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

*Welcome* to GCRU #404 on June 23, 2010 (in its 9<sup>th</sup> year). •••• The bullion banks have been shorting gold in a desperate effort to stop the rocketing gold price. Finally, at \$1,264, on June 21 (a *Gann* date, when mkts often change direction) they managed to cap the price in a final short-selling frenzy. Victory for this round went to the bears, the villainous bullion banks, acting for certain govt elitist groups. But, as with World Cup soccer, the winner is not who scores first, but who scores most. Gold will be rebounding soon. However, rather than bullion, gold shares will lead the way. Eric DeGroot has done the best research ever on this situation. He tracked gold stocks as a group vs bullion back to 1922. He reports gold stocks have been moving up & down, but have held within a 35-year sideways channel. (See chart page 3) This accounts for gold advocates frustrations. Meantime gold bullion broke out of its parallel sideways action & leapt skyward. Implications, from this study by Eric are that gold shares are about to be liberated & follow bullion. As they do, bullion may lag & shares lead the metal price. Most junior mines are now profitable & they will be a booster for the entire gold share section. This means trading gold shares will now be more profitable than trading gold, spot, futures, forwards, or ETF's. That makes GCRU more likely to be useful/profitable than ever in its 9-year history. Uncle's twin, Jim Sinclair, says of this research by Eric: "*Think what a 35-year sideways consolidation, forming a perfect box, means on a break out. It will be geometric.*" For Eric's work see:

<<http://edegrootinsights.blogspot.com/2010/05/gold-shares-one-step-closer.html>>

Eric says: "*I suggest that a massive breakout of a long consolidation pattern is drawing near. To this I will add that such a breakout will not only take gold stocks higher, but also once again reaffirm their role as leveraged gold plays. Unfortunately, fear, doubt, & lack of discipline will shakeout many investors before history is made.*" We, at GCRU, hope that does not deter our GC family. Monday's bullion sell off is a case in point. Gold shares are the place to be now, more than at any time in some 40-years ☺.



•••• Chart wise, gold bullion popped briefly into new record territory & above its 5-week ascending triangle, with \$1312.50 upside target (basis L/O/C). Since then it has been *struggling* to confirm that breakout. Spinner lines are generally bullish in the daily charts (not yet overbought), and poised to confirm a multitude of fresh bull cues in the weekly charts. Purging short-term H&S top concerns, the gold share indexes have risen to test, or break upside from bullish chart formations. The HUI gold index rose to prod top resistance of a 6½-month bullish sym/triangle, with a 630 upside target (basis L/O/C). Ditto the XAU for a 235 measured target. Our *Schultz Gold Index* (which reflects the action of top R/S gold shares & acts as a leading directional indicator) burst to a new high! Even our gold share *Advance/Decline* line (which determines the breadth of the gold shares participating in the rally), is carving out the right shoulder of a 6½-month reverse H&S, with a 5268 breakout point. All of the above seemingly hints the gold shares are about to go ballistic. But, to play devil's advocate, we ask: are there no rain clouds on the horizon? Technically, nothing insurmountable. However, with the big bullion banks holding near record gold short positions, as outlined last week, it's unsettling that bullion's breakout didn't/hasn't yet triggered a "capitulation" move cum buying spike, signaling the bullion banks have been forced to *throw in the towel* and scramble to cover their shorts. In the same vein, friend John Brimelow notes, "the CME Final for last Thursday indicated that day's \$18.20 rise saw an astonishing 27,638 lots (85.96 tonnes or 4.85%) added to open interest, which at 597,382 lots is

less than 4,000 contracts from the May 17<sup>th</sup> all-time record. Quite possibly Friday will have established a new record. *Ballooning open interest like this is usually indicative a short-term top is being engineered.*” So, we advise extreme caution over the next 3-4 days. Monitor gold’s correction actively, as its depth will test the cabal’s ability to hold back the gold price, or to inflict the maximum damage during their strategic retreat. ●●● The Fed’s misuse of money printing to buy bonds may be coming home to roost. The weekly & monthly dollar charts have formed bearish downside reversals just below major resistance of the November 2008 and March 2009 highs. The daily \$ chart is also topy, but has scope to ride out a rebound before a definite top can be declared. A weak dollar & higher inflation outlook (inflation of *necessities*) could drive commodities & stocks a lot higher. ●●● Russia’s Central Bank increased its gold reserves by a massive 34.2 tonnes, or 1.1 million ounces in May, its biggest one month increase ever. Year-to-date, the Russian Central Bank has added 2.1 million ounces of gold to their reserves, bringing their total holdings to 22.6 million ounces, or around 703 tonnes. Similarly, Saudi Arabia’s Central Bank now says it’s holding more than twice the amount of gold previously reported! This sneaky accounting trick has camouflaged their gold accumulation activities, and magically raises their gold reserve from 143.00 tonnes to 322.90 tonnes. Who better than Central Banks to understand that as quantitative easing dilutes fiat currencies to worth-less-ness, the *higher* the gold price needed to rescue the system becomes. ●●● Palladium is a must buy/trade metal because of bullish supply-demand restrictions, and growing safe-haven demand on top of industrial demand for automotive catalytic converters & fuel cells (which use the metal as a catalyst). Palladium has risen to test April downtrend line resistance (now 505 basis Sept futures), & could consolidate above 480-465 under-market support before a dependable breakout develops. Either way, it’s safer to buy after a dip or a breakout, than at resistance. ●●● The momentum driven speculation that recently clobbered the Oz-\$ & Cad-\$ has reversed direction with similar force & speed. Luckily, our hedges were fire insurance policies that were not rewarded. The recent setback in the Cad-\$ may build into the right shoulder of a 32-month reverse H&S, with 1.2325 theoretical upside target (basis the weekly continuation Cx). The chart formation isn’t perfect, & the target appears extreme, but if the loonie pushes back above parity vs the US greenback, the next leg up could be a blast. Ditto for the Oz-\$ if it breaks above 94.00. ●●● Bullish Consensus list gold at 71%. The US\$ at 60. Both are unchanged from last week. BC say gold is “neutral/bearish today, neutral/bullish intermediate term.” ●●● Today’s password – *challenged* – refers to the epic battle to contain gold’s rise. The gold shares have also been intimidated, although not to the point

