Her enthusiasm at the start of the year went down several notches.

Gold rose above \$1300 intraday after Yellen's speech, but it failed to close above this key resistance level and it's now declining from that high. Like gold, HUI also shot up above its resistance at 233.46 on a close. However, it failed to confirm by closing on a second consecutive day above the resistance level.

In other words, lack of follow through exposed weakness in gold shares that our indicators had been showing!

The **Chart Below** shows gold, gold shares (the HUI) and silver all resisting at key ST

levels. That is, the highs of April-May are a growing resistance level for this year's rise.

Note gold resisting at \$1300 which is also the high area in January 2015. Interestingly, gold in euros is now similar because it too is resisting at the same highs. And silver is still clearly below its highs.

This means if gold, HUI and silver now stay below their highs and decline below their 15 wk MAs, the downward corrections will clearly be underway.

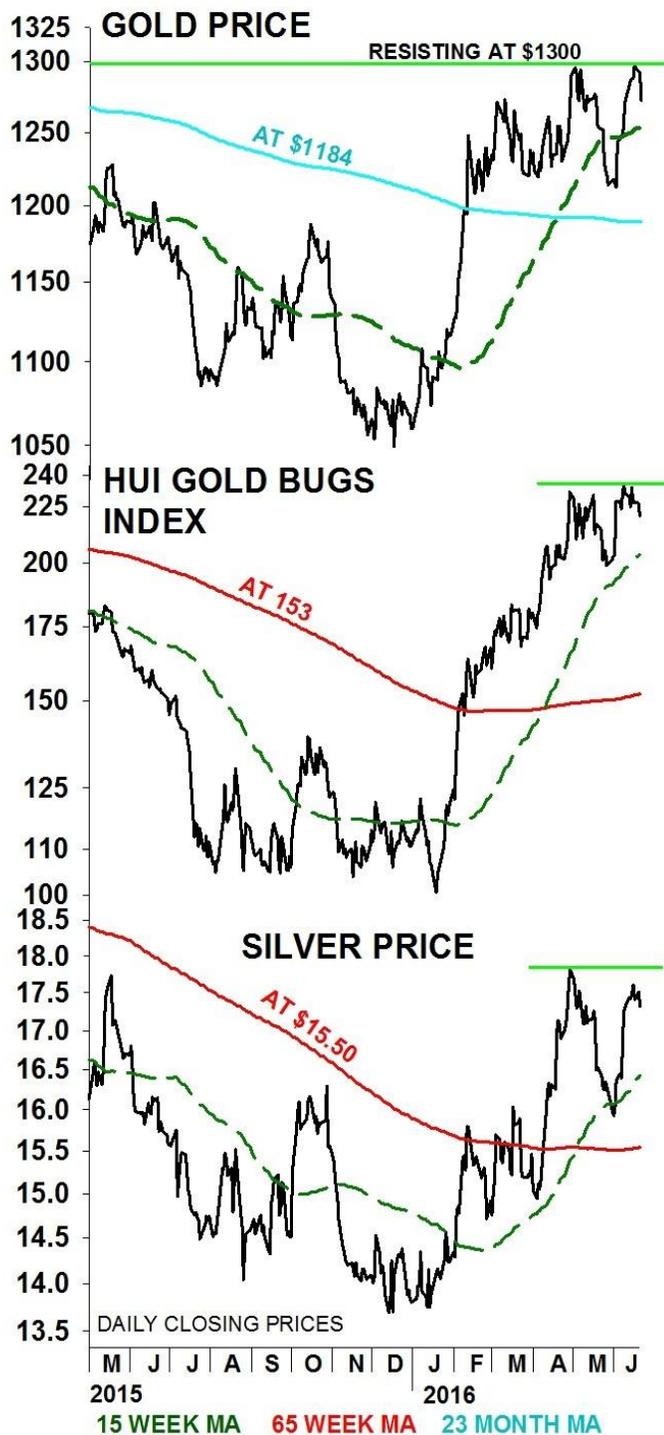
We'll be watching like a hawk and will be buying key shares at the lower levels. We're looking at several key stocks to buy on weakness, including gold shares, like AEM as shown in the chart section below, more gold and silver, as well as crude and energy shares.

Silver is holding up well. It's bullish and it's strong above \$16.

Crude oil jumped up on Monday on concerns of supply disruptions in Nigeria, and a considerable decline in U.S. oil inventories. However, crude continues to resist below the \$51.50, as its bearish upside wedge continues to develop.

We'll keep our put spread and SCO (ETF that rises when oil declines). Likewise for the stock market which is why we're keeping SDS (ETF that rises when the S&P 500 declines).

