

- GCRU -

Weekly Trading Service



●●● GCRU #599

●●● August 06, 2014 (in its 13th year)

CHART OF THE WEEK

NORMALLY MOVE OPPOSITE...

DOLLAR RISING MORE THAN GOLD DECLINING



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"Take time to deliberate; but when the time for action arrives, stop thinking and go in"

- Napoleon Bonaparte -

KEY PRICES							
Name/Symbol	Aug 6, 2014 price	Change	July 29 2014 price	Name/Symbol	Aug 6, 2014 price	Change	July 29 2014 price
Gold (GCZ14)	1285.30	-13.00	1298.30	S&P500	1920.21	-49.74	1969.95
Silver (SIU14)	19.833	-0.750	20.583	U.S.Dollar (DXU14)	81.611	0.296	81.315
HUI (HUI)	236.31	-5.49	241.80	30 Year T-Bond (ZBU14)	138 -12	-0 - 18	138-30
Copper (HGU14)	3.2045	-0.0145	3.2190	10 Year T-Note Yield	2.483	0.023	2.460
Oil (CLZ14)	95.78	-2.46	98.24	13-WEEK TREASURY BILL	0.025	-0.003	0.028

GEOPOLITICAL TENSIONS AFFECTING MARKETS

Gold and the dollar are moving in opposite directions. Gold is down and the Dollar is up.

Gold has been under pressure for 4 weeks. It's drifting down below \$1300, while the dollar index jumped up to a 9 month high yesterday.

Better economic news is boosting the dollar. And this in turn is keeping pressure on gold, commodities and the currencies.

But the stock market is moving to a different drummer. The Dow Industrials fell to an 11 week low yesterday as tension escalates in Russia. Their military troops are building up on the border of Ukraine.

Strong earnings in recent weeks kept the stock market strong when geopolitical tensions first pushed it down. But now the snowball decline didn't have a buffer in spite of stronger economic signs.

Is this a coincidence that Russian aggression is happening on the anniversary of World War 1?

Safe haven demand is keeping the bond market firm. And bonds are still poised to outperform the stock market.

It's interesting to see that all systems are saying ... wait just a little bit longer. The metals market and the stock market have one thing in common. Both have room to decline further in the short term.

Take the gold price, our **Chart Of The Week.** You can see it's holding up relatively well under the strong dollar. That is, the dollar index is rising more than the gold price is declining.

This relationship has been off more than on over the past year, since July last year. Both have been in more of a consolidation phase. Gold forming a triangle while the dollar is in a sideways band.

The dollar's recent break up is saying we just may see it rise to the top of its band. And if so, this suggests more conflict and better economic news.

This could put pressure on gold, but with all the tensions in the world today, it's hard to imagine anything more than a testing the

Dec uptrend. Or at worst, testing the December lows.

Gold and silver are resisting at their 65 week moving averages at \$1304 and \$20.75. Plus both have room to decline ST. Both are vulnerable below these levels.

The HUI gold shares index is holding just above its 65 week MA at 230. But interestingly, it's resisting at a one year head and shoulders neckline in dollar terms and in gold terms. And it has room to decline further ST as it continues to form a wide firm bottom area.

Junior shares are also resisting versus the seniors. But most important all of them are still poised to rise further in the intermediate term. Plus silver still has the edge over copper which is a bullish sign.

The **Chart Below** shows the S&P500 composite with its 75 day MA together with the Volatility index below. Most important here is the VIX soaring while S&P falls.

They tend to move in opposite directions. The abnormally low volatility in June and July was telling us a downward correction could be upcoming.

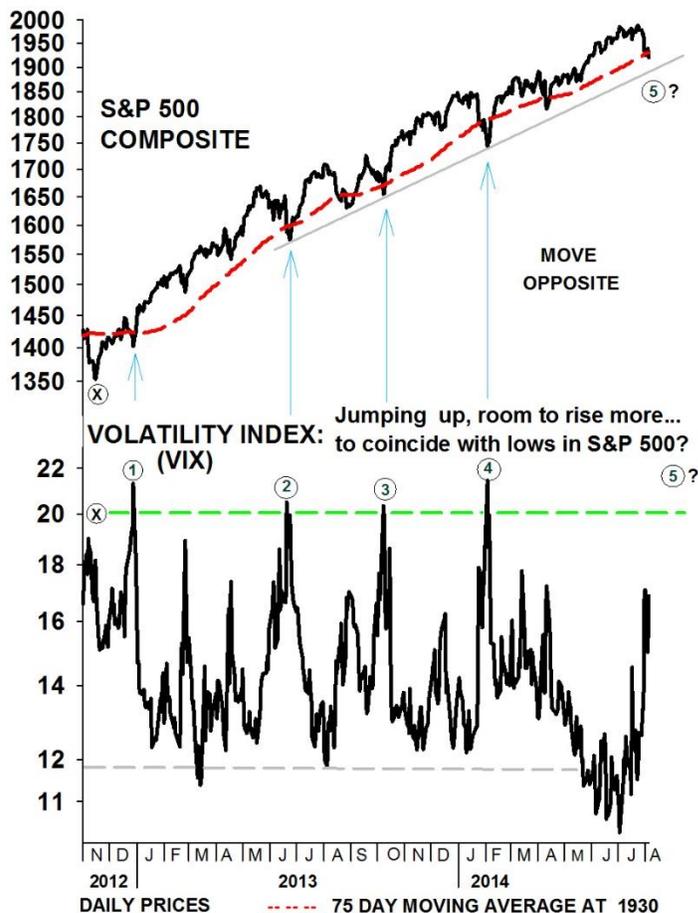
Now it can help tell us when the end of this decline is likely. Note since the rise got underway in Jan 2013, each time VIX rose above 20 it coincided with a low in the market. The vertical arrows show the 4 times this occurred.

And in each case S&P fell below its 75 day MA to the uptrend. This means we could see S&P decline further to this uptrend

below 1900 while VIX reaches the 20 high 20 level.

This means it's still too soon to buy stocks. Waiting a few weeks is best.

VIX SOARED WHILE S&P500 FELL



Our positions continue to hold up well.

We took some profits on half of our AEM position before it collapsed. We continue to hold some and are looking to buy more when it becomes oversold and poised for a rise.

RGLD is holding near its recent highs, just below 80. Although it continues to resist below this area, it also looks poised to rise above it. We have profits built in and recommend holding on to it.