where panic selling has occurred, and most remain above important technical support. But, the longer the market hesitates, the weaker the outlook will become – and being shortterm traders we don't believe in mixing longterm views with immediate market realities. So, when a profit is respectable, it's foolish not to take it. For positions with only a modest profit, you can gradually tighten the screws on stops to hopefully ride out this indecision (within logical downside chart limits). If U don't, and the gold market consolidates here, U won't forgive yourself for not banking the best gains &/or tweaking stops to preserve your capital and purchasing power. •••• Gold is up \$4.50 in Europe this AM. The US\$ is down 10 cents. An eerie status quo as both bull and bear camps struggle to control price. •••• Fond regards from your personal chart interpreter ***Uncle Harry***, & co-pilot 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 – 8 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>	<b>Long at:</b> <b>Stop:</b> <b>Profit targets:</b>	Initial entry price: 1206.50 (May-20-10). Traders re-bought at 1258.80 &/or 1258.30. S/T: 1209.50-stop. M/T: 1-dc below 1193.80. Basis Aug: 1292.00 &/or 1330.00 &/or 1368.00.
<b>New Recom:</b>	If out, spec buy Aug bit after 2-dc (or high volume rise/close) over 1255.10; stop: 1209.50-stop. Buy more over 1268.50. Requires a determined break below March uptrend line support (now 1210.00 basis <u>daily</u> chart) to justify new short sales; stop: 30 points above your short entry level; cover bit at 1161.50.	
<b>Comment:</b>	Fleeting break above & setback within 5-week ascending triangle, with \$1312.50 upside target (basis L/O/C). Spinner (thick) confirming line up trending in weekly & daily charts; hints corrective action "should" be short-lived. Dec-June irregular cup&handle (see daily chart); \$1425.00 measured target. A push into new record territory is a tough assignment, but.....	

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



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

<b>Comment:</b>	Gap up rise to new closing high halted by June 21 negative outside reversal. Spinner (thick) confirming line in steadfast uptrend. Green flag flies above May uptrend line support (now 42.20).
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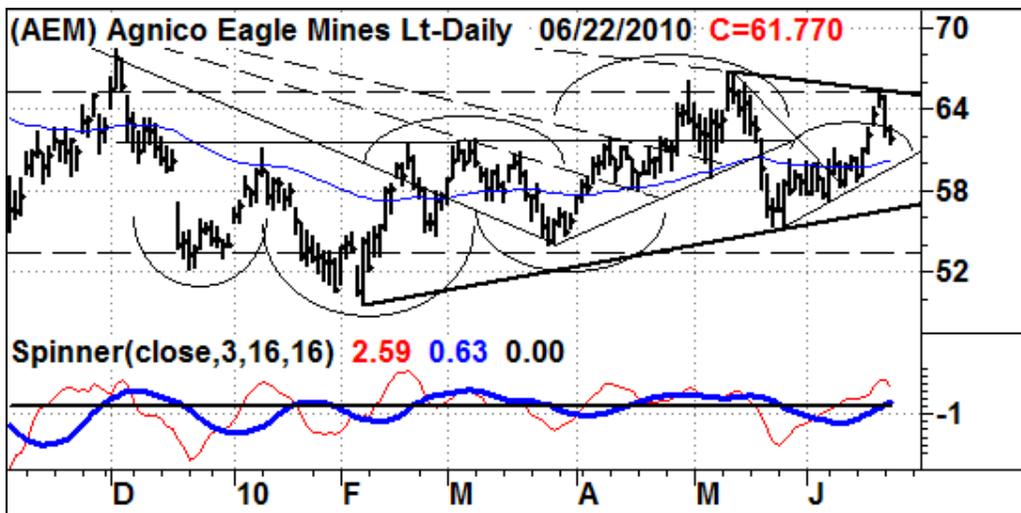
## *Schultz Gold Stocks Advance/Decline Line -- daily*



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

<b>Comment:</b>	Expanding would-be right shoulder of Dec-June reverse H&S; 5430 upside measured target. Spinner in new bullish rotation above zero line. 5268 is major & multi-year resistance, so price may be rebuffed several times before a successful breakout occurs. This chart is updated <u>daily</u> on our website. On the <i>GCRU</i> download page click: <i>View Schultz Gold Stocks A/D Line.</i>
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# GOLD SHARES