STILL RESISTING



This is why we have an interesting rundown on the front page today. Note that it's not only the metals that are resisting, the upside looks limited for the stock market, crude oil and copper. We

could even see some ST weakness in the bond market.

First you can see deflationary-recessionary pressures strengthened. It took over the markets about a year ago. The dashed vertical line in May of last year shows when it started.

When the stock market peaked at that time, it preceded a sharp fall in crude oil and the copper price. They all fell for the rest of 2015. It was this year 2016 when many felt the oil influence over the stock market more when both rose together.

With crude's rise now resisting below \$51.50, while the stock market is losing this year's luster, we think it's just a matter of time before both fall, and probably together. Copper stopped rising but it's drifting by staying below the red downtrend.

Interestingly, the bond market took off this year as the recessionary wave was being felt in the U.S. and around the world. But the rise is overdone, and both bonds and gold could decline together in a ST correction.

This implies that Britain will stay in the EU. We'll soon see.

And if the stock market and gold both decline, we'll then likely see gold shares fall sharper, and perhaps HUI will have a chance to form the right shoulder of a head and shoulders bottom formation.

Our strategy for this week is similar to last week's. Continue to watch the resistance levels on the metals, gold shares and S&P500. It feels like the corrections are getting closer. Keep an eye on the 15 week MAs. Both are still key for the next ST trend direction. If our open orders are triggered, buy more unless you have all your position set.

Best wishes and good trading,



Omar Ayales
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GCRU

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MARKET LEADERS

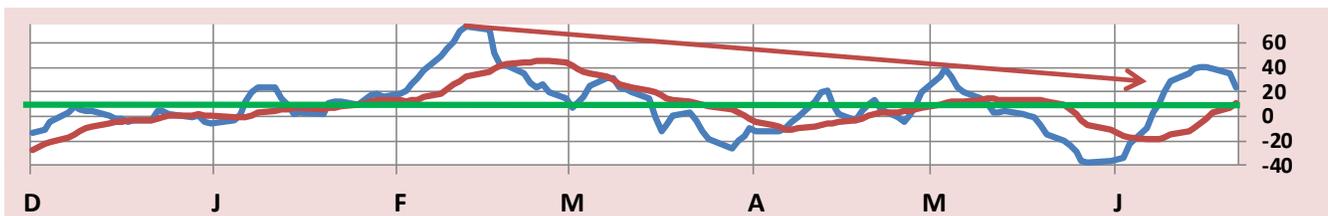


GOLD AUGUST 2016 (GCQ16) 6/21/2016 CLOSE = 1272.5



SPINNER (3, 16, 16)

LOSING STEAM: WATCH MT MA & ZERO LINE... WEAK BELOW BOTH



Long	1260 (Mar-4 & 7 - 16) (GLD: 121), 1208 (May-31-16) (GLD: 115.50)
Stops	2dc below 1165 (GLD: 112)
Profit Targets	1400 & 1500 (GLD: 133 & 143).
New Long Recom	Keep your positions. Buy more near 1200.

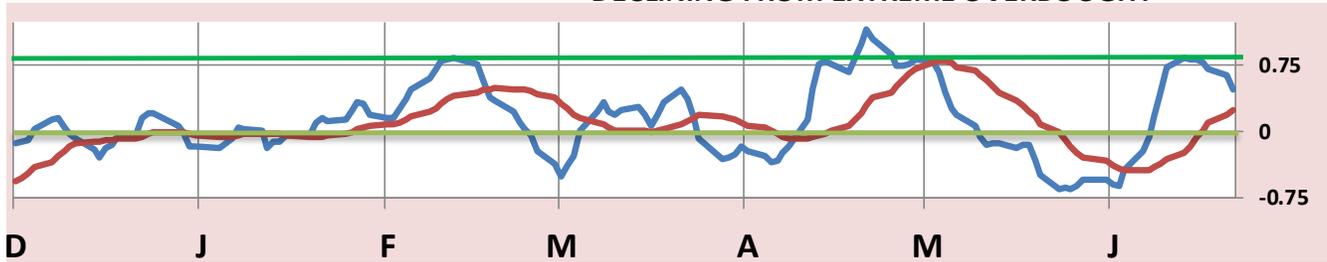
Gold's attempt to break above the top side of the 4+ mo sideways band failed this past week despite Yellen's cautious tone in her speech. Spinner seems to be rolling over showing momentum may have peaked ST. However, keep in mind gold is still very bullish MT-LT and will remain bullish if it holds above the Dec uptrend at 1220. Moreover, the bottom side of the 4+ sideways band near 1200 is also strong support. This support could end up converging with a rising 65wk MA in the weeks to come (currently at 1185). Gold's support at the 65wk MA is rock solid. The chart above shows a decline to 1200 is likely given that gold resisted at the 1300 level. Moreover, a decline to those levels would present a great buying opportunity. Our strategy will remain the same. Keep your gold and buy on weakness. Get ready to buy again at those levels if you're adding to your position or buying for the first time.