DGP (2x gold) is holding at a ST support but forming a descending triangle telling us more downside is likely. However, if its ST support holds, it could rise once again. We recommend raising your stop loss to this ST support near 28 and keep tight triggers in case of a break below it on a 2dc.

TLT is also holding near the highs as its Spinner forms a bottom at an oversold area **showing more upside potential**. We recommend keeping your positions.

PALL, one of our top performers, has begun to pull back as it approaches a key uptrend and support. It's also becoming oversold and we recommend keeping it and/or adding to your positions on weakness. It's poised to continue rising.

QQQ is holding up better than most stock indexes, and it's also becoming oversold. We'll continue to hold this position until we see a clear reversal or profit targets are hit. We sold our DIAs on Monday via our stop loss near our entry level. Although Dow Theory continues to reflect a bullish stock market, the key Feb uptrend was broken and indicators are showing more weakness ST. We recommend staying out for now.

FXC also hit our stop loss on Friday and some may have sold near our original entry

level. However, FXC is reaching extreme oversold levels and a rebound to test its resistance at 93.50 is likely. We recommend buying again on further weakness.

We picked up some more silver this past week before it declined to its lowest level in over a month, dipping below 20. However, as we've been recommending, take advantage of weakness to buy more or new positions if not in.

Our crude bullish call spreads are weaker than anticipated as it broke below its key uptrend and support level while at an extreme oversold level. The first day of our 2dc below 96 stop loss was hit today. We recommend a little more leeway and waiting for another 2dc below 96 to sell your call spreads for a loss. That is a 3 day close below 96.

Our strategy for this week remains the same. Keep your open positions as they're doing fine. And be ready to buy new positions on further ST weakness as per our open buy orders. Also take profits if they're reached.

Good luck and good trading.

Our warmest wishes to you,
Omar, Pamela and MaryAnne

MARKET LEADERS

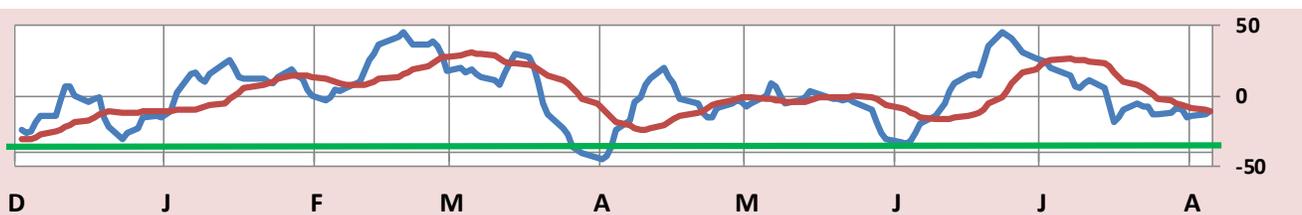


GOLD DECEMBER 2014 (GCZ14) 8/5/14 CLOSE = 1285.3



SPINNER (3, 16, 16)

CONTINUES TO RESIST = PRESSURE DOWN, WATCH MT MA



New Recom: **Holding DGP. Let's watch the downside.**

Downward pressure pushing gold lower as it approaches its key 2014 uptrend & support near 1265. Spinner lackluster as it continues to resist below its MT MA and zero line with room to fall further, showing some vulnerability. If gold holds at its 2014 uptrend, it could then rise to test its first key support at 1300 and then at 1335. However, if gold breaks below its 2014 uptrend & support, a steeper decline could take gold to its June lows near 1240. Or it could re-test the Dec lows near 1200. Stay out for now.

**CALL OPTION
SPREAD #1**

Bought Dec 2015
1600/1700 COMEX gold
call spreads for
approximately \$1,300
(Nov-20-13)

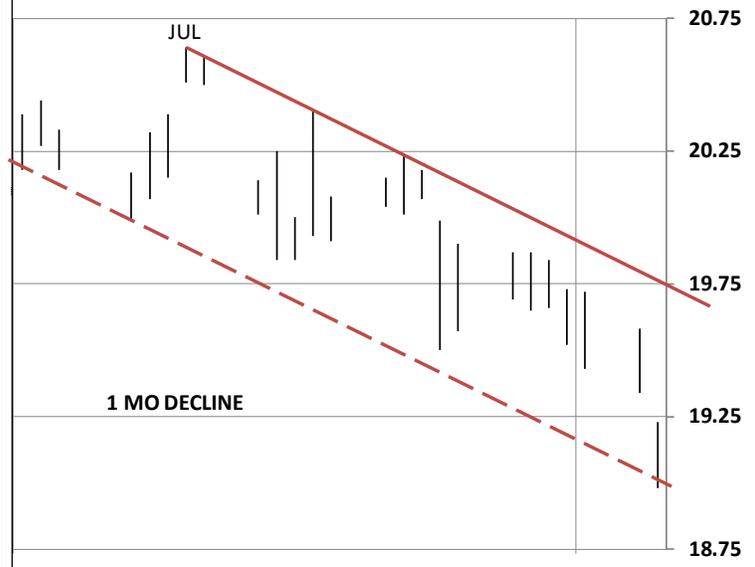
**CALL OPTION
SPREAD #2**

Bought Dec 2015
1500/1600 COMEX gold
call spreads for
approximately \$875
(Jan-8-14)

SILVER SEPTEMBER 2014 (SIU14) 8/5/14 CLOSE= 19.833

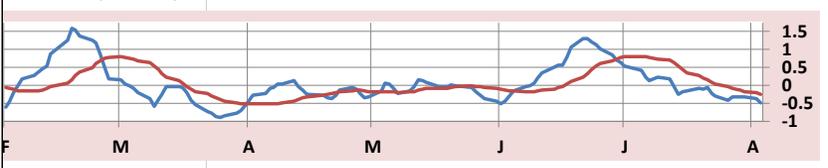


!SHARES SILVER TRUST (SLV) 8/5/14 CLOSE= 19.05



SPINNER (3, 16, 16)

RESISTING = WEAKNESS



SPINNER (3, 16, 16)

NEAR LOWS



Long at:	19.75 (Mar-31-14), 19.75 (Apr-2-14), 19.70 (Apr-9-14), 18.95 (May-1-14), 19.10 (May-9-14), 19.50 (Jun-17-14), 20.50 (Jul 30, 14), 20 (Aug-5-14)
Profit targets:	26, 30 & 37.
Stop:	2dc below 19.
Profit targets:	22 & 24.
New Recom:	Keep your positions. Sell half at first profit target. If not in, buy Silver Sept at 19. Buy SLV at 18.75.