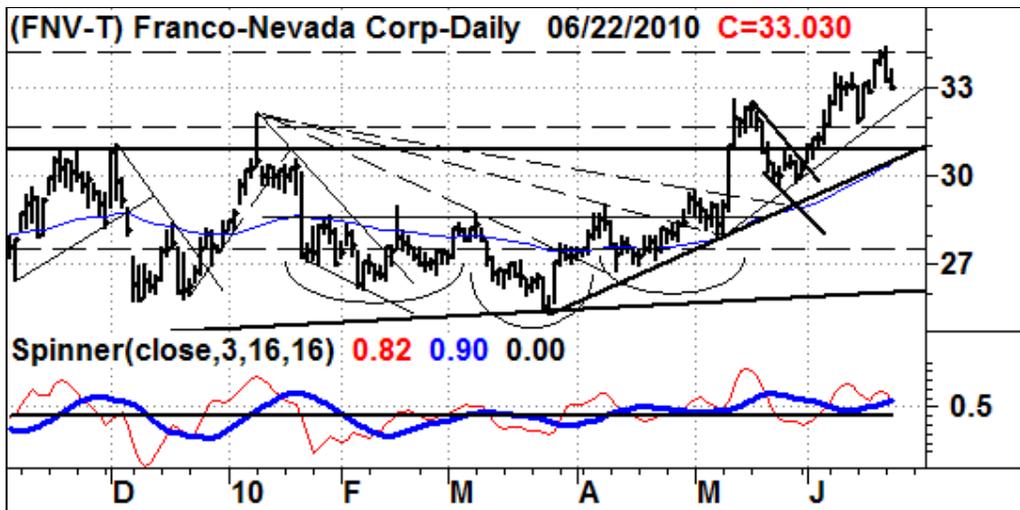
**Agnico Eagle** (NYSE: AEM; Canada: AEM-T); gold: US\$:

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 58.90 (Apr-16-10). Traders re-bought at 63.66 (or better).
	<b>Stop:</b>	S/T: 1-dc below 53.30. M/T: 2-dc below 53.30.
	<b>Profit targets:</b>	72.50 &/or 76.40 &/or 79.80.
<b>New Recom:</b>	If out, wait to buy strength after current dip &/or buy after 2-dc over most recent downtrend line from Oct 2009 peak (now 65.20); stop: 1-dc below 53.30.	
<b>Comment:</b>	Prior H&S top <u>voided</u> via break above June H&S right shoulder. Spinner rising in lower zone of overbought window. Possible sym/triangle development from May high. Cautiously bullish.	



**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 bit at 18.67.
	<b>Stop:</b>	S/T: 1-dc below 15.30. M/T: 2-dc below 14.40.
	<b>Profit targets:</b>	19.25 &/or 20.30 &/or 21.50.
<b>New Recom:</b>	If out, spec buy after 1-dc over 18.90; stop: 1-dc below 15.80.	
<b>Comment:</b>	Shorterm triple top risk vs <u>May-June</u> bullish ascending triangle. Spinner neutral but vulnerable to any weakness in price. Bullish above Mar uptrend line (now 17.15), defensive below.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 30.99 (Sept-16-09). Traders re-bought at 33.90.
	<b>Stop:</b>	S/T: 1-dc below 27.40. M/T: 2-dc below 27.40.
	<b>Profit targets:</b>	35.60 &/or 38.50 &/or 41.20.
<b>New Recom:</b>	If out, gamblers only buy bit if dips to 31.60 & 30.90; stop: 1-dc below 27.40. And/or buy after 1-dc over 34.20.	
<b>Comment:</b>	Spinner crosscurrent. XInt R/S. Will tighten stops on core holdings if/when the 14-month ascending triangle (38.50 target) & upside breakout is clearly validated via a new & significant reaction low.	



**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 bit at 18.80.
	<b>Stop:</b>	S/T: 1-dc below 14.60. M/T: 2-dc below 14.60.
	<b>Profit targets:</b>	20.95 &/or 22.65 &/or 24.35 &/or 25.90 &/or 27.40
<b>New Recom:</b>	If out, spec buy after 1-dc over 19.20; stop: 1-dc below 14.60. Buy more after 2-dc (or decisive rise/close) over 20.10.	
<b>Comment:</b>	Consolidation from May high morphing into possible sym/triangle cum handle of Dec-June cup&handle; 27.40 theoretical target.	



**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 bit at 6.83.
	<b>Stop:</b>	S/T: 1-dc below 4.80. M/T: 2-dc below 4.80.
	<b>Profit targets:</b>	7.15 &/or 7.90 &/or 8.70.
<b>New Recom:</b>	If out, gamblers only nibble buy bit if dips to 6.10 & 5.80; stop: 1-dc below 4.80. And/or buy after 1-dc over 6.90.	
<b>Comment:</b>	Fleeting break to new closing high. Spinner faltering; raises odds for deeper price dip towards Mar uptrend line support (now 5.70).	



**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 bit at 11.24.
	<b>Stop:</b>	S/T: 1-dc below 9.40. M/T: 2-dc below 9.40.
	<b>Profit targets:</b>	12.20 &/or 12.90 &/or 13.60 &/or 14.45.
<b>New Recom:</b>	If out, gamblers only buy bit if dips to 11.10 & 10.80; stop: 1-dc below 9.40. And/or buy after 1-dc over 12.10.	
<b>Comment:</b>	Aggressive pop & setback from new closing high. Spinner (thick) confirming line in steadfast uptrend. "Should" consolidate recent run-up on or above April uptrend line support (now 10.55).	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 25.37 (June-09-10). Gamblers re-bought at 25.95; others at 26.77.
	<b>Stop:</b>	S/T: 1-dc below 23.30. M/T: 1-dc below 22.40.
	<b>Profit targets:</b>	29.30 &/or 31.60 &/or 33.80.
<b>New Recom:</b>	If out, gamblers only buy bit if dips to 25.40; stop: 1-dc below 22.40. All buy again after 2-dc (or dynamic rise/close) over 28.10.	
<b>Comment:</b>	Balking below neckline resistance of Dec-June cup & handle; 33.80 upside target. Possible May peak sym/triangle. Good potential.	