SILVER JULY 2016 (SIN16) 6/21/2016 CLOSE= 17.319



SPINNER (3, 16, 16)

DECLINING FROM EXTREME OVERBOUGHT



Long at:	15.95 (May-31-16) (SLV: 15.25).
Stop	2dc below 15.75 (SLV: 2dc below 15) (adj).
Profit Target	18 & 20.50 (adj).
New Recom:	Keep your positions. Buy again near 16.

Silver continued its bullish rise. It reached the May closing high but lacked the strength to break above resistance. Silver remains very bullish above its Jun uptrend near 17.25 and it has solid support at the Jan uptrend near 16. If silver remains bullish and rises above 18 on a 2dc, it'll be off to the races and could then climb to the top side of the funnel near 20. However, it's very likely we'll see silver pull back before rising above its resistance. Notice Spinner rolling over at an extreme overbought level. This tells us momentum may have reached a ST high and some consolidation or weakness could be expected in the weeks ahead. As with gold, we recommend keeping your silver and taking advantage of weakness to increase your position or buy new ones. Silver at or near 16 would pose a great buying opportunity.

U.S. DOLLAR INDEX SEPTEMBER 2016 (DXU16) 6/21/2016
CLOSE= 94.061



New Recom	Stay out.
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The U.S. dollar index remains within a weakening pattern. It continues to decline in a clear downtrend since Jan and it's failed consistently to break above key resistance levels, the first key level being near 96. Moreover, Spinner continues to trend downwards showing sliding momentum. Remember, although the chart shows the dollar and Spinner since Dec 2015, Spinner's downtrend goes back all the way to Mar 2015. If the dollar fails to rise above the Jan downtrend once again, we could see it break below the May lows near 92 sooner than later. The dollar must break above 96 on a 2dc to show signs of renewed strength brewing. However, keep in mind the dollar's "make or break" resistance level is near 101. The weaker dollar will continue to give gold, silver, the precious metals and commodities an upward boost.

LIGHT CRUDE OIL AUGUST 2015 (CLQ16) 6/21/2016

CLOSE= 49.85



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

Recom: **Keep your positions.**

Crude continued its decline after breaking below a bearish downside wedge two weeks ago. Spinner weakness shows lackluster momentum will continue to fuel the decline. Crude remains bearish by staying below 51.50. We recommend keeping your put spread and position in SCO for now as downside pressure remains strong and a decline to the Jan uptrend near 44 is still likely.

CBOE Interest Rate 10 Year T No (^TNX) 6/21/2016 CLOSE= 1.7 US\$



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

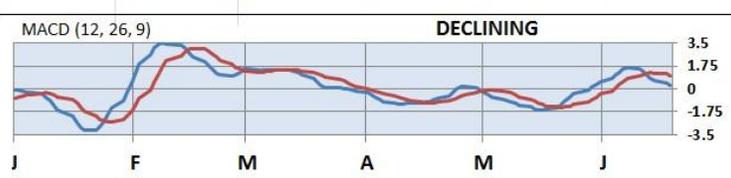
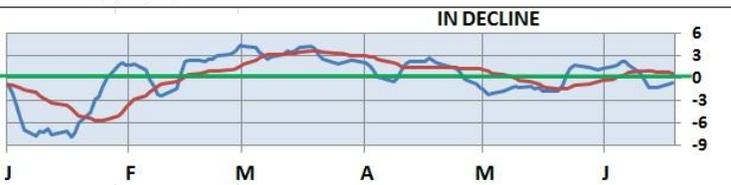
The 10 year yield jumped up with strength after reaching the Feb lows and the bottom side of the Mar down-channel. Although the rise today was impressive, and it could rise further to possible 1.85%, the 10 year yield still remains under pressure. To show signs of solid strength, the 10 year yield must rise above the Mar downtrend on a 2dc above 1.88. Otherwise, and as Spinner suggests the 10 year yield is more likely to continue its decline after a ST bounce up. Low interest rates and weakness in the dollar will continue to give gold added strength.