Silver failed to break above its Jul downtrend showing weakness that pushed it to test its May/June uptrend where its forming a symmetrical triangle. Symmetrical triangles are continuation patterns. If silver breaks to the upside, it'll likely continue rising until its next real resistance (Jul highs near 21.50 (SLV: 20.65)). However, if it breaks below it, it'll likely decline to test the May/June low and key support level. Notice Spinner confirming weakness as it also resists below its MT MA. Spinner is approaching an extreme oversold level, however, showing silver has a limited downside. Keep your positions for now.

CALL OPTION SPREAD #1

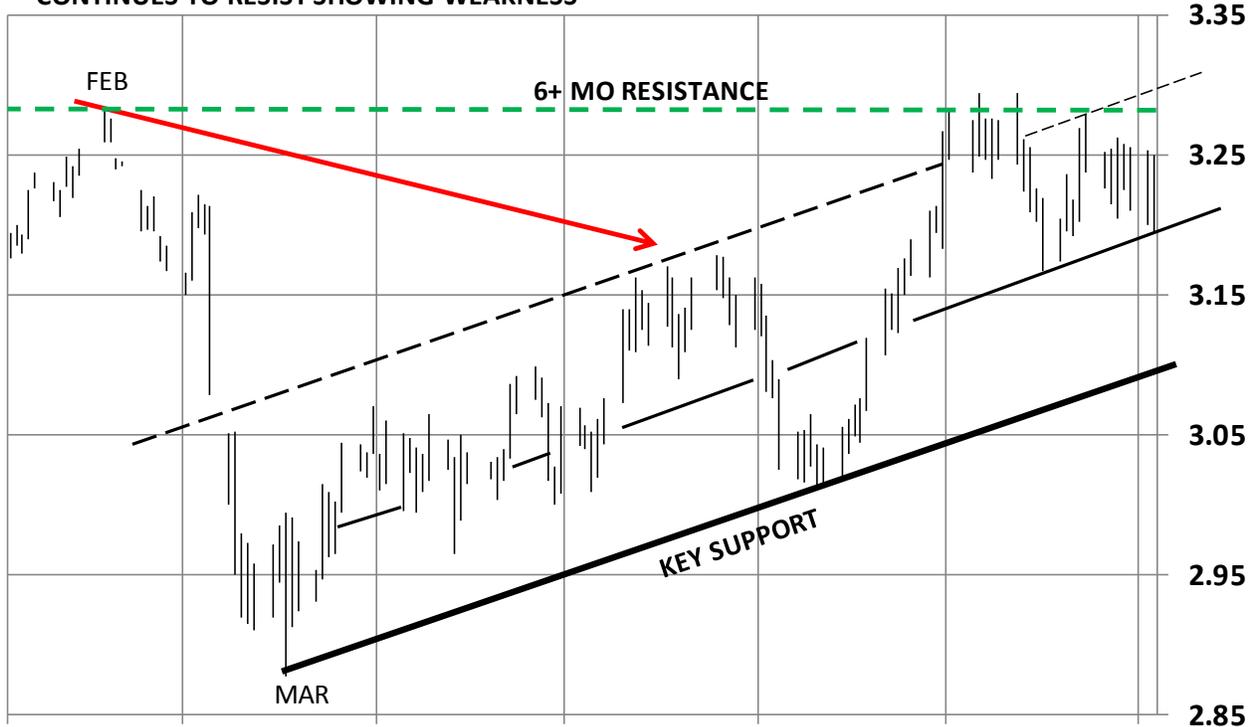
Bought Dec 2015 26/27 COMEX silver call spreads for approx. \$1,010. (Nov-20-13)

CALL OPTION SPREAD #2

Bought Jul 2014 23/24 COMEX silver call spreads for approx. \$725. (Dec-24-13)

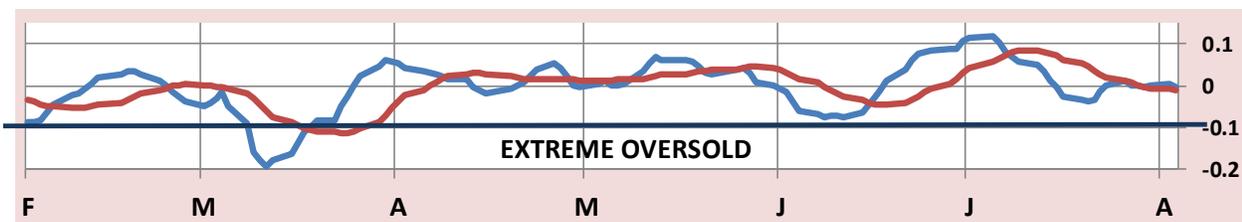
COPPER SEPTEMBER 2014 (HGU14) 8/5/14 CLOSE= 3.2045

CONTINUES TO RESIST SHOWING WEAKNESS



SPINNER (3, 16, 16)

NEUTRAL



New Recom: **Stay out for now. Buy near 3.08.**

Copper continues to resist near the Feb highs. It's been unable to break above this level to confirm strength in 4 + month rise. The mid channel line provides ST support at 3.19. Keep an eye on the Mar uptrend & support as it is key. As long as copper holds above this level near 3.08, it'll continue forming bullish ascending triangle and will be poised to break above its 6+ mo long resistance. On the downside, a break below the Mar uptrend on a 2dc below 3.07, would confirm weakness and a decline to the Mar lows, below 3, would then be likely. Spinner flat not providing much indication. However, keep an eye on it as a break in either direction could signal copper's next move.

LIGHT CRUDE OIL DECEMBER 2014 (CLZ14) 8/5/14 CLOSE= 95.78

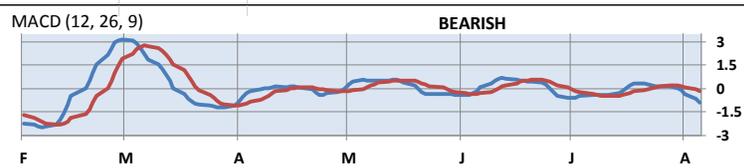
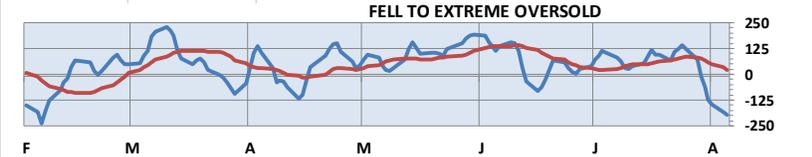


Call Spread	106.50/110 @ 525 on Jul-9-14, 106.50/110 @ 400 on Jul 16-14.
Profit Targets	103 & 106.50
Stop	2dc below 96.
New Recom:	Keep your position. If tomorrow (wed) and thurs crude closes below 96, sell call spreads for a loss. Otherwise, keep your positions.