**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 94.98 (or better).
	<b>Stop:</b>	S/T: 1-dc below 77.20. M/T: 2-dc below 77.20.
	<b>Profit targets:</b>	102.50 &/or 108.90. Some took profit at 96.30 ☺
<b>New Recom:</b>	If out, spec buy bit if dips to 91.20 & 88.10; stop: 1-dc below 75.90. And/or buy after 1-dc (decisive) over 95.80.	
<b>Comment:</b>	Dec-May reverse H&S (102.50 target) reinforced via May peak ascending/triangle & upside breakout. Volume supporting price. Spinner up trending above zero. Mini dip then higher?	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 6.76 (Dec-11-08). Gamblers re-bought bit at 26.74; all bot at 28.22.
	<b>Stop:</b>	S/T: 1-dc below 23.40. M/T: 2-dc below 22.40.
	<b>Profit targets:</b>	30.90 &/or 32.60 &/or 34.50 &/or 36.40.
<b>New Recom:</b>	If out, spec buy after 1-dc over 28.90; stop: 1-dc below 23.40.	
<b>Comment:</b>	May peak sym/triangle & upside breakout evolving into 6-week ascending triangle; 34.50 estimated target. Spinner flat. A break above 29.10 on volume should trigger a new burst of strength.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 45.46 (Mar-01-10). Traders re-bought bit at 52.50 & 53.79.
	<b>Stop:</b>	S/T: 1-dc below 45.30. M/T: 2-dc below 45.30.
	<b>Profit targets:</b>	57.65 &/or 61.15. Some took profit at 54.60 ☺.
<b>New Recom:</b>	If out, wait to buy strength after next reaction low &/or buy after 2-dc over 54.00; stop: 1-dc below 45.30.	
<b>Comment:</b>	False stab above & pullback within Dec-June sym/triangle cum cup&handle; 68.00 target. Typically capricious saw tooth action!	



**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 bit at 7.89.
	<b>Stop:</b>	S/T: 1-dc below 6.40. M/T: 2-dc below 5.90.
	<b>Profit targets:</b>	9.80 &/or 10.80. Took profit at 8.10 &/or 8.90 ☺.
<b>New Recom:</b>	If out, gamblers only buy bit if dips to 7.70 & 7.20; stop: 1-dc below 5.90. And/or buy after 1-dc over 9.05.	
<b>Comment:</b>	Overextended & correcting. Likely to shunt sideways/lower for a while to work off shortterm overbought condition.	



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

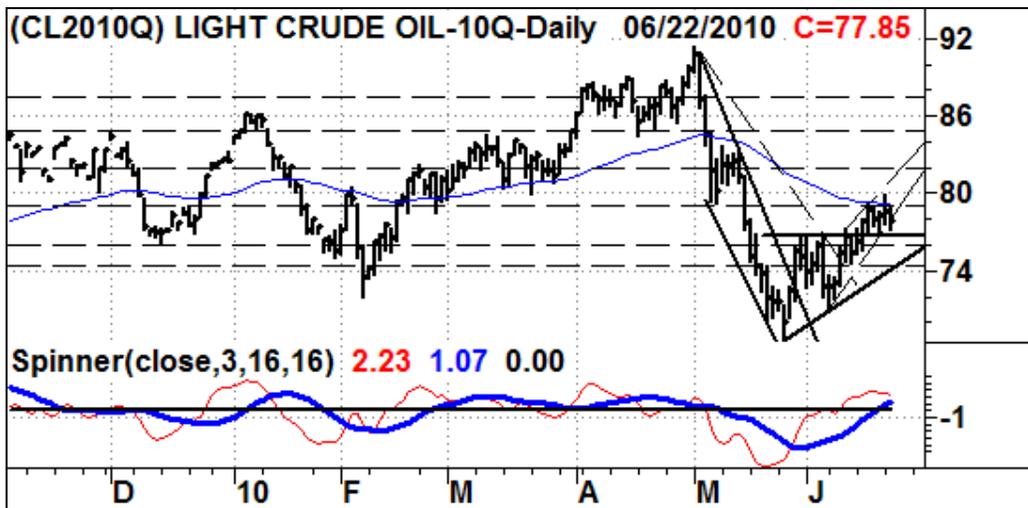
<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 15.84 (Feb-17-10). Traders re-bought at 19.92.
	<b>Stop:</b>	S/T: 1-dc below 16.20. M/T: 2-dc below 16.20.
	<b>Profit targets:</b>	23.50 &/or 25.30. Some took profits at 21.70 ☺.
<b>New Recom:</b>	If out, gamblers only buy if dips to 19.20; stop: 1-dc below 16.20. And/or buy after 1-dc over 21.40.	
<b>Comment:</b>	<u>Hit</u> 21.70 target of Dec-Apr reverse H&S. Double top risk vs May-June ascending triangle. Spinner in short-term negative hook; hints at short-lived price dips only. Everyone should own 1-2 silver stks.	

# FUTURES



**Cotton December 2010 futures – daily chart:**

<b>Open trades:</b>	<b>None:</b>	Traders not in yet.
	<b>Stop:</b>	77.70-stop.
	<b>Profit targets:</b>	Sell bits at 81.10 &/or 82.20 &/or 83.30.
<b>New Recom:</b>	Spec buy Dec after 1-dc (dynamic) over 79.40; stop: 77.70-stop; sell bits at 81.10 &/or 82.20 &/or 83.30.	
<b>Comment:</b>	Irregular 7-month cup&handle & surge upside breakout. Spinner backfilling above zero line. 5-day bull flag. Seemingly pumped & primed for new burst of strength.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 76.78 (June-10-10). Traders re-bought bit at 77.92.
	<b>Stop:</b>	S/T: 75.90-stop. M/T: 74.40-stop.
	<b>Profit target:</b>	81.90 &/or 84.75 &/or 87.45.
<b>New Recom:</b>	If out, <u>wait</u> to buy strength after next mini dip &/or buy after 1-dc over 78.90; stop: 75.90-stop.	
<b>Comment:</b>	Shorterm bear wedge risk vs lackluster rebound on top support of May-June bullish ascending triangle. Spinner in growing negative hook. Must hold 76.80 to keep the higher hopes alive.	