COPPER JULY 2016 (HGN16) 6/21/2016 CLOSE= 2.116

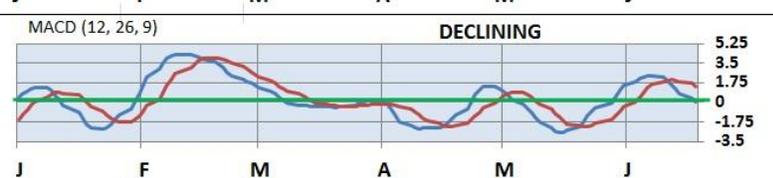


Inflation picking up? Copper held at a key support level above 2 and bounced up above the Apr downtrend showing signs of strength. Spinner seems to be turning the corner ST. It's peeking above zero showing momentum shifting to the upside. If copper can now stay above 2.10, it'll likely rise to the Sept downtrend near 2.25. Keep in mind, copper must break above this level to see signs of a trend reversal. On the downside, if copper fails to break ST resistance, it'll remain sluggish and downside pressure would likely resume. Deflationary forces could then re-emerge putting downside pressure on interest rates and the dollar.

SPDR DOW JONES INDUSTRIAL (DIA) 6/21/2016
CLOSE= 178.06



Shares Transportation Average (^IYT) 6/21/2016
CLOSE= 137.26



New Recom

Stay out.

Lackluster. The Industrials continued to move sideways and the Transports remained on the decline. However, it's interesting to note that decline in Transports stopped at the May lows, confirming a key support level. The May lows for both averages (Industrials: 17,435 (DIA: 174); Transports 7,500 (IYT: 134)) are key levels to watch for this week. If broken to the downside, the averages will resume their bear market declines. Spinners for both averages declined below zero showing a shift in momentum ST. This tells us pressure remains to the downside and more lows are likely. We continue to hold SDS to gain from stock market weakness. Keep your position for now.

ADEN GOLD STOCKS ADV/DECLINE 6/21/2016

CLOSE = 4501



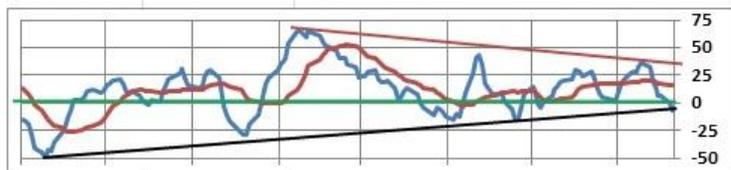
HUI GOLD BUGS INDEX (HUI) 6/21/2016

CLOSE= 220.55



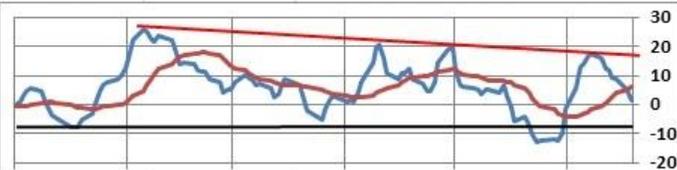
SPINNER (3, 16, 16)

DOWNSIDE PRESSURE INCREASING



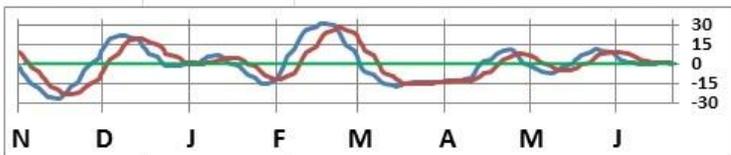
SPINNER (3, 16, 16)

VULNERABLE BELOW MT MA



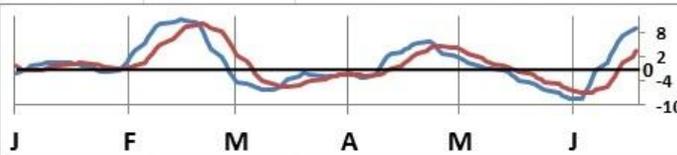
MACD (12, 26, 9)

NEUTRAL TO BEARISH



MACD (12, 26, 9)

REACHING OVERBOUGHT LEVELS = UPSIDE LIMITED



HUI failed to clearly surpass its resistance at the 233.46 level on a 2dc this past week. Like gold, HUI rose with strength intraday but it failed to maintain strength and backed down below our key level at 233.46. Spinner confirmed ST weakness by resisting at a downtrend of its own. MACD is also topping showing limited upside. Although the A/D Line is showing strength by holding above its 75 day MA, it's also showing subtle signs of ST weakness. The A/D Line's Spinner is most telling as it resisted below its own downtrend and resumed a decline since Feb this year. Keep in mind, HUI remains within a bullish ascending triangle by staying above 215. Remember an ascending triangle is a bullish continuation pattern and a breakout above resistance would signal a continued rise. This means, HUI must break resistance at 233.46 on a 2dc to see renewed strength and another leg up in gold shares' current rise. On the downside, if HUI continues to decline, breaking below its bullish uptrend since Jan on 2dc below 215, it'll show weakness that could push HUI to the bottom side of the sideways band near 195. A 2dc break below 195 could push HUI to its 155-165 support area. Our gold shares strategy will remain as it was last week. To keep our cool and have patience. If gold shares decline within a normal correction, we'll take advantage of weakness to buy again to gain on the upside.