Crude showing weakness as it broke below its key Mar uptrend and support while Spinner declined into extreme oversold after resisting below the zero line. Geopolitical tension in the Middle East and Ukraine has not really impacted the price of crude. However, we recommend keeping your bullish Dec call spreads as a rebound rise is likely before the year ends.

SPDR DOW JONES INDUSTRIAL (DIA) 8/5/14
CLOSE= 163.92 US\$

DOW JONES TRANSPORTATION AVERAG (^DJT) 8/5/14
CLOSE= 8059.53 US\$

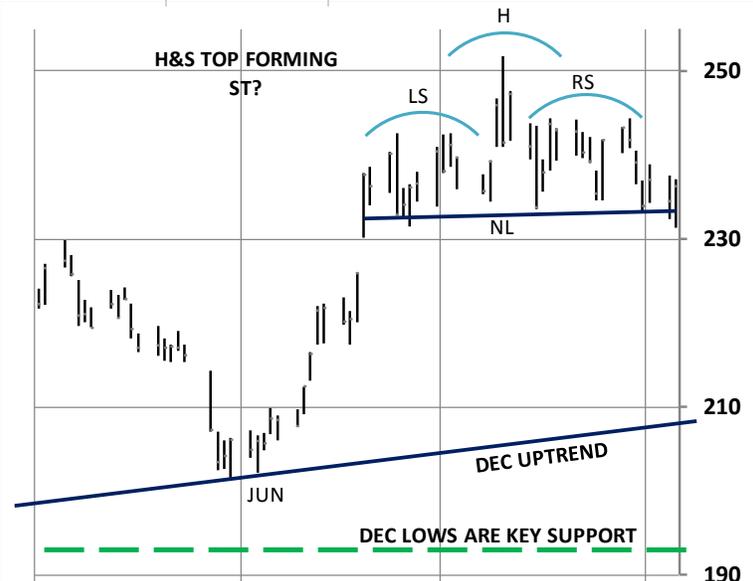
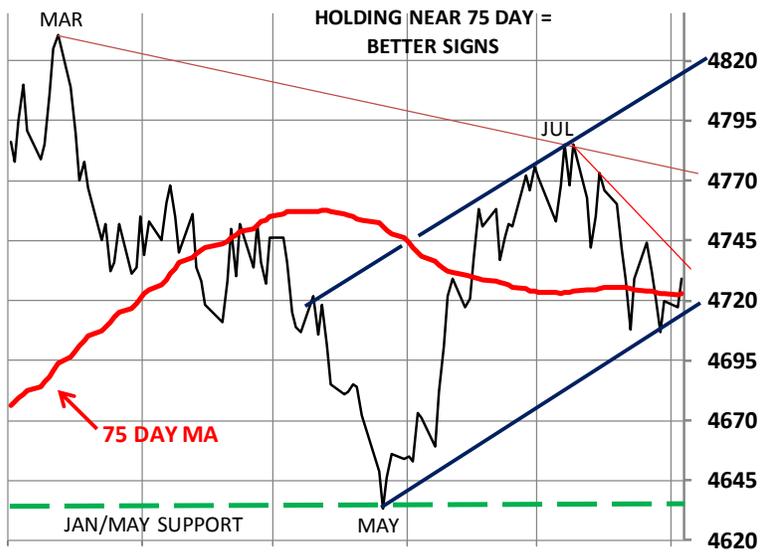


DIA Entry Level	166.50 (May-14-14), 166 (May-28-14), 169.25 (Jul-2-14). Sold via stop loss at 165.30
New Recom	Stay out.

Waterfall decline... DIA broke below its key Feb uptrend and support level hitting our stop loss and showing weakness. Spinner fell to near extreme oversold with some room to fall further while MACD clearly shows more downside is likely MT. However, the bears will have to wait as the DJT has not confirmed. It's holding above the Feb uptrend (7900). As long as DJT holds above this level, it'll be bullish for the stock market. However, a break below it on a 2dc below 7900 would show a bearish Dow Theory confirmation and more downside would then be likely. Notice Spinner for DJT at extreme oversold showing limited downside while MACD still has room to decline.

ADEN GOLD STOCKS ADV/DEC LINE 8/5/14 CLOSE=4729

HUI GOLD BUGS INDEX (HUI) 8/5/14 CLOSE= 236.31



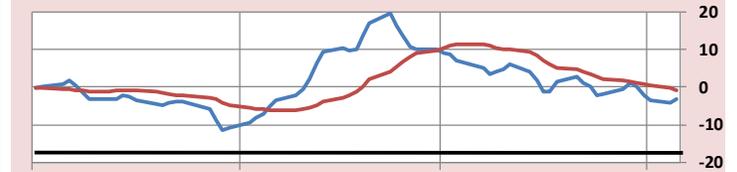
SPINNER (3, 16, 16)

BOTTOM FISHING?



SPINNER (3, 16, 16)

RESISTING BELOW MT MA & ZERO = BEARISH



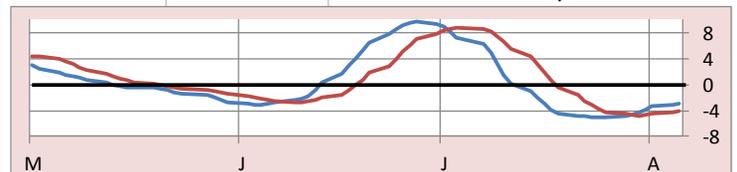
MACD (12, 26, 9)

BOTTOMING AT EXTREME OVERSOLD



MACD (12, 26, 9)

RISING FROM OVERSOLD, ABOVE MT MA!