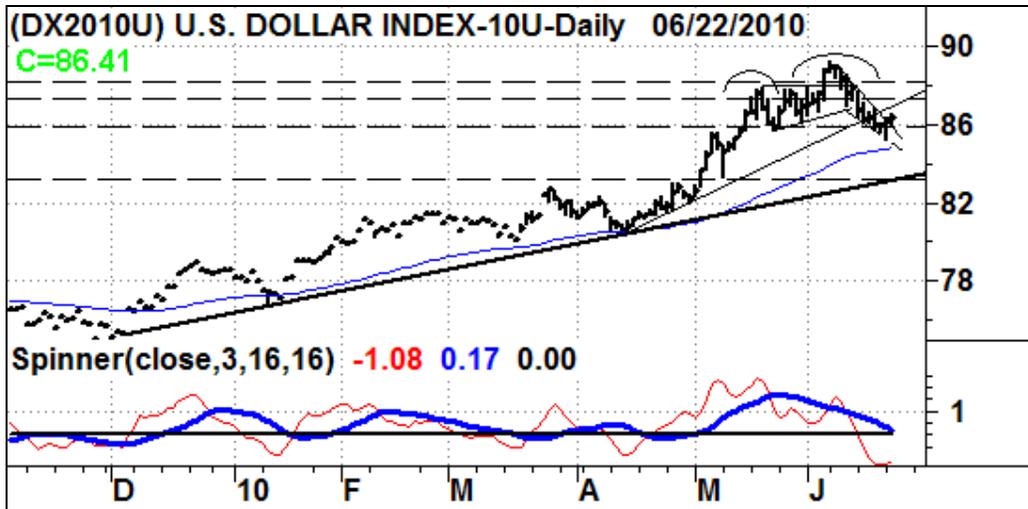
**Silver Sept 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 18.35 (June-09-10). Gamblers re-bought at 18.80; others at 19.23.
	<b>Stop:</b>	17.60-stop.
	<b>Profit targets:</b>	20.75 &/or 21.90 &/or 23.10 &/or 24.25.
<b>New Recom:</b>	If out, wait to buy strength after next significant dip &/or buy after 1-dc over 19.70 (gamblers buy at 19.70-stop); stop: 18.20-stop.	
<b>Comment:</b>	May peak bull wedge; 19.86 target. Spinner up trending. Rising to complete Dec-June cup & handle; 24.25 upside target. Good vibes.	



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

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 1063.00 (June-09-10). Traders re-bought at 1096.50.
	<b>Stop:</b>	S/T: 1068.50-stop. M/T: 1-dc below 1068.50.
	<b>Profit targets:</b>	Sell ½ at 1133.50, & <u>tight</u> trail stop rest.
<b>New Recom:</b>	If long, bank any worthwhile profits <u>at mkt</u> . If out, spec buy after 2-dc over 2 <sup>nd</sup> fan line from April high (now 1125.80); stop: 30-pts below your entry level. Gamblers S/S bit after 1-dc below 1075.00.	
<b>Comment:</b>	Sharp setback below logical right shoulder resistance of Nov-June H&S top. Downside hiccup, or self-fulfilling H&S top prophecy?	



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

<b>Open trades:</b>	<b>Short at:</b>	Exited Sept longs via 85.60-stoploss ☹. Some may have then sold short at 85.36 (June-21-10).
	<b>Stop:</b>	1-dc over 88.10.
	<b>Profit targets:</b>	Take partial profit at 83.10, & trail stop rest.
<b>New Recom:</b>	If out, sell short Sept bit at mkt & if rallies to 87.30; stop: 1-dc over 88.10; take partial profit at 83.10, & trail stop rest.	
<b>Comment:</b>	Shorterm bull wedge <u>vs</u> May-June H&S top. Spinner in persistent downtrend; hints at shorterm price rebounds only.	

June-23-10

## OPEN POSITIONS &amp; 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
<b>Gold shares</b>											
Agnico Eagle Mines	AEM	If out, wait to buy strength after current dip &/or buy after 2-dc over most recent downtrend line from Oct 2009 peak (now 65.20); stop: 1-dc below 53.30.	L	Apr-16-10	58.90	63.66	61.77	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 18.90; stop: 1-dc below 15.80.	L	Feb-12-10	13.31	18.67	18.41	1-dc U/15.30 2-dc U/14.40	19.25	20.30	21.50
Franco Nevada	FNV-T	If out, gamblers only buy bit if dips to 31.60 & 30.90; stop: 1-dc below 27.40. And/or buy after 1-dc over 34.20.	L	Sep-16-09	30.99	33.90	33.03	1-dc U/27.40 2-dc U/27.40	35.60	38.50	41.20
Imgold Corp	IAG	If out, spec buy after 1-dc over 19.20; stop: 1-dc below 14.60. Buy more after 2-dc (or decisive rise/close) over 20.10.	L	Feb-17-10	14.90	18.80	18.00	1-dc U/14.60 2-dc U/14.60	20.95	22.65	24.30
New Gold	NGD	If out, gamblers only nibble buy bit if dips to 6.10 & 5.80; stop: 1-dc below 4.80. And/or buy after 1-dc over 6.90.	L	Apr-05-10	4.79	6.83	6.39	1-dc U/4.80 2-dc U/4.80	7.15	7.90	8.70
Osisko Mining	OSK-T	If out, gamblers only buy bit if dips to 11.10 & 10.80; stop: 1-dc below 9.40. And/or buy after 1-dc over 12.10.	L	May-13-09	5.90	11.24	11.41	1-dc U/9.40 2-dc U/9.40	12.20	12.90	13.60
Pan American Silver	PAAS	If out, gamblers only buy bit if dips to 25.40; stop: 1-dc below 22.40. All buy again after 2-dc (or dynamic rise/close) over 28.10.	L	June-09-10	25.37	25.95 26.77	26.49	1-dc U/23.30 1-dc U/22.40	29.30	31.60	33.80