STOCKS



PROSHARES ULTRASHORT S&P500 (SDS) 6/21/2016 CLOSE= 18.11



ProShares UltraShort S&P500 (SDS)-NYSEArca

Long at:	18.90 (May-4-16), 18.55 (May-11-16), 18.85 (May-18-16), 18 (Jun-2-16), 18.30 (Jun-15).
Stop:	Sell if S&P 500 rises above 2130 on a 2dc.
Profit Target:	21.50 & 23.50
New Recom:	Keep your positions.

SDS continues to chug upward while Spinner shows growing momentum since May. However, the stock market is showing resilience by holding near the highs. The S&P 500 must break below 2042 to see a steeper downward correction that could boost SDS. SDS's initial target and resistance is at the Mar/May downtrend near 19.25. A clear break above this level on a 2dc would show renewed strength that could push SDS to our first target. Keep your positions for now. Don't sell unless the S&P 500 rises to new all-time highs above 2130.

ProShares UltraShort Bloomberg Crude Oil (SCO) 6/21/2016
CLOSE= 79.38



ProShares UltraShort Bloomberg Crude Oil (SCO)-NYSEArca

Long at:	82 (Jun-2-16), 74.50 (Jun-8-16).
Stop:	2dc below 74
Profit Target:	100 & 120.
New Recom:	Keep your positions. Sell half at first profit target.

SCO rose with strength above its bullish downside wedge with upside target near 120. Spinner confirming strength as it remains within a bullish uptrend since May. SCO pulled back yesterday on news that was bullish for crude. However, the trend remains in SCO's favor and we recommend keeping your position as long as crude stays below 51.50. The equivalent level on SCO would be 74 (our stop loss).

Agnico Eagle Mines Limited (AEM) 6/21/2016 CLOSE= 49.64



Agnico Eagle Mines Limited (AEM) - Nyse

New Recom: Buy some at 45. Buy more below 40. Place stops at 2dc below 35. Profit targets at 60 & 72.

AEM continued to form a toppy pattern near its recent highs showing weakness. It broke below a bearish upside wedge with a downside target near 45 while Spinner shows momentum shifting towards the downside by breaking below its MT MA. We recommend taking advantage of weakness and buying some AEM near 45. If AEM declines further to its support near 35, we recommend buying more.

OPEN POSITIONS

Symbol	Trade Update &/or Current Position	Status (L=Long, S= Short, O= Out P= Put C= Call)	Initial Entry Date	Initial Entry Price	Traders re-bot/ -sold at	Last Closing Price	Stops	Target #1	Target #2
SHARES									
AEM	Buy some at 45. Buy more below 40. Place stops at 2dc below 35. Profit targets at 60 & 72.	O				49.64	2dc below 35	60.00	72.00
SCO	Keep your positions. Sell half at first profit target.	L	June-2-16	82.00	74.50	79.38	2dc below 74	100.00	120.00
SDS	Keep your positions.	L	May-4-16	18.90	18.55, 18.85, 18, 18.35	18.11	S&P 500 rises above 2130 on a 2dc	21.50	23.50
MARKET LEADERS									
Gold - GCQ16	Keep your positions. Buy more near 1200.	L	Mar-4 & 7-16	1260.00	1208.00	1272.50	2dc below 1165	1400.00	1500.00
Crude- CLQ16	Keep your positions.	P				49.85			
Silver SIN16	Keep your positions. Buy again near 16.	L	May-31-16	15.95		17.32	2dc below 15.75	18.00	20.50
US Dollar DXU16	Stay out.	O				94.06			
COPPER HGN16	Stay out.	O				2.12			

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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
LOC	line on close
LT	long term
MT	medium term
NL	neckline
PF	portfolio
PO	price objective
Recom	recommended
RH&S	reverse head & shoulder
RS	relative strength
ST	short term
Sym/tri	symmetrical triangle
Tgt	target
Unch	unchanged
Vol	volume
Wk	week
Ystdy	yesterday
C	close

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