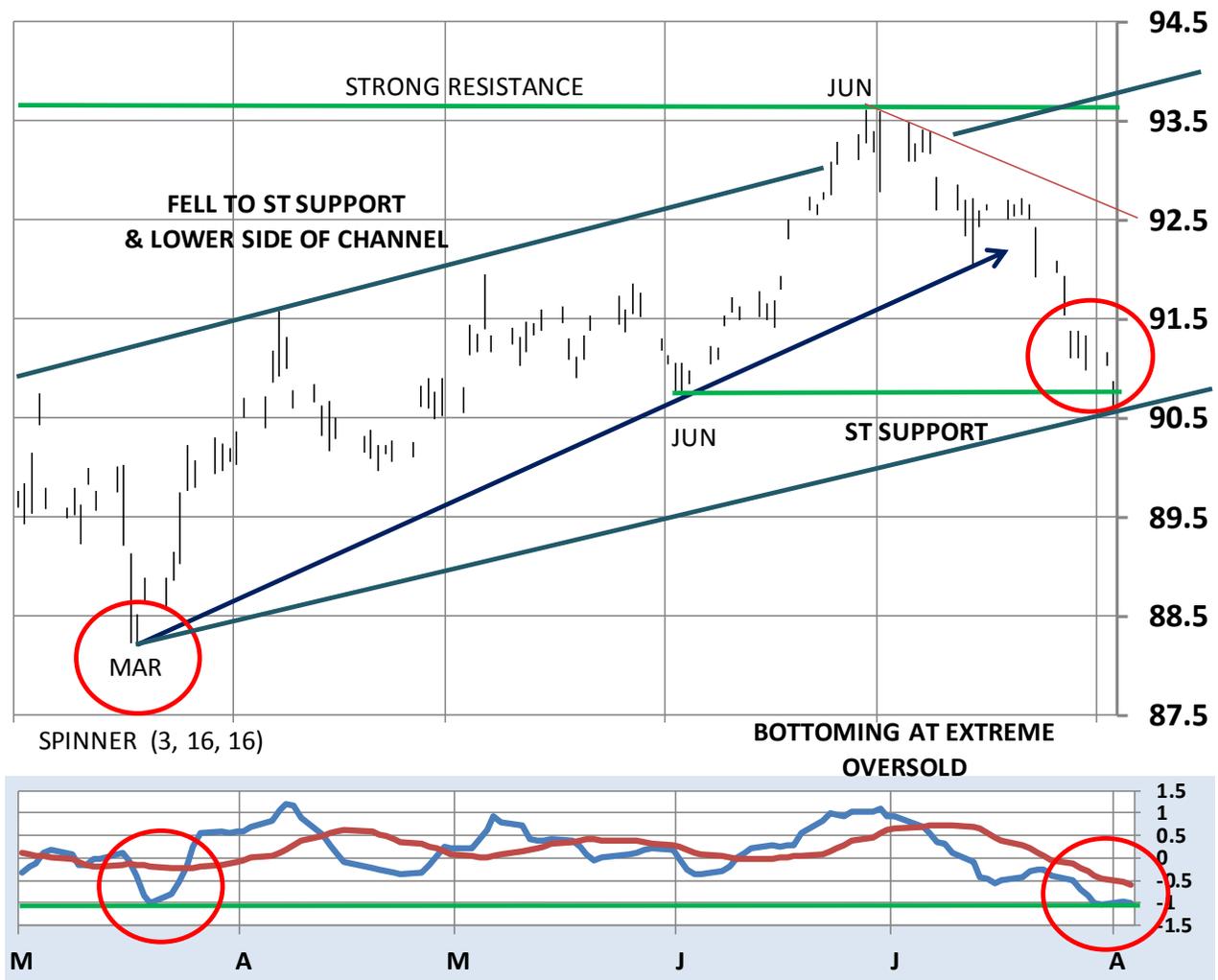


Downside pressure increases... HUI continues to build a base above 230. However, it's also forming a possible H&S top with a downside target of 215-220. A break below 230 on a 2dc could push HUI to this H&S target. Moreover, notice Spinner showing weakness and more downside as it resists below both its MT MA and the zero line. The A/D Line is looking stable, however near its 75 day MA. Spinner for A/D Line is rising from extreme oversold, and looking better. On the upside, it looks like weakness is only ST. MACD for both A/D Line and HUI are starting to rise from extreme oversold levels. This tells us downside is limited ST and a rise after some weakness is likely. We've been taking profits on our gold shares and are still holding some positions. We recommend protecting profits and waiting for more weakness to add to your positions.

STOCKS



CurrencyShares Canadian Dollar Trust (FXC)-NYSE 8/5/14 CLOSE= 90.71 US\$



CurrencyShares Canadian Dollar Trust (FXC) - NYSE

Long at:	91.25 (May-7-14), 91.19 (May-14-14), 91.05 (May-21-14). Sold half at 93.30 for a profit. May have sold balance via stop loss at 91.
Stop:	2dc below 90.50 (adjusted)
Profit targets:	93.50 & 97.
New Recom:	Keep your half position if you didn't sell. Buy some at mkt near 90.75 or lower.

Continues to show weakness as it declines from the Jun highs. However, notice Spinner at extreme oversold level showing limited downside while FXC hovers near a key ST support and lower side of upchannel. Last time Spinner reached current levels, the loonie rallied to the Jun highs. Keep your positions and buy some at mkt as FXC is poised to rebound and test the Jun highs near 93.50.