June-23-10

## OPEN POSITIONS &amp; 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
<b>Gold Shares</b>											
Randgold Res.	GOLD	If out, spec buy bit if dips to 91.20 & 88.10; stop: 1-dc below 75.90. And/or buy after 1-dc (decisive) over 95.80.	L	Feb-17-10	74.42	94.98	94.99	1-dc U/77.20 2-dc U/77.20	Hit at 96.30 ☺	102.50	108.90
Red Back Mng	RBI -T	If out, spec buy after 1-dc over 28.90; stop: 1-dc below 23.40.	L	Dec-11-08	6.76	26.74 28.22	27.40	1-dc U/23.40 2-dc U/22.40	30.90	32.60	34.50
Royal Gold	RGLD	If out, wait to buy strength after next reaction low &/or buy after 2-dc over 54.00; stop: 1-dc below 45.30.	L	Mar-01-10	45.46	52.50 53.79	51.28	1-dc U/45.30 2-dc U/45.30	Hit at 54.60 ☺	57.65	61.15
Semafo Inc	SMF-T	If out, gamblers only buy bit if dips to 7.70 & 7.20; stop: 1-dc below 5.90. And/or buy after 1-dc over 9.05.	L	Mar-03-10	5.00	7.89	8.07	1-dc U/6.40 2-dc U/5.90	Hit at 8.10 ☺	Hit at 8.90 ☺	9.80
Silver Wheaton	SLW	If out, gamblers only buy if dips to 19.20; stop: 1-dc below 16.20. And/or buy after 1-dc over 21.40.	L	Feb-17-10	15.84	19.92	20.28	1-dc U/16.20 2-dc U/16.20	Hit at 21.70 ☺	23.50	25.30
<b>Futures</b>											
Cotton	CT Z0	Spec buy Dec after 1-dc (dynamic) over 79.40; stop: 77.70-stop; sell bits at 81.10 &/or 82.20 &/or 83.30.					79.21	77.70-stop	81.10	82.20	83.30
Crude oil	CLQ0	If out, wait to buy strength after next mini dip &/or buy after 1-dc over 78.90; stop: 75.90-stop.	L	June-10-10	76.78	77.92	77.85	75.90-stop 74.40-stop	81.90	84.75	87.45

June-23-10

## OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

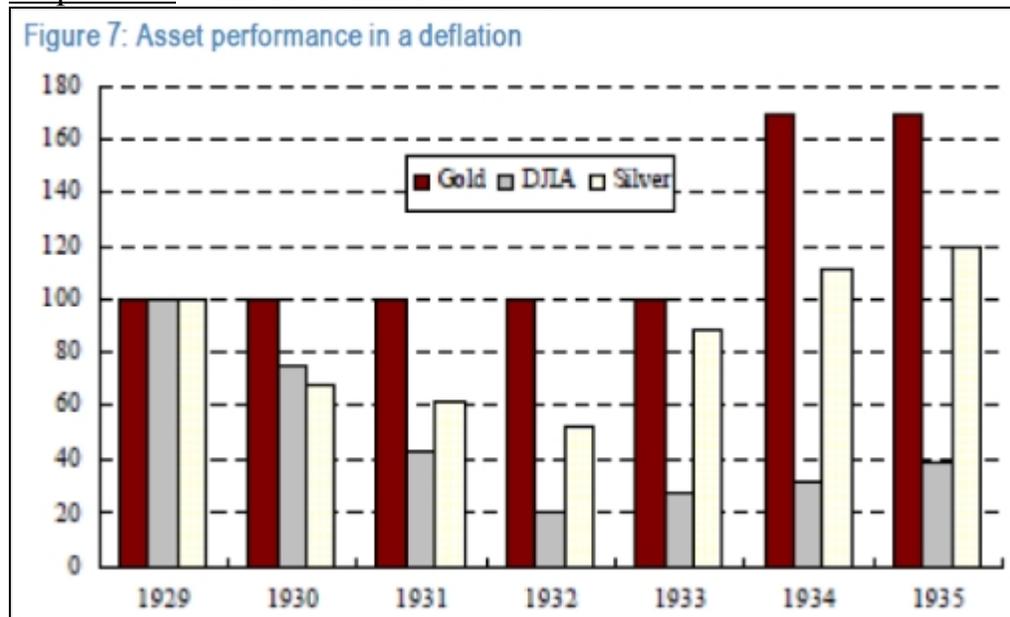
Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
<b>Futures</b>											
Gold	GC Q0	See page 8.	L	May-20-10	1206.50	1258.80 1258.30	1240.80	1209.50-stop 1-dc U/1193.80	1292.00	1330.00	1368.00
Silver	SI U0	If out, wait to buy strength after next significant dip &/or buy after 1-dc over 19.70 (gamblers buy at 19.70-stop); stop: 18.20-stop.	L	June-09-10	18.35	18.80 19.23	18.94	17.60-stop	20.75	21.90	23.10
SP500	SP U0	If long at lower levels bank any worthwhile profits <u>at mkt</u> . If out, spec buy after 2-dc over 2nd fan line from April high (now 1125.80); stop: 30-points below your entry level. Gamblers S/S bit after 1-dc below 1075.00.	L	June-09-10	1063.00	1096.50	1090.50	1068.50-stop 1-dc U/1068.50	1133.50	Tight trail stop rest	
US\$-Index	DX U0	Exited Sept longs via 85.60-stoploss ☹. Some may have then sold short at 85.36. If out, sell short Sept bit at mkt & if rallies to 87.30; stop: 1-dc over 88.10; take partial profit at 83.10, & trail stop rest.	S	June-21-10	85.36		86.41	1-dc O/88.10	Take partial profit at 83.10	Trail stop rest	