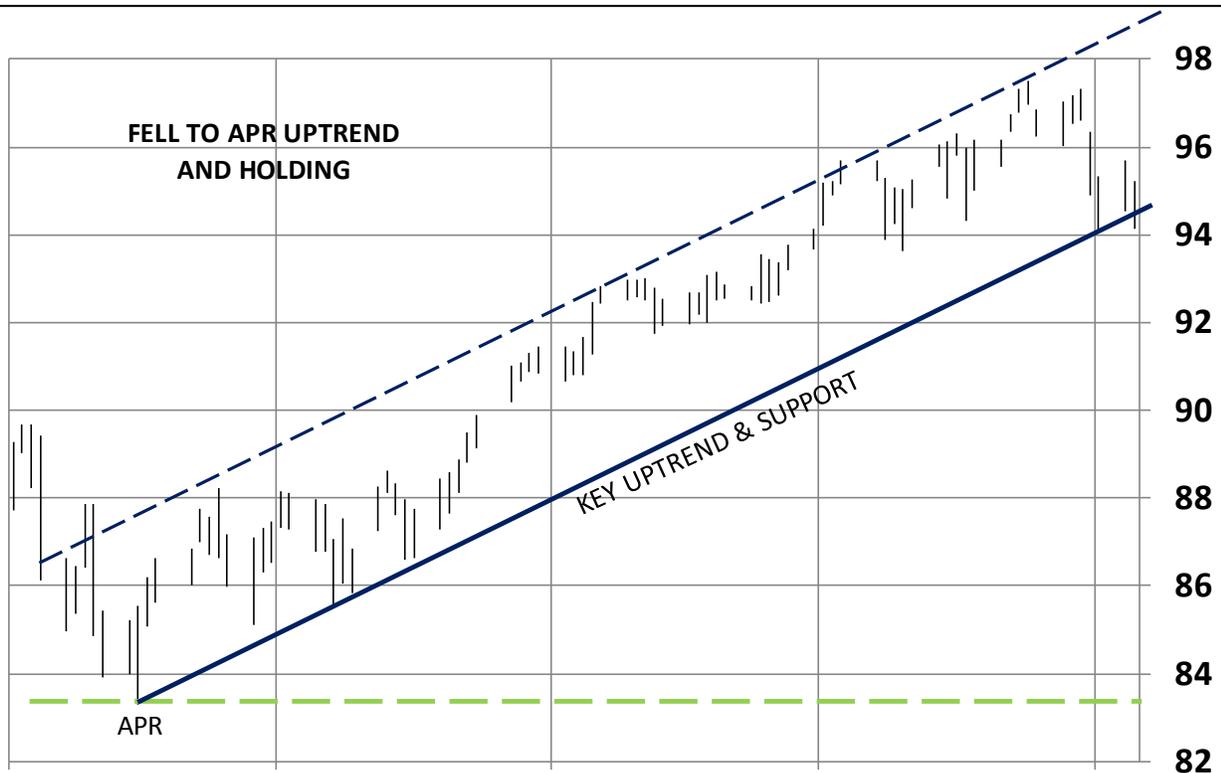
iShares Barclays 20+ Year Treas Bond (TLT) 8/5/14 CLOSE= 114.63



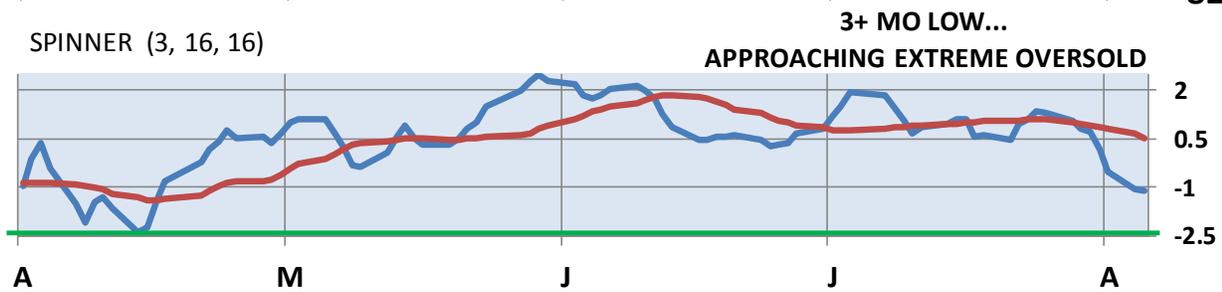
Long at:	114.50 (May-28-14), 111.50 (Jun-4-14), 111.50 (Jun-5-14), 110.95 (Jun-11-14), 111.70 (Jun17-14), 110.90 (Jun-19-14).
Stop:	2dc below 111.
Profit Target	117 & 130.
New Recom:	Keep your positions. Sell half at first target level. Buy more at 111 or lower.

TLT receding after reaching a new high for the move at 116 last week. Notice Spinner in bearish territory while TLT holds above its Mar uptrend near 111. Moreover Spinner's declining starting to curb near extreme oversold levels. This tells us TLT is holding strong and we could see a renewed rise ST-MT. Buy more if TLT declines and holds above its Mar uptrend near 111.

Power Shares QQQ (QQQ) 8/5/14 CLOSE= 94.59 US\$



SPINNER (3, 16, 16)

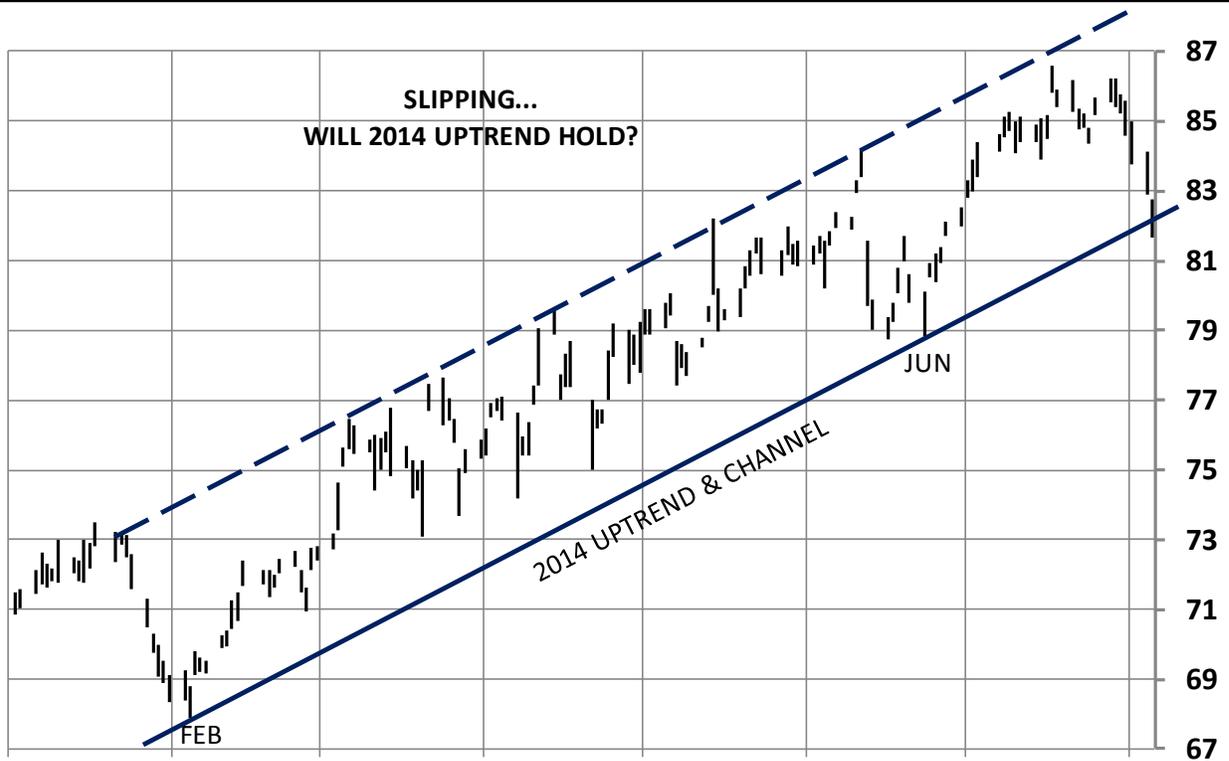


Power Shares QQQ (QQQ) -NasdaqGM

Long at:	95 (Jul-2-14)
Stop:	2dc below 92 (adjusted).
Profit Target:	100 & 105.
New Recom:	Keep your position. Sell at first profit target.

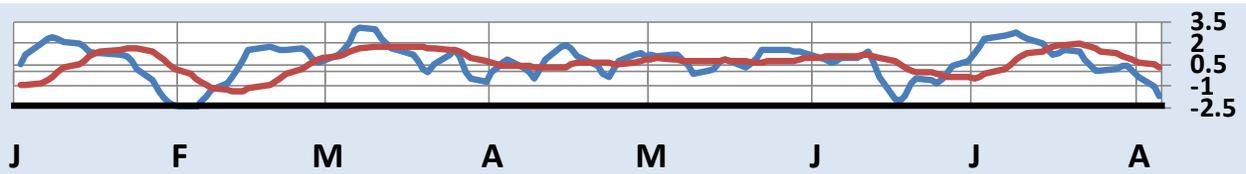
Holding up well despite overall market weakness. Notice QQQ holding at its Apr uptrend as Spinner sinks further to a 3+ mo low. It's now near extreme oversold levels showing limited downside ST. If QQQ holds above the 2014 uptrend, it'll confirm super strength and a rise to test the all time highs would then be likely. On the downside, a clear break below the 2014 uptrend could push QQQ to its next support near 92 (75 day MA).

ETFS Physical Palladium Shares (PALL) 8/5/14 CLOSE= 82.23



SPINNER (3, 16, 16)

ON THE DECLINE.. APPROACHING OVERSOLD

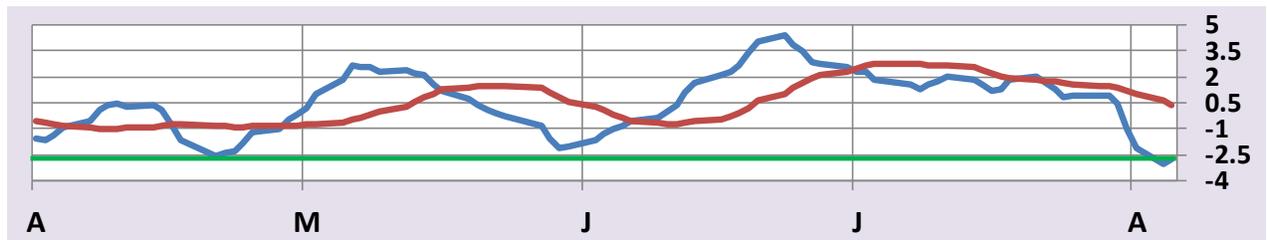


ETFS Physical Palladium Shares (PALL) - NYSEArca

Long at:	82 (830) (Jun-12-14), 79.50 (813) (Jun-17-14), 80.60 (820) (Jun 25-14)
Stop:	2dc below 81 (825).
Profit Target	90 & 98 (925 & 1000)
New Recom:	Keep your positions. Buy on weakness near 81.50.

PALL declined, taking a needed breather from its explosive rise. Spinner below MT MA and zero but approaching an oversold area. This tells us while PALL is weak ST, it's likely to hold near the 2014 uptrend & support. If PALL holds, a rise to the test its recent high would be likely. On the downside, a clear break below the 2014 uptrend would confirm weakness and more downside pressure could push PALL to its next support near 79 (810) (Jun lows).

AGNICO-EAGLE MINES LTD. (AEM) 8/5/14 CLOSE= 37.6 US\$



Agnico-Eagle Mines Ltd. (NYSE:AEM). Also traded in TSX: AEM.TO.

Long at:	37.25 (Jun-25-14). Sold half at 41.25 (Jul-25-14).
Stop:	2dc below 34
Profit targets:	42 (adjusted) & 50.
New Recom	Buy a bit below 37 and more below 36.

AEM broke below its Jun uptrend reaching its upside wedge target near 36.50. It remains well above its key Apr uptrend at 34 while Spinner bottoms at extreme oversold levels. This tells us downside is limited to possibly the Apr uptrend. We recommend picking up some AEM below 37 and more on weakness near 36 that holds above the Apr uptrend (34).