••• **Nightmare vision for Europe as EU chief warns: “*democracy could disappear in Greece, Spain and Portugal unless urgent action is taken to tackle the debt crisis.*”** From the UK *Daily Mail*: “In an extraordinary briefing to trade union chiefs last week, Commission President Jose Manuel Barroso set out an ‘apocalyptic’ vision in which **crisis-hit countries in southern Europe could fall victim to military coups or popular uprisings as interest rates soar and public services collapse because their govts run out of money.** Mr Monks, head of the European Trade Union Confederation, said I had a discussion with Barroso last Friday about what can be done for Greece, Spain, Portugal and the rest and his message was blunt: ‘Look, **if they do not carry out these austerity packages, these countries could virtually disappear in the way that we know them as democracies. They’ve got no choice, this is it.**’ Greece, Spain and Portugal, which only became democracies in the 1970s, are all facing dire problems with their public finances. All three countries have a history of military coups. In an interview with the Brussels-based magazine *EU Observer*, Mr Monks said: ‘**This is extremely dangerous. This is 1931, we’re heading back to the 1930s, with the Great Depression and we ended up with militarist dictatorships. I’m not saying we’re there yet, but it’s potentially very serious, not just economically, but politically as well.**’” This isn’t someone from the lunatic fringe predicting chaos, it’s the head of the European Commission. Draw your own conclusions. And fast! ••• **US\$:** “**The mother of all bubbles.**” A bubble is a significant increase in valuation supported by a set of artificial, inexplicable, and otherwise unsustainable conditions, comments *JessesCrossRoadsCafe*. “**Almost all bubbles involve control frauds and the corruption of the media, the analysts, and the regulators, to some degree, through benefits and intimidation.** When the artificial conditions are removed, the valuation of the bubble ‘reverts to the mean,’ ie, a more normal valuation based on the fundamentals, unadjusted and undistorted supply and demand. The US dollar as the world’s reserve currency, and the unusual period of US prosperity, is a non-historical artifact of the post World War II era that can not continue indefinitely. When the reversion to the mean occurs, it is likely that the dollar will have to be reissued as ‘the new dollar’ similarly to the rouble in the post-Soviet adjustment [and elsewhere]. **I do not see the resolution in hyperinflation per se, but I do think the new dollar will have a value of about 10% of the current dollar. In other words, they will knock a zero off the current dollar on surrender for new dollars. For example, if you have \$100,000 in savings, afterwards it will be worth 10,000 in new dollars.** Eliminating 90% of its foreign debt obligations will certainly help to repair the US Balance Sheet. It is possible that this will be accomplished via inflation,

rather than a more formal devaluation, and over a long period of time, say twenty years or so. If this seems impossible to you, then you are not aware that the same thing was accomplished in the US **from 1933 to 2000, or 67 years, during which time the US\$ lost more than 92% of its original purchasing power.** The Fed was merely squandering the nation's wealth, without the advantages of modern financial engineering and deregulation. The next leg down will probably be about three times more efficient, under the leadership of Zimbabwe Ben.” End quote. A sudden dollar devaluation, perhaps synchronized with the devaluation of many other fiat currencies, is possible. The other options are default, or a stealth default via quantitative easing, as a country that prints its own currency can never go “bust.” The downside of this is that fiat *purchasing power* will collapse like a house of cards. •••• **Mortgage finance giants Fannie Mae and Freddie Mac ordered to de-list from the New York Stock Exchange.** “Both companies were placed in conservatorship in September 2008, a form of control similar to what is found in a bankruptcy process. Since then the Treasury Department has poured \$83.6 billion into Fannie Mae and \$61.3 billion into Freddie Mac to cover losses on the trillions of dollars worth of mortgage-backed securities they own or guarantee,” according to *Money.CNN*. “Billions of additional losses are forecast in coming years, with the Congressional Budget Office estimating that nearly \$400 billion in tax dollars will eventually be needed. Fannie Mae and Freddie Mac remain a key source of funding for banks and other mortgage lenders. **Without Fannie Mae and Freddie Mac, lending to home buyers would have completely dried up, home sales and new housing construction would have fallen even more sharply and homes would have lost even more value.**” Subsidized via administratively controlled interest rates & a blank check from taxpayers, Freddie & Fannie are just more examples of a govt gone horribly wrong -- instead of letting unfettered market forces and economic fundamentals determine the success *or failure* of an enterprise. Govt has taken the “free” out of the free market. •••• **“Why should I buy silver?”** There are several reasons to own silver in addition to gold, says *CaseyResearch.com*. “First, it's cheaper! Known as the poor man's gold, those with limited budgets will find it easier to purchase. You might hesitate plunking down \$1,200 for an ounce of gold, but you can pick up 32 ounces of silver for half that amount. Second, silver has wide industrial use and this component can help or hinder its price. As its consumption increases across a growing number of industries, this should help place a floor under demand. And because of its unique properties, new uses continue to be discovered. **Third, silver is money and has served this role more than any other material on earth,** save gold [not true: silver coinage has been used for longer & in more abundance]. **Due to its historical role, silver will always have monetary value and offer similar protection as gold to the ongoing**