ROYAL GOLD (RGLD) 8/5/14 CLOSE= 76.86 US\$

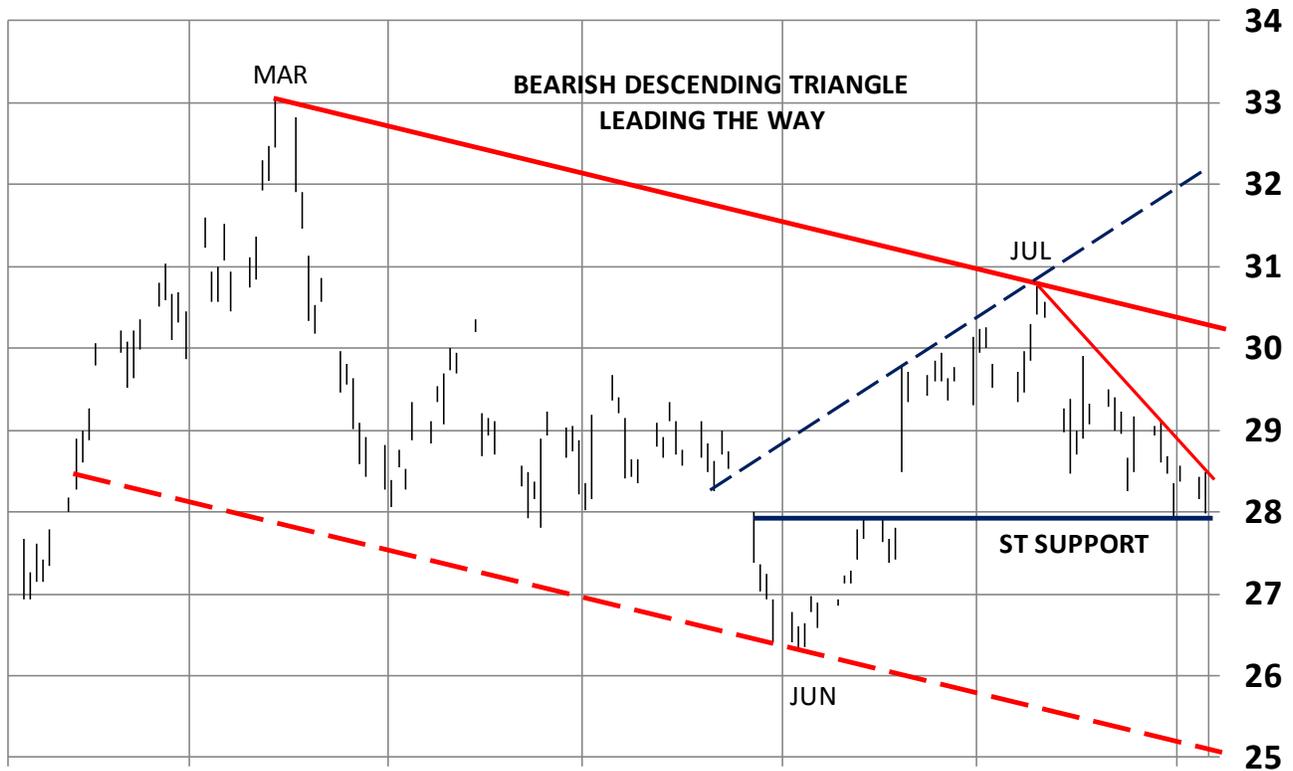


Royal Gold, Inc (NASDAQ: RGLD) Also traded in TSX:RGL

Long:	73.90 (Jun-25-14)
Stop:	2dc below 65.
Profit targets:	85 & 90
New Recom:	Keep your positions.

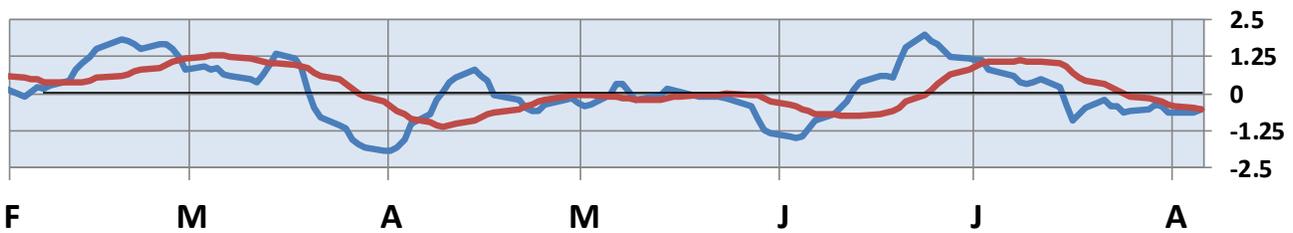
Downward pressure rising as RGLD fails to break above key resistance near 80. Spinner vulnerable as it continues to resist below its MT MA. However, Spinner turning up showing some upside potential. RGLD is firm above 75, the may uptrend, but a 2dc below shows weakness and a decline to test its key 2014 uptrend near 65 could be tested. Remember that the 2014 uptrend near 65 is key support

PowerShares DB Gold Double Long ETN (DGP) 8/5/14 CLOSE= 28.21 US\$



SPINNER (3, 16, 16)

BEARISH... ROOM TO FALL FURTHER



PowerShares DB Gold Double Long ETN (DGP) -NYSEArca

Long at:	29.55 (Jul-3-14), 30 (Jul-9-14)
Stop:	2dc below 28 (adjusted).
Profit Target:	33
New Recom:	Be quick to sell if adjusted stop loss is hit.

DGP continues to fall from the Jul highs forming a bearish descending triangle. Remember that descending triangles are continuation patterns. If DGP's ST support at 28 is violated, we could see a decline to the Jun lows initially or to the bottom side of the Mar downchannel near 25. Notice Spinner resisting below its MT MA and the zero line with room to decline further. This shows strong downside pressure. We recommend raising your stop to 28 (ST support level) and sell on a 2dc break below.

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									
FXC	Keep your half position if you didn't sell. Buy some at mkt near 90.75 or lower.	O				90.71			
TLT	Keep your positions. Sell half at first target level. Buy more at 111 or lower.	L	May-28-14	114.50	111.50, 111.50, 110.96	114.63	2dc below 111	117.00	130.00
QQQ	Keep your position. Sell at first profit target.	L	Jun-2-14	95.00		94.59	2dc below 92	100.00	105.00
DIA	Stay out	O				163.92			
PALL	Keep your positions. Buy on weakness near 81.50.	L	Jun-12-14	82.00	79.50, 80.60	82.23	2dc below 81 (825)	90.00	98.00
DGP	Be quick to sell if adjusted stop loss is hit.	L	Jul-3-14	29.55	30.00	28.21	2dc below 28	33.00	
AEM	Buy a bit below 37 and more below 36.	L	Jun-25-14	37.25		37.60	2dc below 34	42.00	50.00
RGLD	Keep your positions.	L	Jun-25-14	73.90		76.86	2dc below 65	85.00	90.00
MARKET LEADERS									
Gold - GCQ14	Holding DGP. Let's watch the downside.	C	Nov-20-13 Dic-19-13	Dec 2015 Gold 1600/1700		1285.30			
Crude-CLZ14	Keep your position. If tomorrow (wed) and thurs crude closes below 96, sell call spreads for a loss. Otherwise, keep your positions.	O				95.78	2dc below 96	103.00	106.50
Silver SIU14	Keep your positions. Sell half at first profit target. If not in, buy Silver Sept at 19. Buy SLV at 18.75.	L & C	Dec-13-13 Nov-20-13	Dec 2015 Silver 26/27; 19.75	19.75, 19.70, 18.95, 19.10.	19.83	2dc below 19	22.00	24.00
US Dollar DXU14	Stay out.	O				81.61			
COPPER HGU14	Stay out for now. Buy near 3.08.	O				3.20			

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All charts in *GCRU* are daily prices.

Fax subscribers please note this week's password to access *GCRU* daily edition via our website is: (*resistingst*).

Subscribers can obtain free online chart updates for all gold shares in *GCRU* via: www.bigcharts.com. To view Canadian stks please use CA as prefix (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 timing line crosses above or below the slower 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.

ABBREVIATIONS	
	1-day close (the share price must close above or below the indicated price level, before our recommendation is activated)
1dc	
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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