**global currency devaluations, and will definitely benefit from the inflation hurricane we see as inevitable. Silver is more practical as a currency used for everyday purchases. When the time comes, you can sell the requisite number of silver coins to cover a specific need, as opposed to being forced to liquidate a high-dollar-value gold holding. Silver is perfect when smaller amounts of cash are required.** Fourth and last, silver could possibly outperform gold before this bull market is over. The market capitalization of silver (and silver stocks) is much smaller, making its price more susceptible to demand spikes than gold. **In the latter part of the 1970s precious metals bull market, gold gained over 700% – but silver soared over 1,400%.”** End quote. We strongly recommend U buy some silver bullion in addition to gold, and stock up on silver coins that can be used for money &/or to barter for goods and services on a day-to-day basis. Most silver stocks are buys now & outperforming gold stocks. ●●● **“Central GoldTrust (Canada - based) announces imminent purchase of 20 tonnes of gold.”** The scramble for physical gold is accelerating, notes ZeroHedge. “Following in the footsteps of PHYS and GLD, yet another gold trust announces a follow-on offering, in which the entire \$800 million outstanding under the firm's previously filed Shelf will be used up. ‘Substantially all of the net proceeds of the offering **will be used for gold bullion purchases**, in keeping with the asset allocation provisions outlined in Central GoldTrust's Declaration of Trust and the related policies established by its Board of Trustees.’ \$800 million is equivalent to 640k ounces at today's fixing, or about 20 tonnes. With this 20 tonnes of gold being sucked out of the market, and GLD's gold NAV hitting another all time high of 1,306 tonnes, (not so) slowly all the gold is being sucked out of the system.” Physical gold supplies are disappearing at an alarming rate while demand is substantially increasing. Conditions are ripe for a shortage. Will the Comex be the next “Madoff” disaster? ●●● **Gold & silver are the best insurance against inflation & deflation.** A study by *JP Morgan* shows that gold & silver both perform well during times of deflation. “Figure 7 shows how, after peaking in 1929, the DJIA fell sharply to less than a quarter of its peak value. Gold, because of its fixed price, was unaffected. Silver fell too, but it significantly outperformed the reported DJIA on the way down. What is also encouraging is that after the deflation bottomed in 1932-1933, silver bounced back quickly, and by 1934 it was higher than its 1929 level. Intriguingly, gold seems to parallel this with its re-pricing to \$35/oz in 1934. This seems to suggest that even after a very tough pre-Keynesian (deficit spending) deflation, the bounce back significantly helped precious metals. **With modern economists already pointing to the money presses as the best medicine against deflation, any post-deflation precious metals bounce is likely to be more vigorous. The performance of silver gives us confidence that precious metals are likely to**

**outperform the general markets in a downturn.** In a really tough deflation, the absolute price levels of the metals could weaken, even as they outperform most other sectors.”



••• **Russia to buy Canadian, Aussie dollars for first time.** Russia may add the Australian and Canadian dollars to its international reserves for the first time after extreme fluctuations in the US dollar and euro, according to *Bloomberg*. “US dollars account for 47% of Russia’s reserves, while euros make up 41%, British pounds 10% and Japanese yen 2%. The central bank has reduced dollars from 50% in 2006, when euros accounted for 40%. Russia’s international reserves, the world’s third biggest, reached \$458.2 billion on June 4. Russia’s push to diversify reserves ‘is more a result of their desire to do something in response to the extreme volatility of the dollar and the euro,’ said Elena Matrosova, a Moscow-based economist at BDO International, the financial consultancy that lists the central bank among its clients. The Canadian or Australian dollar ‘can’t be truly called international reserve currencies because of their very limited liquidity,’ she said.” End quote. Would U rather own a currency “backed” by commodities or paper? Russia has already answered the question! ••• **“Gold reclaims its currency status as the global system unravels,”** observes Ambrose Evans-Pritchard in the UK *Telegraph*. “We already know that the eurozone money markets seized up violently in early May as incipient bank runs spread from Greece to Portugal and Spain, threatening the first big sovereign default of our era. The ECB’s latest monthly bulletin gives us some startling details. It reveals that the bank’s ‘systemic risk indicator’ surged suddenly to an all-time high on May 7 as measured by EURIBOR derivatives and stress in the EONIA swaps market, exceeding the strains at the height of the **Lehman Brothers** crisis in September 2008. **The probability of a simultaneous default of two or more euro-area large and complex banking groups**

rose sharply,' it said. This is a unsettling admission. Which two 'large and complex banking groups' were on the brink of collapse? We may find out in late July when the stress test results are published, a move described by Deutsche Bank chief Josef Ackermann as 'very, very dangerous.' And **are we any safer now that the EU has failed to restore full confidence with its €750 billion (£505bn) 'shock and awe' shield, that is to say after throwing *everything* it can credibly muster under the political constraints of monetary union? This is the deep angst that lies behind last week's surge in gold to an all-time high of \$1,258 an ounce.**" End quote. The strategy of kicking the can down the road has failed. This can only come to an ugly end, as the piper *still* has to be paid, and there will be no handy rescue when confidence or bailout money runs out. Have U got enough gold?

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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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